



# 安井食品集團股份有限公司 ANJOY FOODS GROUP CO., LTD.

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

Stock Code : 2648



2025  
ANNUAL REPORT

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# Corporate Information

## DIRECTORS

### Executive Directors

Mr. Liu Mingming  
Mr. Zhang Qingmiao  
Mr. Zhang Gaolu  
Mr. Huang Jianlian

### Non-executive Directors

Dr. Zheng Yanan  
Mr. Dai Fan  
Mr. Zhang Guangxi

### Independent Non-executive Directors

Ms. Zhang Mei  
Dr. Liu Xiaofeng  
Dr. Zhao Bei  
Mr. Zhang Yueping

## JOINT COMPANY SECRETARIES

Mr. Liang Chen  
Mr. Ng Tung Ching Raphael (*FCG, HKFCG*)

## AUTHORIZED REPRESENTATIVES

Mr. Liu Mingming  
Mr. Ng Tung Ching Raphael (*FCG, HKFCG*)

## AUDIT COMMITTEE

Ms. Zhang Mei (*Chairperson*)  
Dr. Liu Xiaofeng  
Dr. Zhao Bei  
Mr. Dai Fan  
Mr. Zhang Guangxi

## REMUNERATION AND EVALUATION COMMITTEE

Dr. Zhao Bei (*Chairperson*)  
Mr. Zhang Gaolu  
Mr. Zhang Yueping

## NOMINATION COMMITTEE

Mr. Zhang Yueping (*Chairperson*)  
Mr. Liu Mingming  
Ms. Zhang Mei

## STRATEGY COMMITTEE

Mr. Liu Mingming (*Chairperson*)  
Mr. Zhang Qingmiao  
Mr. Huang Jianlian

## SUSTAINABILITY COMMITTEE

Mr. Liu Mingming (*Chairperson*)  
Mr. Zhang Qingmiao  
Mr. Huang Jianlian  
Dr. Zheng Yanan  
Dr. Liu Xiaofeng  
Mr. Zhang Yueping

## H SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited  
Shops 1712-1716, 17th Floor  
Hopewell Centre  
183 Queen's Road East  
Wan Chai, Hong Kong



## Corporate Information

### HEADQUARTERS AND REGISTERED OFFICE IN THE PRC

No. 2508, Xinyang Road  
Haicang District  
Xiamen, Fujian Province  
PRC

### PRINCIPAL PLACE OF BUSINESS IN HONG KONG

46/F, Hopewell Centre  
183 Queen's Road East  
Wanchai  
Hong Kong

### PRINCIPAL BANKS

China Everbright Bank, Xiamen Branch  
China Construction Bank, Xiamen Xinyang Sub-branch

### LEGAL ADVISOR AS TO HONG KONG LAWS

Clifford Chance  
27/F, Jardine House  
One Connaught Place  
Central  
Hong Kong

### LEGAL ADVISOR AS TO PRC LAWS

Fangda Partners  
24/F, HKRI Centre Two, HKRI Taikoo Hui  
288 Shi Men Yi Road  
Shanghai, PRC

### AUDITOR

BDO China Shu Lun Pan Certified Public Accountants LLP  
*(Public Interest Entity Auditor recognised in accordance with the Financial Reporting Council Ordinance)*  
4th Floor, No.61 Nanjing East Road, Huangpu District  
Shanghai, PRC

### COMPANY'S WEBSITE

<https://www.anjoyfood.com>

### STOCK CODE

02648.HK  
603345.SH



## Financial Highlights

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

(Unit: RMB in thousands, except for percentage)

	For the year ended 31 December				
	2025	2024	2023	2022	2021
Operating income	<b>16,192,613</b>	15,126,652	14,045,235	12,182,663	9,272,202
Gross profit	<b>3,497,763</b>	3,524,157	3,259,792	2,674,946	2,050,927
Profit before income tax	<b>1,833,369</b>	1,988,276	1,936,209	1,426,811	879,397
Net profit	<b>1,369,523</b>	1,513,619	1,501,160	1,117,504	686,805
Profit attributable to:					
Net profit attributable to shareholders of the Company	<b>1,359,237</b>	1,484,831	1,478,066	1,101,030	682,296
Net profit attributable to non-controlling interests	<b>10,286</b>	28,787	23,094	16,474	4,509
Basic earnings per share	<b>4.40</b>	5.08	5.04	3.89	2.84
Diluted earnings per share	<b>4.40</b>	5.08	5.04	3.87	2.80
Total assets	<b>20,766,685</b>	17,375,098	17,300,428	16,142,715	8,771,470
Total liabilities	<b>4,863,103</b>	4,104,766	4,399,845	4,243,706	3,627,681
Total equity attributable to shareholders of the Company	<b>15,492,623</b>	12,952,529	12,628,023	11,679,284	5,073,421
Weighted average return on equity (%)	<b>9.61</b>	11.48	12.1	10.72	14.66

The Company was listed on the Main Board of the Stock Exchange on 4 July 2025, and is currently listed on both the Shanghai Stock Exchange and the Stock Exchange. As disclosed in the Company's announcement dated 25 August 2025 in relation to the announcement on the alignment in preparation of financial reports in accordance with the China Accounting Standards for Business Enterprises, the Company adopted the China Accounting Standards for Business Enterprises for the preparation of financial reports and disclosure of related financial information on a uniform basis commencing from the 2025 annual financial report. Accordingly, the table above sets out the selected audited financial data of the Group for the five accounting years commencing from 2021, prepared in accordance with the China Accounting Standards for Business Enterprises.



# Chairman's Statement

## FORGING A NEW CHAPTER OF HIGH-QUALITY DEVELOPMENT FOR ANJOY THROUGH INNOVATION AND DIVERSIFICATION

2025 is the final year of China's 14th Five-Year Plan and the year of planning for the 15th Five-Year Plan. While the macroeconomy is making headway against the odds in a complex and changing landscape, the new development philosophy is being deeply implemented, with high-quality development becoming the key theme of the new era. In February 2025, the "Three-Year Action Plan to Optimize the Consumption Environment (2025-2027)", which was approved by the State Council, was officially released as the first policy focusing on consumption environment. Subsequent policies aimed at improving livelihoods and boosting consumption were continuously introduced, along with the accumulating policy effects, not only effectively bolstered consumer confidence and market expectations but also invigorated the consumer market, playing a positive role in driving consumption improvement and upgrade.

As a leading enterprise in the quick-frozen food industry, Anjoy Foods has always adhered to the business philosophy of "food for the people" ("食以民為天") and upheld the development philosophy of "pursuing progress while ensuring stability, and improving quality and efficiency." We deeply align our corporate development with the national strategy, strengthen our foundation through innovation, and explore new markets through global expansion. With steady progress made on both growth and quality, we have delivered a set of results demonstrating resilience and responsibility. In 2025, the Company's operational results continued to rank the top among the industry, its capital structure was continuously improved, and its resilience against risks was further strengthened. Through years of dedicated effort, the Company has ranked first in the industry in terms of revenue, profit, and market capitalization for consecutive years, becoming the first quick-frozen food enterprise in China listed on both A-shares and H-shares, and is selected for the first batch of China's premium consumer brands by the Ministry of Industry and Information Technology, as well as included in the 2025 Hurun China Food Industry Top 100. Our comprehensive corporate strengths and brand influences have steadily improved.



## Chairman's Statement

In terms of product innovation, the Company experienced a strategic shift from “channel-driven” to “new product-driven” growth. Our new product R&D strategy is upgraded to “timely follow-up for business customer and upgrading for individual customers”, creating a product matrix covering all scenarios through a diverse range of products. Driven by new products and sub-new products with high gross profit, the Company leverages the iterative upgrading and structural optimization of our core flagship products to consolidate its competitive advantages in the market and effectively enhanced overall profitability. Notably, our Lock-Fresh product line continued to hold a leading position in the individual customers market, catering to emerging consumer demands from Gen Z, single-person meals, and small families. Our pork sausage business expanded from reaching business customers to providing products with high gross profit for business customers and individual customers. Particularly, the gross profit margin of “Meaty Sausage Series” for the individual customers improved significantly. The shrimp paste series, actively expanded into new scenarios and channels while maintaining a competitive edge in quality, continuously increasing the proportion of high-end products for individual customers. Furthermore, products like the “Huoyuxiansha (活魚現殺)” fresh fish balls and the “Six Rice and Flour Products (米面六小龍)” series (including Coconut Latte Bun (生椰拿鐵包) and Corn Bun (玉米包)) are better aligned with market trends towards diversification and younger demographics, further enhancing our product competitiveness.

In terms of channel building, the Company always adheres to its channel strategy of “multi-channel coverage reaching business and individual customers”, establishing a more balanced and diversified channel structure. On one hand, we continuously optimize our distributor structure, assisting them in shifting from a sedentary distributor, itinerant distributor and end-side distributor, and ultimately to a platform-based distributor, steadily promoting channel expansion. On the other hand, in response to the market trend of “polarization of supermarkets, and the rise of new retail”, we fully implemented a customized strategy for supermarkets in early 2025. We set up a dedicated team to promote deep integration of “technology + sales” and adopt a model of collaborative production between different factories and flexible allocation of production capacities, effectively ensuring the efficient translation of customized demands into production solutions. By the end of 2025, we further introduced an updated model of “controllable large to-B customization”, and implemented tiered management for new retailers and other enterprises based on their importance within our chain system. As a result, we managed to establish deep collaborations with membership supermarkets like Sam’s Club, Freshippo, Pangdonglai, and Aldi, as well as discount stores like Kuailehou (快樂猴) and Haoxianglai (好想來), achieving comprehensive coverage across emerging channels for growth.

In terms of business layout, the Company remained committed to its primary business of quick-frozen food. While continuously strengthening its core competitiveness, it actively expanded into new segments through mergers and acquisitions. In 2025, the Company completed the acquisition of 70% equity interests in Jiangsu Ding Wei Tai Food Co., Ltd.\* (“**Ding Wei Tai**”) and 100% equity interests in Ding Yifeng Food (Taicang) Co., Ltd.\* (“**Ding Yifeng**”), strategically entering the bakery sector with high growth potential and profit, and consolidated these entities into our financial statements from the second half of the year. In the initial stage, the Company established a frozen bakery business division to strengthen coordination and resource allocation, focusing on mid-to-high-end sub-categories like toast, pineapple buns, scones, soft buns and bagels. In October of the same year, the Company reallocated RMB361 million of the net proceeds to fund the Ding Yifeng bakery bread project, further increasing investment in building in-house production capacity and striving to create a new growth curve with complementary advantages in products, channels, and brands. Additionally, the Company officially launched the new project of “Anzhai (安齋)”, which has Halal attributes and connections with “Anjoy” brand, planning to explore the vast Halal food market. The relevant products have received positive feedback during a small scale of trial sales, fully validating their market potential.

\* For identification purposes only



## Chairman's Statement

Seizing the opportunities from the high-level opening up of capital markets, the Company was successfully listed on the Main Board of the Hong Kong Stock Exchange in July 2025 and was smoothly included in the Stock Connect program after the end of stabilization period in early August. Leveraging this international capital platform, the Company accelerates its penetration into overseas markets, focusing on core regions such as Southeast Asia, Europe, and North America. By cooperating with established local distributors, we actively expand diversified sales channels, including supermarkets, restaurants, hotels, and frozen food stores. Taking the Hong Kong Special Administrative Region as an example, in September 2025, nine products from Lock-Fresh product line of mid-to-high-end hot pot food, were launched at over 200 stores of Wellcome, a leading Hong Kong supermarket chain, achieving excellent performance in sales. At the same time, through participating in the Hong Kong Brands and Products Expo, developing the first model block at Chun Yeung Street agricultural trade market, and operating marketing IP account in Hong Kong, combined with multi-media advertising on buses, minibuses, taxis, the MTR, and outdoor billboards, we fully launched Anjoy brand in Hong Kong market, effectively enhancing our brand reputation and recognition in overseas markets and laying a solid foundation for steadily advancing globalization strategy.

The Company places high importance on the institutionalization of shareholder return system. In accordance with the Articles of Association and the Shareholder Return Plan for the Next Three Years (2024-2026), subject to meeting the capital requirements of normal business operations, the annual cash dividend shall not be less than 40% of the distributable profit for that year. In practice, the Company formulates profit distribution plans scientifically, considering its development stage, profitability and capital needs, as well as adhering to the principle of “balancing sustainable development with reasonable shareholder returns”. This approach ensures capital needs for business expansion and long-term development while fulfilling the requirement for regular cash dividends, continuously enhancing the stability, timeliness, and predictability of dividends, and constantly improving investors’ sense of gain and satisfaction. With our solid practices in shareholder returns, the Company was ranked 50th in the “Top 100 Companies by Dividend Payout Ratio” list of China Association for Public Companies in August 2025, fully demonstrating the responsibility and commitment as an industry leader.

As a public company listed on both A-shares and H-shares, Anjoy Foods steadfastly adheres to the ESG development philosophy. We have established an ESG governance structure led by the Board of Directors and have proactively published ESG reports for four consecutive years, providing detailed disclosure on our practices and effectiveness in environmental protection, social responsibility, and corporate governance, integrating social responsibility into our operations. In 2025, the Company continued to deepen its ESG practices in sustainable development governance, food safety and health, ecological conservation, employee and community care, and corporate governance, and focused on eight driving forces including new products and channels. On the product side, we optimized our product portfolio through “three reductions” (salt reduction, oil reduction, sugar reduction) and “nutritional fortification”, and ensured food safety through management and control of the entire process. In terms of environment, we promoted emission reduction initiatives like photovoltaic applications and water recycling, setting clear targets for carbon emissions reduction and energy consumption per unit of revenue by 2030. On the community front, we improved recruitment, training, and welfare systems for employees, and carried out public welfare activities related to rural revitalization and educational support, conveying the warmth and care of a national brand. On the governance front, we standardized the operation of shareholders’ meetings and the Board, and strengthened anti-commercial bribery and risk management. There were no major safety, environmental, or compliance incidents throughout the year, achieving a synergy between business value and social value. At the beginning of 2026, the Company further formulated and improved supporting documents such as the “Environmental, Social and Governance (ESG) Management System”, “Nutrition and Health Policy” and “Climate Change Management System”, solidifying the institutional foundation for enhancing ESG work.



## Chairman's Statement

As time passes by, we embark on a new chapter. With the implementation of the 15th Five-Year Plan in 2026, favorable policies on expanding domestic demand, technological innovation, and high-level opening-up continue to roll out. China's consumer market is undergoing moderate recovery with a more stable yet differentiated trend. As a sector essential to people's livelihoods, the quick-frozen food industry has seen price competition ease since the second half of 2025. Leading enterprises are poised to seize development opportunities in an evolving industry where quality prevails, ushering in new growth opportunities.

Anjoy Foods will closely align with national strategic orientation, upholding its corporate mission of "inheriting Chinese culinary culture, and delivering health and happiness". We will take product innovation as our core growth driver, implement a promotion strategy of "making a new product into a popular one (for business customers), and a popular product into product families (for individual customers)", and continuously enrich our product categories and improve product competitiveness, steadily increasing the sales proportion of new products. We will adhere to the channel strategy of "multi-channel coverage reaching business and individual customers", further advancing the implementation of the "Controllable large to-B customization "initiative, while steadily promoting the "Five Evolutions" process for traditional distributors. We will promote the growth of the revenues of the Company through making an overall arrangement of online and offline, emerging and traditional channels; and actively explore and scientifically implement a production model of "in-region production and distribution + centralized manufacturing", continuously improving our advanced intelligent production capabilities and the level of information-based management and control, and promoting the expansion into segments like frozen bakery and Halal food.

Based on consolidating our leading position in the domestic quick-frozen food industry and continuously improving profitability, the Company will leverage its "A+H" dual listing platform to further accelerate its pace of Going Global after fully establishing its presence in the Hong Kong market. The Company will optimize our overseas sales network and supply chain building, deepen cooperation with overseas distributors and Chinese restaurant chains expanding abroad, and develop customized products tailored to overseas market needs. Depending on the specific characteristics of different markets, we will adopt differentiated models of building our own factories or acquiring brands to focus on expanding into markets such as Southeast Asia, Europe, and the Americas with rapid growth or huge potential. Meanwhile, we will promote the phased upgrade of the Anjoy brand from a national brand to an international brand, continuously expanding brand awareness, enhancing its international image, and striving to become a globally leading quick-frozen food enterprise.

Taking the implementation of 15th Five-Year Plan as the starting point for a new journey, Anjoy Foods will stay true to its original aspirations, and boldly undertake its mission. Through innovation and relentless work, we will forge ahead with determination by firmly focusing on our primary business of quick-frozen food, and stand at the forefront in the wave of global expansion, striving to provide consumers with quality products, create richer returns for investors, build a broader platform for employees, and continuously make contributions to the Chinese-style modernization construction, and embarking on a new chapter of high-quality development for Anjoy!

Chairman of the Board:

Anjoy Foods Group Co., Ltd.

27 April 2026



## Management Discussion and Analysis

The current consumer market is characterized by numerous new trends, with customized and high-quality products becoming the preferred choice for more consumers. The Company insists on enhancing massive consumers' experience and satisfaction with the products of the Company. In the domestic market, it has established a proven track record of successful product innovation, market promotion, as well as standardized and scalable operations.

Since 2025, the Company has proactively responded to developments and changes in the industry and market. Centered on consumer demand and aligned with healthy consumption trends, the Company continues to adhere to its new product planning strategy of “one generation in development, one in production and one in reserve”, and optimize its new product R&D strategy of “timely follow-up for business customer and upgrading for individual customers” and its competitive strategy of “competitor-oriented, channel-oriented and counter-oriented”, upgrading products in ingredients, processes, quality, concepts, and packaging. The overall performance of new products has met expectations. Notably, products such as the Family Bucket Assorted Pack for hot pot ingredients, 400g vacuum sealed exquisite series, shrimp paste series, meaty sausage series and fried eggs with tiger skin and figurative buns have all received positive market feedback within their respective categories or price segments.

The Company supports the transformation and upgrading of distributors by offering new products with higher gross profits, enhancing its terminal network, and providing marketing empowerment. The Company continues to deepen its collaborations with new retail channels such as Freshippo, adjusting from “fully embracing supermarket customization” at the beginning of the year to “promoting customized business with controlled oversight.” This approach has solidified our omni-channel layout with distributors as the foundation, complemented by the coordinated development of targeted channel, supermarket, new retail, and e-commerce. Leveraging social platforms like Xiaohongshu, the Company creates consumption scenarios such as family meals, convenient breakfasts, and light meals and add-on meals, guiding market demand and increasing the supply of quality consumer goods and supporting services.

The Company has accelerated its strategies of “going global” and “bringing in”, leveraging favorable market trends to actively expand into the promising overseas market while maintaining steady operations in the domestic market. On 4 July 2025, the Company officially listed on the Main Board of the Hong Kong Stock Exchange, becoming the first quick-frozen food company in China to achieve an “A+H” listing. Leveraging the H-share platform, the Company steadily advances its internationalization strategy, actively exploring and negotiating export and mergers and acquisitions businesses in overseas markets, as well as in Hong Kong and Macau.

Furthermore, the Company vigorously pursues new growth points. Through the acquisition of Ding Wei Tai and establishment of a bakery business division, the Company integrates its resources and continuously increases investment in the frozen bakery sector. In December 2025, the Company officially launched the new project of “Anzhai (安齋)”, planning to explore both domestic and international Halal food markets. Through these initiatives, the Company has continuously consolidated its leading position in the domestic quick-frozen food industry, fully demonstrating the strong resilience of its business development.



## Management Discussion and Analysis

### MACRO AND INDUSTRY ENVIRONMENT

The quick-frozen food industry of China primarily consists of sub-industries such as quick-frozen flavored and processed products, quick-frozen prepared dishes, quick-frozen flour and rice products and other quick-frozen food categories. According to the data from the industry consultant Frost & Sullivan, China's quick-frozen food industry reached approximately RMB221.2 billion in 2024, making it the world's second-largest quick-frozen food market. Among these, the quick-frozen flavored and processed product segment was still in its growth phase, with a market size of approximately RMB56.5 billion; driven by several factors including increasing diversification of dining options like hot pot, malatang and barbecue, and increasing demand for premium products, the industry is expected to grow rapidly with a projected compound annual growth rate (CAGR) of 7.1% from 2024 to 2029. The market size of quick-frozen prepared dishes in 2024 reached approximately RMB86.8 billion, which was still in its early stages. With the introduction of industry standards and rising consumer demand for delicious, premium and convenient products, the sector is poised for strong growth, with a projected CAGR of 16.1% from 2024 to 2029. The market size of quick-frozen flour and rice products reached RMB77.1 billion in 2024, showing a diversified development trend. Traditional quick-frozen flour and rice products like dumplings, sweet dumplings and rice dumplings have reached maturity relatively, while emerging flour and rice products represented by shumai and Chinese pancakes are gaining significant development opportunities driven by changes in customer preferences and expanding consumption scenarios, becoming the primary growth driver for the industry.

In terms of the global market, in 2024, the market scale of the quick-frozen food industry reached USD417.7 billion. According to Frost & Sullivan, the global quick-frozen food industry is expected to grow at a CAGR of 6.0% from 2024 to 2029. On a regional scale, there are significant structural differences in the development stages of the quick-frozen food industry across different countries and regions. In developed markets such as the UK, the US and Japan, there are well-established consumption habits for quick-frozen food. In 2024, the market shares of the top five companies by business scale were 40%, 43% and 70%, respectively, all significantly higher than the 15% of China. With the continuous expansion of Chinese brands and culture, like Chinese cuisine represented by hot pot, into overseas markets in recent years, the relevant customer base has gradually expanded to non-Chinese groups, presenting new opportunities for the overseas development of quick-frozen food. The quick-frozen food industry in Southeast Asia has just started, with a fragmented market competition landscape, with the market share of the top five companies in terms of business scale below 5%. However, it has a large population and consumption potential, and its culture and consumption habits are similar to China's. It is expected to achieve a projected CAGR of 14% from 2024 to 2029, currently undergoing a phase of rapid development.

Compared to developed markets such as Europe, the US and Japan, China's quick-frozen food industry has significant room for growth. Firstly, driven by expectations of accelerated industry integration, the market share is rapidly concentrating among leading high-quality companies. Secondly, China's restaurant chain penetration rate is only half that of mature markets, leaving substantial room for improvement. This is further driving huge demand for standardized and pre-processed ingredients, promoting rapid growth in the quick-frozen food industry. It is our understanding that currently China's per-capita consumption of quick-frozen food was only 10.0 kilograms, far below that of developed markets (62.2 kilograms in the US, 45.9 kilograms in the UK and 25.3 kilograms in Japan), indicating enormous growth potential. Lastly, the group catering market scale and Western-style catering market of China are expanding quickly, the quick-frozen food industry is expected to benefit from the significant demand for standardization, quality and efficiency.



## Management Discussion and Analysis

On account of the increasing consumption penetration rate in the food and beverage sector and the rising per-capita consumption in the household sector, coupled with the rapid growth of the quick-frozen prepared dishes sub-industry and the improvement of frozen infrastructure, China's quick-frozen food industry is projected to grow at a CAGR of 9.4% from 2024 to 2029, outpacing other food and beverage sub-industries such as staple food, snacks, oil, condiments and liquid milk, indicating a long-term growth opportunity with significant potential.

### ANALYSIS OF INDUSTRY OPERATION INFORMATION

#### 1. The differentiation and upgrading of consumer demand, coupled with innovation in supply-side, drives the sustained positive development of the quick-frozen food industry

From the perspective of catering scenarios, the growing trends towards chain penetration among Chinese catering enterprises drives the demand for standardized ingredients and semi-finished products. Meanwhile, benefitting from the accelerated localization of Western cuisine, along with the popularization of its categories and their penetration into lower-tier markets, quick-frozen foods gain wider application in Western-style dining in China. Additionally, standardized quick-frozen products effectively meet the requirements of the development of group meal market.

China's aging population, intertwined with declining birth rates, increasing elderly dependency, empty-nest households, and regional population shifts, along with the accelerated pace of life and work, has driven growing demand for healthy and convenient food products and consumption scenarios. Quick-frozen foods, being safe, convenient, and quick to prepare, cater to consumers' need for time efficiency in home dining scenarios, thereby stimulating demand for quick-frozen foods.

As people's living standards rise and culinary cultures blend together, the quick-frozen food industry is undergoing significant changes from the supply side. Major players in the quick-frozen food sector are continuously enhancing their innovation capabilities, driving iteration and quality upgrades of the quick-frozen food products. Signature products continue to emerge across various sub-segments to meet consumers' changing consumption habits.

During the Reporting Period, the Company maintained its strategic focus on creating signature products in the quick-frozen food sector to vigorously enhance the competitiveness of signature products across omni-channels, thereby solidifying its industry-leading position. At the same time, leveraging its competitive advantages on a wide range of products and channel expansion, the Company optimized its channel layout and increased investment in emerging channels, further strengthening product profitability and brand reputation of the Company.



## Management Discussion and Analysis

### 2. China provides comprehensive policy guidance for the high-quality development of the quick-frozen food industry

2025 is the final year of China's 14th Five-Year Plan and the year of planning for the 15th Five-Year Plan, and high-quality development becomes the key theme of the era. China drives coordinated development across the entire industry chain from raw material supply, food processing, cold-chain transportation, to channel construction through improving the cold-chain logistics policy system and promoting standardized facilities and equipment. Leading enterprises are encouraged to integrate resources through alliances and mergers and acquisitions, thereby enhancing the industry's intensification level. In addition, guided by the principle of "quality as the foundation, policy as the navigator," the government, while strengthening food safety supervision, encourages enterprises to increase R&D investment in new products, technologies, and processes through industrial clustering and cultivation, supporting brand building and market expansion. In advancing the development of a unified national market, the government encourages enterprises to deepen their presence in the domestic market to align with demand for upgrading consumption, and supports enterprises in expanding overseas to compete in the global market, providing strong policy support for the quick-frozen food industry to establish a "dual circulation" development framework that integrates domestic and international markets.

During the Reporting Period, as a leading enterprise in the quick-frozen food industry, the Company aligned its development with the national strategy. Adhering to the philosophy of "pursuing progress while ensuring stability, and improving quality and efficiency", the Company solidified its foundation through innovation-driven growth in "products + channels", achieving coordinated development of scale and quality. As the Company becomes the first quick-frozen food enterprise in China to achieve a dual "A+H" listing, it accelerates its pace of globalization. In December 2025, it launched the new "Anzhai (安齋)" brand, planning to explore both domestic and international Halal food markets, thereby continuously enhancing its brand influence.

### 3. A continuously improving cold-chain logistics system lays a solid foundation for the healthy development of the quick-frozen food industry

During the period of 14th Five-Year Plan, China's cold-chain infrastructure achieved leapfrog development. In 2025, China continually intensified its efforts in building the cold-chain logistics system by pursuing policy guidance and facility upgrades. Eight departments including the MOFCOM and the NDRC jointly issued the "Action Plan for Accelerating the Development of Digital and Intelligent Supply Chains 《加快數智供應鏈發展專項行動計劃》" which focuses on key areas such as agriculture to promote the intelligent upgrading of cold-chain logistics and support the construction of digital and intelligent supply chain networks. The National Development and Reform Commission added 19 new national major cold-chain logistics bases, expanding the national network to 105 bases with full coverage across all 31 provinces (autonomous regions and municipalities). This move further improved the major "four horizontal and four vertical" cold-chain logistics networks, providing stable support for the smoothness of the entire supply chain of quick-frozen foods from production to the terminal.



## Management Discussion and Analysis

At the market level, the expansion of cold-chain logistics facilities and technological innovation advanced in parallel, injecting strong momentum into the high-quality development of the quick-frozen food industry. Since 2025, driven by steadily increasing market demand for the cold-chain logistics, investment in the cold-chain logistics sector has continued to grow, while the acceleration of digital and green transformation has led to the widespread application of smart warehousing and temperature monitoring equipment, as well as the rollout of green facilities such as rooftop photovoltaics and new-energy refrigerated trucks, continuously enhancing transportation capacity. A sound cold-chain logistics network not only solves the preservation challenges in warehousing and transportation of quick-frozen foods, but also improves circulation efficiency, providing comprehensive support for the healthy development of the industry.

The Company has always placed food safety and product quality at the core of its priorities. During the Reporting Period, it strictly follows national food safety standards and industry regulations, establishing a refined management and control system across the entire supply chain. Through the logistics tracking system, the Company has formed a closed-loop management “from source to terminal”, enabling real-time monitoring of temperature and humidity in refrigerated trucks and cold storage facilities while tracking geographical location and responsible personnel at each transportation stage, reducing losses and ensuring the quality and freshness of products and raw materials.

#### **4. Informatization, digitalization and intellectualization applications inject strong momentum into the development of quick-frozen food enterprises**

In 2025, the trends toward personalized consumer demand and shortened product iteration cycles became more obvious, imposing higher technical requirements for the entire production process involving raw materials trace-back management, flexible production, green packaging upgrades, and intelligent warehousing dispatch. Against this backdrop, the deep integration of intelligent production models and digital management systems is the key to making breakthroughs for the industry. Through the integrated application of industrial robots, AI vision inspection, and IoT sensors, enterprises have not only significantly reduced human operational errors and process delays but also achieved precise control and efficient coordination across the entire production chain, significantly improving production efficiency compared to traditional models.

During the Reporting Period, the Company focused on digital transformation, and comprehensively advanced informatization construction across multiple areas to continuously empower business development and enhance operational efficiency. On the sales side, it introduced a core business dashboard, enabling multi-dimensional data integration and risk warnings to improve decision-making efficiency. On the production front, it launched a safety production platform aligned with the eight key elements of the “Work Safety Law 《安全生產法》” to ensure safe operations. In terms of data analysis, it independently developed a data governance platform to facilitate efficient data flow. Several AI applications were rolled out, covering image recognition, intelligent customer service, meeting minutes, and scenario-based workflows to unlock human potential. In terms of safety issues, the Company advanced anti-ransomware systems, and multi-channel safety publicity and protection systems to reinforce its safety management framework.



## Management Discussion and Analysis

### BUSINESS REVIEW

#### Main Business

The Company is primarily engaged in the R&D, production and sales of quick-frozen food products, such as quick-frozen flavored and processed products (primarily quick-frozen surimi products and quick-frozen meat products), quick-frozen prepared dishes and quick-frozen flour and rice products. After years of development, the Company has established a marketing network centered in Eastern China and extending throughout the country, gradually growing into one of the most influential and well-known quick-frozen food companies in China.

#### Main Products of the Company

The Company's product portfolio comprises over 500 types of products, positioning it as one of the companies with the most extensive product range in the industry. In the quick-frozen flavored and processed product category, the products primarily include those under "Anjoy" brand, such as stuffed meat balls, fish tofu, fish roe bun and pork sausage. In the quick-frozen prepared dishes category, the Company adopts a multi-brand strategy to feature its "Anjoy", "Frozen-food Master", "Anjoy Xiaochu", "Honghu Temptation" and "Liuwu" brands, the products primarily include prepared dishes such as crayfish, shrimp paste, fried crispy strips, beef/lamb rolls, Qianye tofu and egg dumplings. In the quick-frozen flour and rice product category, the products primarily include "Anjoy" branded products such as shumai, steamed buns, Chinese pancakes and brown sugar buns. In July 2025, the Company expanded its frozen bakery business segment by acquiring 70% of the equity in Ding Wei Tai and 100% of the equity in Ding Yifeng, and subsequently included both companies into its consolidated financial statements in the second half of the year. The products primarily include frozen baked goods, such as toast, pineapple buns, scones, soft buns and bagels.

In addition, the Company is committed to focusing on developing 3-5 "strategic signature products" each year. Since its launch in 2019, the omni-channel sales of Lock-Fresh product line of mid-to-high-end hot pot food for individual customers has undergone continuous iterations. While expanding its channels, it has swiftly captured the leading position in the industry, significantly enhancing the Company's profitability and brand influence. Taking 2025 as an example, the Company had 40 signature products each generating annual revenue exceeding RMB100 million, among which five products exceed RMB500 million, demonstrating the comprehensive strength in product research and development, cost leadership, and marketing of the Company.



## Management Discussion and Analysis

The following table sets forth a breakdown of the revenue of principal business of the Group by product category in absolute amount and as a percentage of the revenue of principal business for the periods indicated:

(Unit: RMB in thousands, except for percentage)

	For the year ended 31 December 2024		For the year ended 31 December 2025	
	Amount	%	Amount	%
Quick-frozen flavored and processed products	7,839,075	51.9	8,449,866	52.2
Quick-frozen prepared dishes	4,349,149	28.8	4,820,803	29.8
Quick-frozen flour and rice products	2,464,911	16.3	2,400,465	14.8
Bakery products	–	–	67,955	0.4
Other products <sup>(Note)</sup>	450,183	3.0	437,887	2.7
<b>Total</b>	<b>15,103,318</b>	<b>100.0</b>	<b>16,176,976</b>	<b>100.0</b>

Note: Other products primarily include sales of agricultural by-products, such as surimi, fishmeal and other fishery by-products.

### Quick-Frozen Flavored and Processed Products

As the main product category of the Group, quick-frozen flavored and processed products are primarily made from surimi and/or meat. During the Reporting Period, the Group offered over 200 types of quick-frozen flavored and processed products. These products are consumed across various culinary scenarios primarily including hot pot, barbecue and malatang.

During the Reporting Period, the revenue from quick-frozen flavored and processed products amounted to RMB8,449,866 thousand, representing an increase of 7.8% as compared with the same period of last year, accounting for 52.2% of the revenue of principal business.

### Quick-Frozen Prepared Dishes

The Group's quick-frozen prepared dishes offer a variety of pre-processed and/or precooked and flavored ingredients in the ready-to-heat and ready-to-cook packs. During the Reporting Period, the Group offered over 160 types of quick-frozen prepared dishes. The quick-frozen prepared dishes are suitable for quickly and easily preparing dishes in various settings, including restaurants, other catering businesses, and home cooking. Furthermore, the Group's quick-frozen prepared dishes provide customers with various flavors and choices, allowing for effortless meal preparation even without cooking skills.

During the Reporting Period, the revenue from quick-frozen prepared dishes amounted to RMB4,820,803 thousand, representing an increase of 10.8% as compared with the same period of last year, accounting for 29.8% of the revenue of principal business.



## Management Discussion and Analysis

### *Quick-Frozen Flour and Rice Products*

The Group's quick-frozen flour and rice products primarily focus on quick-frozen leavened products such as shumai, steamed buns and brown sugar buns. During the Reporting Period, the Group offered over 100 types of quick-frozen flour and rice products. The Group's quick-frozen flour and rice products meet a wide range of cooking needs while providing convenience and versatility. The Group's product line caters to diverse consumption scenarios, being available through breakfast restaurants and Chinese culinary restaurants, while also enabling customers to effortlessly prepare staple food in their home kitchens. The straightforward preparation process makes them an ideal choice for customers seeking delicious and quality breakfast during busy mornings.

During the Reporting Period, the revenue from quick-frozen flour and rice products amounted to RMB2,400,465 thousand, representing a decrease of 2.6% as compared with the same period of last year, accounting for 14.8% of the revenue of principal business.

### **Procurement Model**

The Company develops procurement plans based on its current production schedule, enters into contracts with suppliers, and conducts procurement through purchase orders. The Company's procurement of raw and auxiliary materials is primarily divided into two major categories: bulk products such as surimi, poultry and livestock meat and flour; and small-volume materials such as subsidiary agricultural products, additives, condiments and packaging materials. Among these, bulk raw materials with versatility, including surimi, poultry and livestock meat and flour, are procured in bulk or at locked prices based on sales and production requirements, while small-volume materials are procured according to production plans, in conjunction with sales orders and inventory management. The procurement department reviews raw material demand budgets and purchase orders submitted by various departments, selects specific suppliers through price comparison and negotiation, and signs procurement contracts. Purchases are made in installments based on orders. Regarding payment settlement, the Company stipulates settlement terms in procurement contracts, specifying that the Company shall settle and pay for the goods at the agreed price within a certain credit period after receiving and inspecting the goods.

To ensure the quality of raw material procurement, the Company has established strict access management and detailed supplier review processes. Access management includes qualification review, on-site evaluation, sample submission notification, sample confirmation and material trial use. All processes require the selection of corresponding access requirements based on the supplier category. After approval, the supplier becomes effective, and new suppliers can be included in the list of cooperative suppliers. During the new material access and review phase, the procurement department is responsible for the primary tasks of identifying, certifying and introducing suppliers of various raw and auxiliary materials, and also responsible for recommending qualified suppliers and raw materials that have passed qualification certification to the technical center for pilot testing. After the pilot testing is passed, the technical center organizes the quality department, production workshops, and other departments to conduct intermediate testing on the raw materials. If the intermediate testing is passed and the sample is confirmed as usable, the supplier then enters the qualified supplier review phase. The quality department organizes relevant departments to conduct on-site inspections and reviews of the suppliers based on the risk factors and risk levels associated with the raw and auxiliary materials.



## Management Discussion and Analysis

The procurement department establishes a list of qualified suppliers, which is managed and updated in a timely manner by designated personnel. For new suppliers, once they meet the requirements and are included in the list of qualified suppliers for normal procurement, they need to be promptly updated in the list of qualified suppliers. The procurement department leads the implementation of supplier reviews each year. Based on the annual quality management scores, the quality department conducts the reviews. The procurement department considers comprehensive price factors, while the warehouse workshop evaluates delivery efficiency, internal processing and project factors, to score suppliers. Suppliers are graded according to the annual evaluation scores, those scoring below 60 points are excluded in the qualified supplier list, and those scoring above 60 points are included in the qualified supplier list. The decision on future cooperation intentions with suppliers is made in conjunction with actual supply and demand conditions and supplier grades.

Since 2022, the Company has appointed base general managers to concurrently serve as category directors for bulk materials. These directors are responsible for closely monitoring market trends, providing operational recommendations, coordinating order allocation among bases, and managing supplier qualification and admission processes. Each base bears primary responsibility for the quality, safety, and cost of the materials it procures. In 2025, amid economic headwinds and significant fluctuations in material prices, the Group's procurement department focused on ensuring supply security and strictly controlling costs, while actively aligning with production schedules. By conducting standardized tendering and bidding processes for major bulk materials, including starch, livestock and poultry products, packaging materials, and soybean protein, the Group broke through the limitations of existing supplier relationships, eliminated inefficient suppliers, vigorously developed high-quality new resources, and built a competitive, well-tiered supplier portfolio. On the basis of upholding the principles of fairness and impartiality and ensuring full-process transparency, the initiative effectively mitigated single-source risks and achieved a significant reduction in overall procurement costs compared to the previous year, thereby enhancing the Group's procurement efficiency and effectiveness.

### Production Model

The Company's marketing center has an operations department. Relying on sales forecasts, order status, product inventory and other factors, the operations director holds a monthly "production and sales coordination meeting". Each subsidiary's production department develops monthly production plans and adjusts weekly production plans in a timely manner based on production equipment, numbers of front-line employees and product inventory information. These plans are approved and confirmed by the factory general manager and operations director, and production-related department and other departments are then arranged to carry out production, quality inspection and warehousing procedures.

The procurement department calculates material quantities based on production plans through system calculations to determine theoretical procurement quantities. It also analyzes raw material inventory levels, release to various workshops and purchase requests. After comparing quotes, it selects suitable suppliers and ensures timely, quality-assured and quantity-assured supply of all kinds of materials. The production workshops under the production department organize production staff schedules based on received production orders. They are responsible for limited release of raw and auxiliary materials, coordinating on-site production order and maintaining hygiene standards, inspecting and correcting labor discipline and operational procedures, and collaborating with the quality department to inspect different production processes. They also promptly and accurately feedback production-related information to relevant departments. The quality department is responsible for quality inspection and monitoring of raw and auxiliary materials, in-process products and finished products at various production process nodes; the equipment department is responsible for providing,



## Management Discussion and Analysis

maintaining and managing production facilities, equipment and tools to ensure smooth and uninterrupted production operations; the warehouse workshop under the production department is responsible for quantity verification, inventory management, safe inventory level and material release of raw and auxiliary materials. It is also responsible for managing the storage, inventory and shipping of finished products, as well as promptly entering various types of invoices and data into the production management system. In terms of production manufacturing informatization, the Company has fully implemented the electronic data interchange (EDI) system, integrating production system-related equipment to strictly control product quality and comprehensively enhance production management efficiency.

### Sales Models

#### (1) *Distribution Model*

Since its establishment, the Company has developed a distribution model tailored to its own growth. Its core characteristics include empowering distributors comprehensively. Together with its distributors, the Company drives what it refers to as the “Five Evolutions”: refined management (enhancing distributors’ management through developing digital systems such as ordering software and warehouse management system), deepened channel penetration (deploying field personnel to support full-scenario and omni-channel coverage), platform-based operations (promoting transformation to empower end terminals), online promotion (implementing “Influencer Program (大咖計劃)” that leverage short videos and other tools to promote) and service excellence (shifting from “product delivery” to “solution provider”), jointly addressing market challenges, strengthening partnership stickiness and enhancing market competitiveness.

#### (2) *Supermarket Model*

The Company’s sales model for supermarkets is primarily divided into two categories, one is standard sales based on supply and distribution contracts, where shipments are made according to the purchase orders specified in the contract, and settlements are conducted in accordance with the agreed terms; the other one is consignment sales, where shipments are made in installments according to the consignment contract, and the Company recognizes revenue based on the consignment list provided by the supermarket. The Company’s marketing approach for supermarkets primarily focuses on promoting healthy diet as a brand proposition, with a unified annual promotional activity plan. Through promotional activities centered on “brand theme”, “culinary culture” and “green health”, the Company strengthens brand image promotion to enhance brand awareness and assists supermarkets in conducting a variety of terminal product promotions, combining holiday themes to carry out diverse in-store activities, and conducts in-depth communication with hypermarket, the procurement side, to create category-defining well-known products based on market demands, thereby increasing sales in the supermarket channel. In line with current product development trends, the Company develops different types of products which are rooted in the “medicine and food homology” concept, as well as products that deliver emotional value. Meanwhile, the Company enters into contracts with third-party O2O platforms such as Meituan Instashopping (美团閃購) and JDDJ (京東到家) to empower offline supermarket systems.



## Management Discussion and Analysis

Currently, the Company's products are mainly sold in supermarkets in China, including RT-Mart (大潤發), Yonghui (永輝), Walmart, Wumart (物美), Rainbow Department Store (天虹), Sam's Club (山姆), Pangdonglai (胖東來) and other large-scale hypermarkets. As online platforms empower supermarket systems, the Company is simultaneously strengthening the expansion of its online O2O sales and signing agreements with third-party online sales platforms such as Meituan Instashopping (美团閃購) and JD Instant Delivery (京東秒送). Additionally, it actively participates in livestreaming sales events organized by different major supermarkets.

In the context of traditional supermarkets facing declining customer traffic and revenue pressure, certain supermarket chains are following the adjustment path of Pangdonglai and customization model under private brand of Sam's Club, seeking breakthroughs by expanding the display area for fresh product and increasing the proportion of customized products. To further expand market space, the Company is adapting to the trend and actively laying out in the product customization field, it has already established product co-creation and category innovation partnerships with traditional supermarkets such as Walmart, Metro and RT-Mart (大潤發).

### *(3) Targeted Enterprise Mode*

The target customers of the targeted enterprise channel model primarily include large chain catering companies, hotels, snack companies, and medium and large corporate group buying companies. It is dedicated to providing customers with comprehensive customized product solutions to promptly meet their needs. As the Company's products expand rapidly across major cities nationwide, the brand and quality of "Anjoy" products have gradually gained recognition from end consumers, driving increased preference for the Company's products among targeted channel customers in the catering industry and other sectors. Currently, the Company has established long-term partnerships with various domestic chain catering customers such as Yum! Brands, Inc. (百勝餐飲集團), Zhangliang Malatang (張亮麻辣燙), Xiaogujiejie Malatang (小穀姐姐麻辣燙), Xiaocaiyuan (小菜園), Ajisen Ramen (味千拉麵), Weila Hot Pot (圍辣火鍋), Bantianyao Grilled Fish (半天妖烤魚), Xiabuxiabu (呷哺呷哺), Haidilao (海底撈), Fish with You (魚你在一起酸菜魚), Xijie Zhachuan (喜姐炸串), Kwafood Fried Skewer (誇父炸串), Zhengxin Chicken Steak (正新雞排), Juwei Duck Neck (絕味鴨脖), Jiujiuya Marinated Delicacies (久久丫滷味), Lanxiangzi (蘭湘子), as well as upstream supply chain enterprises of listed snack companies such as Hubei Xule (湖北旭樂) and Zhejiang Ruisong (浙江瑞松).



## Management Discussion and Analysis

### *(4) E-commerce Model*

The Company attaches great importance to the development of online e-commerce channels, continuously strengthening and consolidating partnerships with various e-commerce platforms and actively participating in major shopping festivals hosted by these platforms. It also comprehensively optimizes and upgrades the brand image of its flagship stores and professional customer service teams, while increasing its efforts on promoting the new products online. Leveraging the competitiveness of these new products, the Company boosts product exposure through video content, and effectively converts this exposure into sales through a combination of in-house live streaming and influencer-led live streaming, continuously enhancing brand promotion and new product promotion to align with the trend toward a younger consumer base. Additionally, leveraging the Group's stable supply chain system, the Group fully utilizes digital platform tools to gain precise insights into customer needs, maintains scientific and efficient interactions with online consumers, innovates multi-category product portfolio focused on family consumption, continuously expands the layout of regional forward warehouses and enhances its flexible and efficient supply capabilities for the individual customer market, so as to further enhance the core competitiveness of its online channels.

### *(5) New Retail Mode*

The Company actively expands its cooperation with new retail platforms, leveraging the big data from the new platforms to achieve deep integration between online product services, offline experiences and modern logistics. In new retail channels such as Freshippo (盒馬鮮生), Dingdong (叮咚買菜), JD Supermarkets (京東超市), Pupu (樸樸), Keemart (美團小象超市) and Guoquan (鍋圈食匯), the Company implements strategies such as launching new products, securing presence, increasing visibility, and organizing activities through its robust product R&D and service capabilities, diverse product portfolio and production technology expertise. Meanwhile, it has entered into strategic partnerships with various new retail platforms to mutually empower each other, adapt to emerging sales scenarios and deepen product customization collaborations with new retail formats like Freshippo and Meituan Kuailehou (美團快樂猴).



## Management Discussion and Analysis

### Sales Channels

With an extensive sales network, the Group effectively sold the products and reached a diverse customer base across China, and also expanded the sales network into overseas markets.

The following table sets forth a breakdown of the revenue of principal business of the Group by sales channel in absolute amount and as a percentage of the revenue of principal business for the periods indicated:

(Unit: RMB in thousands, except for percentage)

	For the year ended 31 December 2024		For the year ended 31 December 2025	
	Amount	%	Amount	%
Distributors	12,376,029	81.9	<b>12,926,540</b>	<b>79.9</b>
Targeted enterprise <sup>(1)</sup>	1,005,598	6.7	<b>1,192,128</b>	<b>7.4</b>
New retail and e-commerce <sup>(2)</sup>	894,548	5.9	<b>1,178,675</b>	<b>7.3</b>
Supermarkets	827,143	5.5	<b>879,633</b>	<b>5.4</b>
<b>Total</b>	15,103,318	100.0	<b>16,176,976</b>	<b>100.0</b>

Notes:

- (1) Targeted enterprise customers primarily include chain catering companies, snack companies and other corporate customers.
- (2) New retail and e-commerce platforms primarily include retailers that adopt an online-offline integrated approach, as well as self-operated stores on mainstream e-commerce platforms.



## Management Discussion and Analysis

### *Distributors*

The Group primarily sells the products to distributors, who in turn distribute the products to catering businesses, wholesale markets, supermarkets, e-commerce platforms and other points of sale. Distributors are critical to our business in terms of setting up the downstream sales channels, maximizing the coverage of product distribution and driving the growth of the results of operations. The Group's distributors are our customers, and the Group maintains a buyer/seller relationship with them.

During the Reporting Period, the revenue from sales to distributors amounted to RMB12,926,540 thousand, representing an increase of 4.4% as compared with the same period of last year, accounting for 79.9% of the revenue of principal business.

### *Targeted Enterprise Customers*

The Group's targeted enterprise customers primarily include chain catering companies, snack companies and other corporate customers. During the Reporting Period, the revenue from sales to targeted enterprise customers amounted to RMB1,192,128 thousand, representing an increase of 18.5% as compared with the same period of last year, accounting for 7.4% of the revenue of principal business.

Leveraging the diverse product portfolio, the Group established long-term partnerships with renowned chain catering companies, including Zhangliang Malatang, Haidilao, Bantianyao Grilled Fish, Xiabuxiabu, Fish with You. The Group customizes products and solutions to meet the differentiated needs of customers.

### *New retail and E-commerce Platforms*

The Group has been actively expanding the online multichannel development to adapt to changing customer habits and industry trends.

By expanding the cooperation with new retail platforms, such as Freshippo, Dingdong, JD Supermarkets and Guoquan, the Group offers both online and offline shopping experiences for end customers, leveraging technologies to enhance convenience. These platforms often incorporate e-commerce, mobile apps and data analytics to offer personalized shopping experiences, online order placements and various delivery options, including home delivery and in-store collection. New retail platforms primarily prioritize the sales of the Group's products suitable for individual customers such as Lock-Fresh product line and certain quick-frozen prepared dishes.

## Management Discussion and Analysis

The Group has strengthened the cooperation with e-commerce platforms such as Tmall, JD.com and Pinduoduo, and participated in important shopping festivals and promotional events. The Group has established multiple online sales outlets, including the self-operated stores on Douyin and Kuaishou. In addition, the Group is proactively exploring the online livestreaming sales and has established the live streaming sales channel.

During the Reporting Period, the revenue from sales via new retail and e-commerce platforms amounted to RMB1,178,675 thousand, representing an increase of 31.8% as compared with the same period of last year, accounting for 7.3% of the revenue of principal business.

### Supermarkets

Supermarket customers primarily include national and regional supermarkets, such as RT-Mart (大潤發), Yonghui Superstores (永輝超市), Walmart, Wumart (物美) and Rainbow Department Store (天虹). The Group promotes our brand image through unified marketing activities with supermarkets to carry out various product promotions, and also participates in live-streaming sales events organized by the supermarket customers, thereby reinforcing the Group's position in the online retail.

During the Reporting Period, the revenue from sales to supermarkets amounted to RMB879,633 thousand, representing an increase of 6.3% as compared with the same period of last year, accounting for 5.4% of the revenue of principal business.

The following table sets forth a breakdown of the revenue by geographical region of the customers in absolute amount and as a percentage of the revenue of principal business for the periods indicated:

(Unit: RMB in thousands, except for percentage)

	For the year ended 31 December 2024		For the year ended 31 December 2025	
	Amount	%	Amount	%
<b>Domestic</b>	14,935,897	98.9	<b>15,990,210</b>	<b>98.8</b>
Eastern China <sup>(1)</sup>	6,471,930	42.9	<b>6,814,622</b>	<b>42.1</b>
Northern China <sup>(2)</sup>	2,214,376	14.7	<b>2,418,860</b>	<b>15.0</b>
Central China <sup>(3)</sup>	1,918,086	12.7	<b>2,032,085</b>	<b>12.6</b>
Southern China <sup>(4)</sup>	1,263,482	8.4	<b>1,527,317</b>	<b>9.4</b>
Northeastern China <sup>(5)</sup>	1,295,610	8.6	<b>1,341,440</b>	<b>8.3</b>
Southwestern China <sup>(6)</sup>	936,798	6.2	<b>958,458</b>	<b>5.9</b>
Northwestern China <sup>(7)</sup>	835,615	5.4	<b>897,428</b>	<b>5.5</b>
<b>Overseas</b> <sup>(8)</sup>	167,421	1.1	<b>186,766</b>	<b>1.2</b>
<b>Total</b>	15,103,318	100.0	<b>16,176,976</b>	<b>100.0</b>



## Management Discussion and Analysis

Notes:

- (1) Eastern China primarily includes Fujian Province, Anhui Province, Zhejiang Province, Jiangxi Province, Shanghai, Shandong Province and Jiangsu Province.
- (2) Northern China primarily includes Beijing, Tianjin, Hebei Province, Shanxi Province and Inner Mongolia Autonomous Region.
- (3) Central China primarily includes Henan Province, Hubei Province and Hunan Province.
- (4) Southern China primarily includes Guangdong Province, Guangxi Zhuang Autonomous Region and Hainan Province.
- (5) Northeastern China primarily includes Heilongjiang Province, Jilin Province and Liaoning Province.
- (6) Southwestern China primarily includes Chongqing, Sichuan Province, Guizhou Province, Yunnan Province and Tibet Autonomous Region.
- (7) Northwestern China primarily includes Shaanxi Province, Gansu Province, Qinghai Province, Xinjiang Uygur Autonomous Region and Ningxia Hui Autonomous Region.
- (8) Overseas markets primarily include Europe, the United Kingdom, and the United States.

### Core Competitiveness

The Company adheres to its corporate mission of “delivering health and happiness, making simple delicious food”, its corporate values of “responsibility, integrity, action and mutual benefit”, its business philosophy of “food is for the people”, and its corporate style of “do it right away and do it with your heart”. Upholding its business strategy of “parallel development across three product categories, and multi-channel coverage”, the Company continuously improves product quality, enhances brand reputation, and strengthens corporate competitiveness.

The Company adheres to a business philosophy of “market orientation and technology innovation”, with the business objectives of specialized production processes and food quality and safety, which drive the advancement of R&D efforts. The Company currently operates a National Enterprise Technology Center (國家級企業技術中心), the Ministry of Agriculture and Rural Affairs’ Key Laboratory for Frozen Prepared Aquatic Products Processing (農業農村部冷凍調理水產品加工重點實驗室), and the National Sub-center for Frozen Prepared Aquatic Products (國家冷凍調理水產品加工分中心). It possesses strong technological innovation capabilities within the industry and continuously introduces a variety of new products each year. The Company has built good industry-academia-research relationships with multiple domestic universities and research institutions, including Jiangnan University, and has successively led a sub-project under the Science and Technology Support Program of the Ministry of Science and Technology, a key project on Food Manufacturing and Agricultural Product Logistics Technology Support under the “14th Five-Year Plan” National Key Research and Development Program of the Ministry of Science and Technology, and the Regional Demonstration Project for Innovative Development of the Marine Economy of the Ministry of Natural Resources. As of 31 December 2025, the Company (excluding third-party factories) has obtained 46 accreditation and certification for various management systems, including ISO 22000, ISO 9001, FSSC 22000, BRCGS and HACCP.



## Management Discussion and Analysis

The Company adheres to its sales pricing strategy of “high quality at moderate price for business customers and high quality at moderate-to-premium price for individual customers” and its channel strategy of “multi-channel coverage reaching business and individual customers”, enabling it to expand its market share in the quick-frozen food market year after year and continuously demonstrate economies of scale.

The Company is vigorously promoting full collaboration and connectivity across information technology, digitalization and intelligence. By leveraging and customizing both internal R&D and external technologies, the Company has achieved full-process digitalization from strategic planning to business execution, thereby enhancing the timeliness and scientific nature of decision-making and comprehensive management. The Business Intelligence (BI) system of the Company enables real-time analysis of information across various dimensions, including products, customers, regional markets and marketing policies, and also cost analysis and refined management at the production end. With the enhanced decision-making capabilities brought by digitalization, the Company has strengthened communication and collaboration with distributors, ensured production efficiency and further improved quality control mechanisms. The comprehensive digitalized quality control system of the Company enables full-process traceability from raw material sourcing, through production, packaging and logistics, to customer receipt. In 2023, the Company became the first enterprise in China’s quick-frozen food industry to earn “Intelligent Production Capability Maturity Level III” certification and one of only two companies in the food industry listed on the “Top 100 Benchmark Smart Factories in China”, highlighting the leading position of the Company in intelligent manufacturing.

### FINANCIAL REVIEW

The following discussion is based on, and should be read in conjunction with, the financial information and the notes included in this report.

#### Operating Income

During the Reporting Period, the operating income of the Group was RMB16,192,613 thousand, representing an increase of 7.05% as compared to RMB15,126,652 thousand for the same period of last year, achieving a modest increase. Among these, revenue from principal activities was RMB16,176,976 thousand, representing an increase of 7.11% as compared to the same period of last year.

Revenue by Product:

- The revenue from sales of quick-frozen flavored and processed products increased by 7.8% from RMB7,839,075 thousand in the same period of last year to RMB8,449,866 thousand in the Reporting Period, primarily due to the growth in sausage series products. In addition to a higher increment in the original roasted pork sausage, the newly launched meaty sausage and Taiwanese-style sausage also performed well in terms of sales. Furthermore, sales of fish tofu and fish roe bun both experienced growth during the year.



## Management Discussion and Analysis

- The revenue from sale of quick-frozen prepared dishes increased by 10.8% from RMB4,349,149 thousand in the same period of last year to RMB4,820,803 thousand in the Reporting Period, primarily due to the growth in shrimp paste series products. In addition to the increment in the original shrimp paste products, the newly launched large granular shrimp paste and black tiger shrimp paste also performed well in terms of sales. Furthermore, sales of flavored crawfish and fried crispy strips both experienced growth during the year.
- The revenue from sale of quick-frozen flour and rice products decreased by 2.6% from RMB2,464,911 thousand in the same period of last year to RMB2,400,465 thousand in the Reporting Period, primarily due to the decrease in sales of certain traditional products. In contrast, products like steamed fried dumpling and rice cake recorded sales growth, while sales of newly launched products such as rice ball and corn bun also performed well.
- The revenue from sale of other products decreased by 2.7% from RMB450,183 thousand in the same period of last year to RMB437,887 thousand in the Reporting Period, primarily due to the decrease in sales of feed products such as fishmeal and shrimp shells.
- The Group recorded revenue from bakery products of RMB67,955 thousand as a result of acquisition of Ding Wei Tai in the current period.

### Operating Costs

The Group's operating costs primarily consisted of costs of raw materials, labor costs and manufacturing overhead, and logistic costs. During the Reporting Period, the Group's operating costs of principal business were RMB12,693,650 thousand, representing an increase of 9.5% as compared to RMB11,595,491 thousand for the same period of last year, primarily due to the increase of 7.1% in the Group's sales revenue, which led to a corresponding rise in costs.

Costs of raw materials were RMB8,149,863 thousand, representing an increase of RMB716,378 thousand compared with that of the same period of last year, primarily due to the expansion of the Group's sales scale, which led to a corresponding growth in procurement of raw materials; and the faster growth rate in the sales volume of dish products, which have a higher raw material proportion, driving up the costs of raw material. Labour costs were RMB813,330 thousand, representing an increase of RMB42,443 thousand compared with that of the same period of last year. This increase was lower than the growth in principal operating revenue, mainly because the Group continuously advanced automation upgrades, optimised production organization and labor structure, effectively curbing the overall growth in labor costs and achieving improved workforce efficiency. Manufacturing overheads were RMB1,667,093 thousand, representing an increase of RMB136,959 thousand compared with that of the same period of last year, mainly due to the increase in depreciation of fixed assets resulting from capacity expansion and higher investment in fixed assets, as well as higher energy consumption driven by expansion of scale of production, leading to the increase in related expenses.

## Management Discussion and Analysis

Cost structure of principal business	Amount for the current period (RMB'000)	Proportion to total costs during the current period (%)	Proportion to total costs during the same period last year (RMB'000)	Amount for the same period last year (%)	Changes in amount for the current period compared with the same period last year (%)
Direct materials	8,149,863	64.2	7,433,485	64.1	9.6
Direct labour	813,330	6.4	770,887	6.6	5.5
Manufacturing overheads	1,667,093	13.1	1,530,134	13.2	9
Purchase costs	1,791,764	14.1	1,619,952	14.0	10.6
Logistics costs	271,600	2.2	241,033	2.1	12.7
<b>Total</b>	<b>12,693,650</b>	<b>100.0</b>	<b>11,595,491</b>	<b>100.0</b>	<b>9.5</b>

### Gross Profit and Gross Profit Margin

During the Reporting Period, the Group's gross profit was RMB3,497,763 thousand, representing a decrease of 0.75% as compared to RMB3,524,157 thousand for the same period of last year, primarily due to the increase in depreciation of fixed assets and higher costs of raw material for crayfish. During the Reporting Period, the Group's gross profit margin was 21.6%, representing a decrease of 1.7 percentage points as compared to 23.3% for the same period of last year.

### Other Income

The Group's other income primarily included government grants related to income received by the Group, as well as certain government grants related to the investments in fixed assets. During the Reporting Period, the Group's net other income was RMB57,117 thousand, representing an increase of 27.3% as compared to RMB44,877 thousand for the same period of last year, primarily due to the increase in government grants related to daily operations received during the current period as compared with the same period of last year.

### Investment Income

The Group's investment income primarily included investment income arising from financial assets held for trading and income from its investment in associates. During the Reporting Period, investment income was RMB55,812 thousand, representing an increase of 81.2% as compared to RMB30,794 thousand for the same period of last year, which was mainly attributable to the increase in investment income from the disposal of financial assets held for trading during the current period as compared with the same period of last year.



## Management Discussion and Analysis

### Selling Expenses

The Group's selling expenses primarily consisted of (i) employee remuneration, social security and welfare, (ii) advertising expenses, and (iii) marketing and promotion expenses. During the Reporting Period, the Group's selling expenses were RMB965,731 thousand, representing a decrease of 2.1% as compared to RMB986,208 thousand for the same period of last year, primarily due to the decrease in expenses for outsourced promoters and advertising expenses during the Reporting Period as compared with the same period of last year.

### General and Administrative Expenses

The Group's general and administrative expenses primarily consisted of (i) employee remuneration, social security and welfare, (ii) amortisation of share-based payment expenses, and (iii) amortization of long-term assets. During the Reporting Period, the Group's general and administrative expenses were RMB415,933 thousand, representing a decrease of 17.6% as compared to RMB504,514 thousand for the same period of last year, primarily due to the decrease in share-based payment expenses allocated for the current period as compared with the same period of last year.

### Research and Development Expenses

The Group's research and development expenses primarily consisted of (i) employee remuneration, (ii) raw materials and consumables used, and (iii) depreciation and amortization. During the Reporting Period, the Group's research and development expenses were RMB92,067 thousand, representing a decrease of 5.3% as compared to RMB97,214 thousand for the same period of last year, primarily due to the improved quality and efficiency in management of research and development expenses for the current period, which reflected a decrease in employee remuneration and raw materials and consumables used as compared with the same period of last year, despite significant achievements in research and development of products.



## Management Discussion and Analysis

### Financial Expenses

The Group's financial expenses primarily included (i) loan interest, (ii) fiscal interest subsidies, and (iii) interest income. During the Reporting Period, the Group's financial expenses were RMB1,362 thousand, representing an increase of RMB72,572 thousand as compared to RMB-71,210 thousand for the same period of last year, primarily due to the increase in foreign exchange losses and loan interest as compared with the same period of last year, and the decrease in interest income for the current period as compared with the same period of last year.

### Credit Impairment Losses

The Group recorded certain impairment losses on and reversal of impairment losses on receivables. During the Reporting Period, the Group recorded impairment losses on receivables of RMB3,071 thousand, and impairment losses on receivables of RMB7,326 thousand in the same period of last year, primarily due to an impairment loss of RMB3,829 thousand on credit-impaired receivables recorded in the same period of last year, whereas no such impairment loss was recorded in the current period.

### Asset Impairment Losses

The Group's asset impairment losses primarily consisted of impairment losses of inventory write-downs and impairment losses on goodwill. During the Reporting Period, impairment losses of inventory write-downs were RMB32,158 thousand, compared with RMB20,927 thousand in the same period of last year. The increase in impairment losses was mainly due to the increase in inventories at the end of the period.

During the Reporting Period, impairment losses on goodwill attributable to the Company were RMB181,638 thousand, compared with impairment losses on goodwill attributable to the Company of RMB31,278 thousand in the same period of last year, primarily due to the fact that affected by the crayfish industry, the performance of Honghu Xinhongye Food Co., Ltd. and Hubei New Liuwu Foodstuff Group Co., Ltd. could not attain the expected results. After evaluation, the impairment losses on goodwill attributable to the Company for the current period for Honghu Xinhongye Food Co., Ltd. and Hubei New Liuwu Foodstuff Group Co., Ltd. amounted to RMB14,871 thousand and RMB149,358 thousand, respectively. Additionally, due to operational policy adjustments in 2025 that failed to adapt to the UK market, Oriental Food Express Limited recorded losses. After evaluation, the impairment loss on goodwill attributable to the Company for the current period for Oriental Food Express Limited amounted to RMB17,409 thousand.

### Non-Operating Income and Expenses

The Group's non-operating income primarily consisted of government grants and gains from disposal of non-current assets. During the Reporting Period, the Group's non-operating income was RMB38,221 thousand, representing an increase of 1.2% as compared to RMB37,755 thousand for the same period of last year, mainly due to the increase in government grants received that are not related to daily operations during the current period as compared with the same period of last year.



## Management Discussion and Analysis

The Group's non-operating expenses primarily consisted of loss on retirement of non-current assets and donation expenses. During the Reporting Period, the Group's non-operating expenses were RMB2,460 thousand, representing a decrease of 36.7% as compared to RMB3,889 thousand for the same period of last year, primarily due to the decrease in loss on retirement of non-current assets for the current period as compared with the same period of last year.

### Income Tax Expenses

During the Reporting Period, the Group's income tax expenses were RMB463,846 thousand, representing a decrease of 2.3% as compared to RMB474,657 thousand for the same period of last year, primarily due to the decrease in profit before tax for the current period as compared with the same period of last year.

### Net Profits

As a result of the foregoing, the Group's profit for the current period was RMB1,369,523 thousand, representing a decrease of 9.52% as compared to RMB1,513,619 thousand for the same period of last year. Net profits attributable to the shareholders of the Company were RMB1,359,237 thousand, representing a decrease of 8.46% as compared to RMB1,484,831 thousand for the same period of last year.

### Investment Properties

The Group's investment properties mainly consisted of buildings and land use rights that have been leased. As of 31 December 2025, the Group's investment properties were RMB30,868 thousand, representing new assets during the current period. This was mainly due to the building and land use rights leasing businesses of Ding Wei Tai and Ding Yifeng, the newly-acquired subsidiaries of the Company during the current period.

### Fixed Assets

The Group's fixed assets mainly consisted of buildings, machinery, motor vehicles, office and electronic equipment. As of 31 December 2025, the Group's fixed assets were RMB5,197,433 thousand, representing an increase of 1.56% as compared to RMB5,117,835 thousand as of 31 December 2024, primarily due to the increase in buildings and machinery available for use for the current period.

### Construction in Progress

The Group's construction in progress mainly consisted of own factories, installation projects and information projects of the subsidiaries of the Group. As of 31 December 2025, the Group's construction in progress was RMB323,590 thousand, representing an increase of 63.06% as compared to RMB198,454 thousand as of 31 December 2024, primarily due to the increased investment in on-going projects for the current period.



## Management Discussion and Analysis

### Intangible Assets

The Group's intangible assets mainly consisted of land use rights, patents, software, and trademark rights. As of 31 December 2025, the Group's intangible assets amounted to RMB836,990 thousand, representing an increase of 21.48% as compared to RMB688,983 thousand as of 31 December 2024, primarily attributable to the addition of related assets from the acquisition of Ding Wei Tai and Ding Yifeng by the Company during the current period.

### Right-of-use Assets

The Group's right-of-use assets primarily consisted of leasehold office premises and plant and equipment. As of 31 December 2025, the Group's right-of-use assets were RMB55,722 thousand, representing an increase of 31.16% as compared to RMB42,484 thousand as of 31 December 2024, primarily due to the addition of related assets from the acquisition of Ding Wei Tai by the Company during the current period.

### Inventories

The Group's inventories primarily consisted of inventory, raw materials and goods shipped but not recognized as revenue. As of 31 December 2025, the Group's inventories were RMB3,647,317 thousand, representing an increase of 11.04% as compared to RMB3,284,638 thousand as of 31 December 2024, primarily due to the increase in inventory reserves to meet higher sales demand, the increase in crayfish inventory at the end of the current period, as well as the addition of inventory from Ding Wei Tai, a newly-consolidated entity.

As of 31 December 2025, the Group's inventory turnover days were 99.7 days, representing a decrease of 8.1 days as compared to 107.8 days as of 31 December 2024, primarily due to the increase in cost of sales for the current period.

### Accounts Receivable, Notes Receivable and Receivables Financing

As of 31 December 2025, the Group's accounts receivable were RMB671,445 thousand, representing an increase of 7.24% as compared to RMB626,127 thousand as of 31 December 2024, primarily due to the acquisition of Ding Wei Tai by the Company during the current period. The accounts receivable turnover days increased from 14.43 days as of 31 December 2024 to 14.62 as of 31 December 2025.

As of 31 December 2025, notes receivable and receivables financing were RMB1,967 thousand and RMB1,216 thousand, respectively. (As of 31 December 2024, there was no balance of notes receivable and receivables financing.)



## Management Discussion and Analysis

### Notes payable and Accounts Payable

As of 31 December 2025, the Group's notes payable and accounts payable were RMB167,899 thousand and RMB1,498,253 thousand, respectively, representing a decrease of 28.23% and 7.53% as compared to RMB233,945 thousand and RMB1,620,314 thousand as of 31 December 2024, respectively. The accounts payable and notes payable turnover days decreased from 58.56 days as of 31 December 2024 to 50.61 days as of 31 December 2025.

### Liquidity and Capital Resources

For the year ended 31 December 2025, the Group's net cash flows generated from operating activities were RMB2,316,723 thousand. For the year ended 31 December 2024, the Group's net cash flows generated from operating activities were RMB2,103,845 thousand, representing a year-on-year increase of 10.12%.

For the year ended 31 December 2025, the Group's net cash flows used in investing activities were RMB1,146,286 thousand, primarily attributable to (i) payment of the purchases of fixed assets, intangible assets and other long-term assets of RMB873,465 thousand, and (ii) payment of the acquisition of subsidiaries and other operating entities of RMB408,037 thousand. For the year ended 31 December 2024, the Group's net cash flows used in investing activities were RMB3,204,827 thousand, primarily attributable to (i) payment of purchases of fixed assets, intangible assets and other long-term assets of RMB901,280 thousand, and (ii) the purchases of financial assets at fair value through profit or loss of RMB11,606,526 thousand, partly offset by the proceeds from disposal of financial assets at fair value through profit or loss of RMB9,262,475 thousand.

For the year ended 31 December 2025, the Group's net cash flows generated from financing activities were RMB1,487,521 thousand, primarily attributable to (i) proceeds from the Group's listing on the Hong Kong Stock Exchange on 4 July 2025 of RMB2,186,734 thousand, (ii) the proceeds from interest-bearing bank and other borrowings of RMB1,428,977 thousand, partially offset by repayment of interest-bearing bank and other borrowings of RMB967,996 thousand, (iii) payment of dividends of RMB1,048,453 thousand and payment of interest of RMB16,411 thousand. For the year ended 31 December 2024, the Group's net cash flows used in financing activities were RMB1,197,804 thousand, primarily attributable to (i) payment of dividends of RMB921,791 thousand and payment of interest of RMB7,993 thousand, and (ii) repayment of interest-bearing bank and other borrowings of RMB697,985 thousand, partially offset by the proceeds from interest-bearing bank and other borrowings of RMB483,000 thousand.



## Management Discussion and Analysis

For the use of net proceeds from the Global Offering, please refer to “Use of Proceeds” in this report.

The Group has sufficient liquidity to meet its day-to-day liquidity management and capital expenditure requirements.

### Indebtedness

The Group’s indebtedness primarily consisted of interest-bearing borrowings, lease liabilities and long-term payables.

As of 31 December 2025, the Group’s borrowings were RMB890,605 thousand, which increased RMB779,490 thousand as compared to that as of 31 December 2024, primarily due to the increase in borrowings for the working capital of controlling subsidiaries.

All the outstanding borrowings of the Group were RMB borrowings and due within one year, and most of which were fixed rate borrowings.

As of the Latest Practicable Date, there was no material restrictive covenant in the Group’s indebtedness which could significantly limit the Group’s ability to obtain future financing, nor was there any material default on our indebtedness or breach of covenant during the Reporting Period and up to the Latest Practicable Date. As of the Latest Practicable Date, except for bank borrowings, the Group did not have plans for other material external debt financing.

As of 31 December 2025, the Group’s total lease liabilities were RMB63,555 thousand, which increased RMB20,883 thousand as compared to that as of 31 December 2024, primarily due to the increase in lease operations for the current period. As of 31 December 2025, RMB5,438 thousand of the total lease liabilities would be due within one year and RMB48,156 thousand would be due after one year.

As of 31 December 2025, the Group’s total long-term payables amounted to RMB138,369 thousand, representing an increase of RMB138,369 thousand compared to that as of 31 December 2024, primarily due to the Company recognising a forward acquisition obligation for 20% equity interest of Ding Wei Tai in accordance with the equity transfer agreement entered into with the original shareholders of Ding Wei Tai during the current period. As of 31 December 2025, RMB15,056 thousand of the total long-term payables would be due within one year and RMB123,314 thousand would be due after one year.



## Management Discussion and Analysis

### Contingent Liabilities

As of the end of the Reporting Period, the Group did not have material contingent liabilities.

### Capital Expenditures

The Group's capital expenditures primarily consisted of expenditures on purchase of fixed assets, intangible assets and other long-term assets. During the Reporting Period, the Group's capital expenditures were RMB873,465 thousand, which decreased by RMB27,815 thousand as compared to that of the year ended 31 December 2024, primarily due to the decrease in expenditure on purchase of machinery and equipment for the current period. The Group funded these expenditures mainly with cash generated from operations and proceeds from financing activities.

### Capital Commitments

The Group's capital commitments were primarily related to the purchase of building and equipment. At the end of the Reporting Period, the Group's capital commitments were RMB779,083 thousand, which increased by RMB382,211 thousand as compared to that as of 31 December 2024, primarily due to the new construction contracts entered into during the current period.

### Gearing Ratio

The Group monitors capital using adjusted gearing ratio (debt divided by capital). Debt includes interest-bearing borrowings, lease liabilities and long-term payables. Capital represents equity attributable to shareholders of the Company.

The Group's gearing ratio increased from 1.2% as of 31 December 2024 to 7.05% as of 31 December 2025, primarily due to the increase in interest-bearing bank borrowings at the end of the current period.

### Distributable Reserves

As of 31 December 2025, the Group had RMB5,043,878 thousand of retained earnings available for distribution to shareholders.

### Pledge of Assets

As of 31 December 2025, the subsidiary Hubei New Liuwu Foodstuff Group Co., Ltd. (湖北新柳伍食品集團有限公司) ("**Hubei New Liuwu**") provided mortgage guarantee for six properties located at No.1 Pingyuanhuan Road, Zongkou Management Zone, Qianjiang City (real estate certificate numbers: Hubei (2023) Qianjiang City Real Estate Rights (鄂(2023)潛江市不動產權) No.0003933, 0003934, 0003935, 0004104, 0024885, and 0024897) and land-use rights. In addition, Mr. Liu Zhonghu, the legal representative of the subsidiary Hubei New Liuwu, provided a joint and several liability guarantee for a borrowing of RMB100,000 thousand from Agricultural Bank of China (Qianjiang Laoxin Branch).



## Management Discussion and Analysis

### SIGNIFICANT INVESTMENTS, ACQUISITIONS AND DISPOSALS

During the Reporting Period, in order to improve the corporate product and channel structure, the Company maintains its steady growth in its principal business, while proactively carrying out industrial expansion and business integration. To this end, the Company has completed the acquisition of 70% equity interest in Ding Wei Tai, a producer of premium cod products and frozen bakery goods, and 100% equity interest in Ding Yifeng. As at the Latest Practicable Date, the Company has utilised internal funds in the amount of RMB444.5 million and RMB50.24 million to settle the equity transfer payments for Ding Wei Tai and Ding Yifeng, respectively. The relevant procedures for the registration of industrial and commercial changes have also been completed. For details of this matter, please refer to the Prospectus.

According to the Rules Governing the Listing of Stocks on Shanghai Stock Exchange 《上海證券交易所股票上市規則》, the Articles of Association and other relevant regulations, this matter is not subject to be reviewed and approved by the board of directors or the shareholders' meeting of the Company. This matter does not constitute a connected transaction, nor does it constitute a material asset restructuring as defined under the Administrative Measures for the Material Asset Restructuring of Listed Companies 《上市公司重大資產重組管理辦法》.

Save as disclosed above, during the Reporting Period, the Company did not engage in any significant acquisitions and/or disposals of subsidiaries, associates and joint ventures.

As at the end of the Reporting Period, the Group did not have any significant investments as required to be disclosed in accordance with paragraph 32(4A) of Appendix D2 to the Listing Rules.

### FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

As of the Latest Practicable Date, save as disclosed in this report and the section headed "Future Plans and Use of Proceeds" in the Prospectus, the Group did not have plans for material investments and capital assets.

### RISK FACTORS

1. Food safety risk: There may be certain food safety risk in the procurement, production and distribution phases. Food ingredients such as surimi, meat, flour and other auxiliary materials cannot be fully controlled at the enterprise level. Food safety issues caused by temperature fluctuations in the distribution phases outside the factory, including the cold chain storage and transportation and terminal sales, also cannot be completely eliminated. In addition, if other peer companies experience major food safety incidents, this may also affect our Company. Furthermore, the incompliance of industry standards for intermediate products and inconsistencies in standards across upstream and downstream industries can also lead to food safety regulatory issues.
2. Rising costs risk: The Company may face rising costs for raw materials such as meat and flour, increased freight costs of unit products and rigid wage increase for employees in the future, leading to higher operating costs of the Company. Although the Company has controlled the increase in cost through a series of efficiency measures, it cannot completely eliminate the pressure on corporate profits.



## Management Discussion and Analysis

3. Force majeure risk: Natural disasters, wars and sudden public health incidents may cause damage to the Company's property and personnel, and may affect its normal production and operations. The occurrence of such force majeure events may also increase the additional costs to the Company, thereby affecting its profitability.
4. Public opinion risk: In the future, there may be sudden negative or inaccurate reports in newspapers, television, the Internet and other media about the industry or the Company, as well as rumors or information circulating in society that may have an adverse impact on the industry or the Company. Due to the public nature of the food industry and listed companies, negative public opinion may continue to ferment, causing abnormal fluctuations in stock prices, which in turn may affect the normal operation and management of the Company and the interests of investors.
5. Exchange rate fluctuation risk: The Company primarily operates in China, and most of its transactions are denominated in RMB. However, the Company holds a certain amount of foreign currency cash and is exposed to exchange rate fluctuation risk. The Company does not hedge foreign exchange risk. The Company will manage exchange rate fluctuation risk by closely monitoring changes in foreign currency exchange rates and will take prudent measures to minimize this risk.

### SIGNIFICANT EVENT AFTER THE REPORTING PERIOD

Save as disclosed in this report, there are no any significant events after the Reporting Period that require disclosure.

### FUTURE OUTLOOK

#### Industry Landscape and Trend

Looking ahead, global demand for quick-frozen food is driven by both business customers and individual customers. Consumers' reliance on safe and convenient quick-frozen food that is quick to prepare has significantly increased, and consumption habits are penetrating downward into lower-tier markets and emerging economies. In developing countries, with accelerating urbanization driving the changes of dietary patterns, quick-frozen food increasingly becomes a daily necessity, offering vast potential for higher penetration rates. The rising penetration rate of restaurant chain and the need for cost reduction and efficiency enhancement compels the industry players to upgrade towards standardization. To ensure product consistency and operational efficiency, catering brands operating fast-food, hot pot, and malatang business substantially increase their procurement of quick-frozen and semi-finished products, leading to a continuous increase in the penetration rate of customized quick frozen flavored and processed products. Furthermore, the popularization of new e-commerce retail and instant delivery channels, coupled with the explosive demand in emerging scenarios like group meals, convenience store fresh food and outdoor travel, further drives industry demand from "stock substitution" to "incremental expansion".



## Management Discussion and Analysis

Specifically, quick-frozen flavored and processed products can meet the needs of different chain restaurants through customized solutions, leading to enhanced market penetration. Channels like new e-commerce retail reach a wider customer base, further increasing the exposure of quick-frozen prepared food in household scenario. Quick-frozen flavored and processed products with high quality at competitive prices, such as Lock-Fresh product and volcanic stone grilled sausage, continue to show an expanding trend. Quick-frozen prepared foods are also expected to achieve long-term growth as the catering enterprises operating hot pot and malatang businesses expand into overseas markets.

Benefiting from the expansion of the catering industry, growing household demand, and the guidance of national standards for prepared dishes, quick-frozen prepared dishes continue to see expanding market potential. The industry is gradually moving from its early “small, weak, scattered, and chaotic” stage towards standardization, and products are becoming increasingly differentiated. Health-oriented products featuring low fat, low sodium, and low sugar become the main focus of innovation. Taking paste products as an example, the Company’s shrimp paste series aligns well with current consumer demand for low-fat and high protein options, and is highly compatible with the Company’s channel capabilities. It enjoys strong market recognition and becomes a crucial starting point for deepening cooperation with major supermarket systems.

Although traditional quick-frozen flour and rice products like the “Old Trio” (dumplings, Tangyuan, and Zongzi) have entered matured phase, the demand for these products remains stable through flavor innovation and health-oriented improvements. Meanwhile, snack items and leavened dough products like Shaomai, hand-pulled pancakes, and Xiaolongbao, are in an early maturity phase with penetration rapidly increasing due to their strong scenario adaptability, serving as a growth supplement to traditional categories.

Overall, driven by multiple factors such as increased customer penetration, product category extension, technological advancement, and infrastructure improvements, the quick-frozen food industry will continue to maintain steady growth, achieving a transition from “scale expansion” to “high-quality development.” In 2026, the Company will continue to focus on the quick-frozen food sector. Through continuous product innovation, enhancing intelligent and advanced production capabilities, expanding and optimizing product mix, the Company aims to consolidate its leading position in China’s quick-frozen food industry and enhance profitability. It also strives to further expand into broader overseas markets, enhance its brand image, and build itself into a globally leading quick-frozen food enterprise.



## Management Discussion and Analysis

### Corporate Development Strategy

**Operational Strategy:** Focus on the primary business of quick-frozen food, and implement business strategy of “parallel development across three product categories” in quick-frozen flavored and processed products, quick-frozen prepared dishes and quick-frozen flour and rice products. Based on a comprehensive strategy to enhance competitiveness of signature products across all channels, the Company will optimize its product structure and increase the proportion of mid-to-high-end products to continuously increase its market share and profitability in the quick-frozen food market and enhance its brand image.

**Channel Strategy:** “Multi-channel coverage reaching business and individual customers”, which means making strides in both business and individual customers channels. While strengthening traditional distribution and supermarket channels, the Company will continuously deepen the development of all channels, including targeted channels, new retail, and interest-based e-commerce, maximizing returns through a reasonable channel mix.

**Product Strategy:** The Company follows its product pricing strategy of “high quality at moderate price for business customers and high quality at moderate-to-premium price for individual customers”, continuously improving product cost-effectiveness to drive unsolicited sales. Meanwhile, in line with the industry trend towards high-end and customized products, the Company will accelerate the optimization and upgrade of its product structure.

**Factory Construction Strategy:** The Company adheres to the “in-region production and distribution” model, establishing local factories once sales in a region reach a certain scale, so as to save transportation costs, improve market responsiveness, and quickly generate profits. To support the strategy of “in-region production and distribution”, the Company implements more reasonable business models, such as high-speed production lines, mass production, large-volume customization, and a signature product strategy. This approach continuously strengthens the economies of scale of the Company, leading to a year-on-year decrease in production costs and expenses for the period. At the same time, the Company will adapt to local conditions, actively explore, and scientifically implement a production model combining “in-region production and distribution + centralized production”. It will also orderly advance the business layout in segments like halal and bakery products, as well as halal exports and customization.

**R&D Management Strategy:** Adopts an “R&D with regional insights” approach for new product management. The headquarters is responsible for project approval and planning of new products, while different production bases are respectively responsible for the R&D of new products in specific categories, comprehensively promoting localized transformation. The Company develops regional popular products well-suited to market demand, and strengthens the positioning of core products within categories, all together ensuring that new products meeting certain assessment standard can be rolled out intensively in bulk, thus driving a sustainable growth of the Company.



## Management Discussion and Analysis

**Digitalization Strategy:** The Company's digitalization strategy focuses on end-to-end digital transformation to enhance overall operational efficiency. On the sales side, the Company continuously empowers the distributors with digital management platform, and enhances digital integration with large supermarkets and chain restaurant clients. On the production side, the Company advances digital-intelligent and safe production capabilities to further optimize production efficiency and ensure product quality. Moreover, it empowers enterprise's various application scenarios with AI to achieve company-wide AI adoption.

**Internationalization Strategy:** As China's global influence expands and the global demand for Chinese cuisine grows, the quick-frozen Chinese food sector presents significant new opportunities. The Company plans to focus on expanding into high-growth or large-scale overseas markets. In addition, it plans to establish a global supply chain platform to optimize costs and ensure stable supply of quality raw materials such as surimi, shrimp and other aquatic products.

**Talent Strategy:** The Company implements a talent development strategy that focuses on internal training supplemented by external recruitment, invests in human capital, and offer career guidance and professional training to create a supportive working environment that fosters creativity and intrapreneurship among our employees.

### Business Plan

**Capacity Expansion Plan:** The Company will implement the strategy of "in-region production and distribution" for layout of production bases. Based on the investment plan for proceed-funded projects and the market demand in major regions in China, the Company will adopt a flexible strategy of expanding prudently and advancing steadily the construction of production base, ramping up production capacity in an orderly manner. In 2026, the Company will continue to advance the construction of the Phase III in Henan, Phase III in Sichuan, Anjoy Foods Xiamen, Phase III in Taizhou, and DingYifeng Bread Baking Project. Building on the "in-region production and distribution", the Company will implement centralized production for certain items and conduct business deployment in Halal food sector to leverage the large-scale manufacturing strengths. Meanwhile, the Company will take comprehensive measures, including initiating public tenders for the procurement of raw materials, auxiliary materials and packaging materials when necessary, and optimizing headcount allocation in the production system to enhance efficiency through workforce streamlining, in order to control product and operating costs.



## Management Discussion and Analysis

**Brand Promotion Plan:** The Company shifts its focus from channel-based branding to deep cultivation of consumer brands. Its communication strategy has been upgraded to multi-dimensional communication of “dynamic short videos + static visual marketing”. In terms of channel brand building, the Company places advertisement on “inside and outside supermarkets + inside and outside wet markets” via “in-store displays + outdoor advertising”. To further strengthen the influence of “Anjoy” brand in Hong Kong and overseas markets, the Company will continue to deepen its presence in the Hong Kong market by focusing on Chun Yeung Street in Hong Kong and advertising media like buses, minibuses, taxis, the MTR, and outdoor large screens, in order to achieve comprehensive brand coverage. At the same time, the Company will increase its efforts on advertising tailored for consumers, such as supermarket exterior walls, roadside billboards, and advertisements on buses, trams, and light rail vehicles, to continuously enhance brand awareness and reputation. In recent years, the Company has also actively expanded into new media, building a multi-dimensional publicity matrix by focusing on platforms like WeChat Channels, Douyin, and Xiaohongshu. For short videos, the Company develops IP short videos for over 100 influencer distributors in China to boost Anjoy’s local influence and efficiently facilitate the promotion of new product. In e-commerce live streaming, the Company employs a combination model of “short videos + posts + live streaming” to better reach younger consumer demographics, expand brand reach, and drive integrated marketing that achieve both branding and performance goals. Furthermore, in sports marketing, in June 2025, the Company partnered with the “Su Super League” event, focusing on the new product of “Meaty Sausage” to create an integrated marketing campaign from online to offline. In July 2025, the “Fujian Anjoy Team”, sponsored by Anjoy Foods, participated in the 2025 China Table Tennis Super League, competing with Olympic champions and other top-tier athletes on the same platform. Looking ahead to 2026, the Company will continue to deepen its cross-industry collaborations in sports marketing and related fields.

**New Product Promotion Plan:** The Company implements a promotion strategy of “developing new products into signature products (for business customers) and developing signature products into product series (for individual customers)”. For products for individual customers, the Company carries out upgrading for “ingredients, process, appearance, concept, and packaging”. The Company will adopt an approach of “capitalizing on momentum and amplifying strengths” for the new product promotion in 2026. On one hand, the Company will continue to promote products such as the Six Rice and Flour Products series launched in the second half of 2025 to enhance the market foundation. On the other hand, for products like the Family Bucket Assorted Pack that is an immediate bestseller, the Company will adopt a strategy of developing signature products into product series. Meanwhile, the Company will focus on developing the Lock-Fresh Series 6.0 and Meaty Sausage, guiding consumers through scenario-based marketing in order to gradually increase its share of individual customer market. Furthermore, by adopting the strategy of “parallel development across three product categories with a focus on pork sausage”, the Company will enrich the product matrix for the Taiwan-style sausage product series through differentiated specifications and flavors, establishing a product system covering various tiers and price points to improve the layout of pork sausage category. Overall, the Company will focus on increasing the speed and success rate of new product launches, continuously increasing the proportion of sales of new products to promote corporate growth.



## Management Discussion and Analysis

**Market Expansion Plan:** The Company will continue to uphold its channel strategy of “multi-channel coverage reaching business and individual customers” and adopt “Controllable large to-B customization” approach. By tiering the needs of new retail players, the Company establishes cooperation relationship with membership-based supermarkets such as Freshippo, Sam’s Club, Pangdonglai, and Aldi, as well as hard discount stores including Kuailehou and Haoxianglai, expanding into emerging growth channels in an all-round way. In e-commerce, the Company will continue to focus on live-streaming commerce, leveraging proven successful models to continuously build various vertical live-streaming rooms. For the catering and leisure channel, the Company will deepen customer relationships by offering tailored product solutions and providing guidance on scenario-based applications, while closely monitoring the development of chain restaurant enterprises, particularly making arrangements in advance for new brands and business formats to seize first-mover advantages. For the traditional distributor channel, the Company will steadily advance the “Five Evolutions” process to enhance distributors’ operational capabilities and channel penetration. Through comprehensive planning and deployment across online and offline, as well as emerging and traditional channels, the Company will drive its operating results growth.

**Equipment Technological Renovation Plan:** The Company will promote compliance assurance at the production site through implementation of vision and AI based technologies, reduce reliance on manual labor, and further enhance overall product quality from raw materials to finished goods. It will leverage information technology to strengthen safety management and optimize cost control.

**Technology Innovation Plan:** The Company will continue to rely on platforms such as the National Enterprise Technology Center and the Key Laboratory of the Ministry of Agriculture and Rural Affairs to increase R&D investment in areas including deep processing of freshwater fish products, frozen prepared aquatic products, pre-made aquatic dishes, and sausage products. It will further leverage its technological advantages in quick-freezing and fresh-keeping to preserve flavors, focus on food flavor and texture research, prioritize natural seasonings, and reduce the use of unnecessary food additives. Through process improvements and formula optimization, the Company will reasonably control sodium, fat, and added sugar content. The Company will introduce the low GI concept and increase the proportion of whole grains, vegetables, and high-quality protein in its products. The Company will also facilitate the construction of its food safety testing platform to continuously improve the level of food safety control, providing consumers with safe and delicious products.

**Information Technology Construction Plan:** In management digitalization, the Company switches to the ERP system to comprehensively enhance internal and external business process efficiency. The Company introduces AI to enable intelligent data inquiries and customer self-service, accelerating the application of AI for all. The Company promotes the integration of production and sales, loading, and delivery to improve end-to-end supply chain efficiency. In quality and technology, it implements PLM+LIMS to enhance product lifecycle management and quality control. On the production side, the Company initiates the development of intelligent scheduling systems and APS system to improve the production and management system. For acquired companies, the Company promotes CRM distributor management, electronic contracts, and BI data analytics to improve information-based management and control.



# Biographies of Directors and Senior Management

## DIRECTORS

### Executive Directors

**Mr. Liu Mingming (劉鳴鳴)**, aged 64, joined our Group in April 2002 and since then has served as the chairman of the Board of our Group.

Mr. Liu has over 35 years' experience in business management. Mr. Liu obtained a bachelor's degree of engineering from Tongji University (同濟大學) in the PRC in July 1984, and served as a lecturer in the department of civil engineering at Zhengzhou Industrial University (鄭州工業大學) (merged into Zhengzhou University (鄭州大學) in 2000) from 1984 to 1988. He also served as a business manager at Huanghe International Leasing Co., Ltd. (黃河國際租賃有限公司) from August 1988 to July 1995. From July 1995 to August 1998, Mr. Liu served as the vice general manager at Henan Jianye (Group) Co., Ltd. (河南建業(集團)有限公司). From 1999 to 2002, Mr. Liu served as the chairman of Fujian Spring Real Estate Co., Ltd. (福建春天房地產有限公司).

In 2017, Mr. Liu was awarded as Outstanding Entrepreneur of Liaoning Province (遼寧省優秀企業家). Mr. Liu was also a deputy to the 13th Liaoning Provincial People's Congress (遼寧省第十三屆人民代表大會) in 2018. Mr. Liu was named as the Top 10 Entrepreneurial Leaders of Listed Companies in China (中國上市公司十大創業領袖人物) in 2020 by Securities Times (證券時報) and he has been the chairman of the council to the Listed Company Association of Xiamen (廈門上市公司協會) since March 2023.

Mr. Liu Mingming currently serves as chairman of the board in our subsidiaries, including Wuxi Huashun Minsheng Foods Co., Ltd. (無錫華順民生食品有限公司), Taizhou Anjoy Foods Co., Ltd. (泰州安井食品有限公司), Liaoning Anjoy Foods Co., Ltd. (遼寧安井食品有限公司), Sichuan Anjoy Foods Co., Ltd. (四川安井食品有限公司), Hubei Anjoy Foods Co., Ltd. (湖北安井食品有限公司), Henan Anjoy Foods Co., Ltd. (河南安井食品有限公司), Guangdong Anjoy Foods Co., Ltd. (廣東安井食品有限公司), Shandong Anjoy Foods Co., Ltd. (山東安井食品有限公司), Honghu Anjoy Foods Co., Ltd. (洪湖安井食品有限公司) and Xiamen Anjoy Mr. Frozen Supply Chain Co., Ltd. (廈門安井凍品先生供應鏈有限公司), a director of Hong Kong Anjoy Foods Limited (香港安井食品有限公司) and the executive director of Xiamen Anjoy Foods Industry Co., Ltd. (廈門安井食品工業有限公司).



## Biographies of Directors and Senior Management

**Mr. Zhang Qingmiao (張清苗)**, aged 57, joined our Group in September 2007 as the executive Director and general manager, and has served as the co-chairman of the Board of the Company since 28 November 2025. Mr. Zhang is responsible for formulation of business strategies, management of the administrative affairs and presiding over the daily operation and internal system management of the Group.

Mr. Zhang Qingmiao obtained a bachelor's degree of science and a master's degree of business administration from Xiamen University (廈門大學). He is a senior engineer and senior economist. He currently serves as the vice president of the standing council of China Aquatic Products Processing and Marketing Alliance (中國水產流通與加工協會) and the chairman of Fujian Provincial Aquatic Products Processing and Marketing Alliance (福建省水產加工流通協會), a council member of the Chinese Institute of Food Science and Technology (中國食品科學技術學會) and vice chairman of the Frozen and Refrigerated Food Division, as well as Chairman of the Marine Branch of the Xiamen University Alumni Association (廈門大學校友會海洋分會理事長). He served as the general manager of Wuxi Huashun Food Industry Co., Ltd. (無錫華順食品工業有限公司) and Wuxi Huashun Minsheng Foods Co., Ltd. (無錫華順民生食品有限公司). He had won the Chinese Institute of Food Science and Technology's Outstanding Contribution to Science and Technology Innovation Award (中國食品科學技術學會科技創新突出貢獻獎). He was awarded as an "Excellent builder of non-public economy of Fujian Province (福建省非公有經濟優秀建設者)", and was recognized as a Fujian Province High-Caliber Personnel (Level A) (福建省高層次 A 類人才) and Xiamen High-Caliber Personnel (Level A) (廈門市高層次 A 類人才). In December 2023, Mr. Zhang was appointed as an industry professor at the School of Food, Jiangnan University (江南大學); in September 2024, he was appointed as an expert and thesis reviewer for the master's degree thesis committee of the MBA program at the School of Management, Xiamen University (廈門大學).

Mr. Zhang Qingmiao currently also serves as the deputy chairman of the subsidiaries of the Group, including Wuxi Huashun Minsheng Foods Co., Ltd. (無錫華順民生食品有限公司), Taizhou Anjoy Foods Co., Ltd. (泰州安井食品有限公司) and Liaoning Anjoy Foods Co., Ltd. (遼寧安井食品有限公司), a director of Sichuan Anjoy Foods Co., Ltd. (四川安井食品有限公司), Hubei Anjoy Foods Co., Ltd. (湖北安井食品有限公司), Henan Anjoy Foods Co., Ltd. (河南安井食品有限公司), Guangdong Anjoy Foods Co., Ltd. (廣東安井食品有限公司), Shandong Anjoy Foods Co., Ltd. (山東安井食品有限公司), Honghu Anjoy Foods Co., Ltd. (洪湖安井食品有限公司), Xiamen Anjoy Mr. Frozen Supply Chain Co., Ltd. (廈門安井凍品先生供應鏈有限公司), Honghu Xinhongye Food Co., Ltd. (洪湖市新宏業食品有限公司) and Hubei New Liuwu Foodstuff Group Co., Ltd. (湖北新柳伍食品集團有限公司), as well as the general manager of Xiamen Anjoy Food Industry Co., Ltd. (廈門安井食品工業有限公司).



## Biographies of Directors and Senior Management

**Mr. Zhang Gaolu (章高路)**, aged 50, joined our Group in April 2017, served as the vice chairman of the Board of the Company from April 2017 to November 2025, and has served as the co-chairman of the Board of the Company since 28 November 2025.

Mr. Zhang Gaolu is currently serving as the chairman of the board and general manager of Guoli Minsheng, as well as a director of Jiangsu Ding Wei Tai Food Co., Ltd. (江蘇鼎味泰食品股份有限公司) and the executive director and general manager of Xiamen Anjoy E-commerce Co., Ltd. (廈門安井電子商務有限公司), both of which are subsidiaries of the Group. Mr. Zhang has over 20 years' experience in private equity investment and extensive management expertise. He has also been serving as a director of Addisino Co., Ltd. (航天工業發展股份有限公司, previously known as Chinascholars Group Co., Ltd. (神州學人集團股份有限公司), listed on the Shenzhen Stock Exchange, stock code: 000547), since July 2006. Mr. Zhang has been serving as the executive director and manager of Beijing Huihuang Venture Capital Consulting Co., Ltd. (北京輝煌創業投資顧問有限公司) since July 2015.

Mr. Zhang graduated from Nanjing University of Science and Technology (南京理工大學) in the PRC in July 1996. Mr. Zhang has been a member of the 13th Fujian Provincial Committee of the Chinese People's Political Consultative Conference (福建省政協第十三屆委員會) and the deputy director of the Committee on Economic Affairs since 2023. He has also been the vice chairman of the 12th Fujian Provincial Federation of Industry and Commerce (Chamber of Commerce) (第十二屆福建省工商業聯合會(總商會)) since 2022.

**Mr. Huang Jianlian (黃建聯)**, aged 55, joined our Group in September 2007 and has been the deputy general manager of our Company since February 2011. Mr. Huang has served as a Director of the Company since September 2024. Mr. Huang is responsible for the overall management of the production system, coordinating and planning the procurement, quality control, production safety and techniques of the Group. Prior to joining our Group, Mr. Huang served as a unit director of Xiamen Huashun Food Industry Co., Ltd. (廈門華順食品工業有限公司) from July 1993 to September 2001. He was the director in charge of Xiamen Jinguanshun Food Co., Ltd. (廈門金冠順食品有限公司) from September 2001 to August 2002 and Fujian Fuhua Food Co., Ltd. (福建馥華食品有限公司) from March 2003 to September 2007. He has also been the supervisor of Fujian Fuhua Food Co., Ltd. (福建馥華食品有限公司) since April 2007.

Mr. Huang has extensive experience and expertise in the food industry especially in the fields of aquatic product processing. Mr. Huang has been an executive council member of the fourth council of the Food Equipment and Intelligent Manufacturing Division under the Chinese Institute of Food Science and Technology (中國食品科學技術學會食品裝備與智能製造分會) since October 2021, and currently he also serves as the deputy director of both the National Food Industry Standardization Technical Committee the Sixth Aquatic Products Processing Sub-Technical Committee (全國食品工業標準化技術委員會第六屆水產品加工分技術委員會) and the National Fisheries Standardization Committee the Sixth Aquatic Products Processing Technical Committee (全國水產標準化技術委員會第六屆水產品加工分技術委員會), as well as an enterprise (industry) expert for the doctor of professional studies in biology and medicine at Jiangnan University (江南大學).



## Biographies of Directors and Senior Management

Mr. Huang obtained a bachelor's degree in food engineering from Nanchang University (南昌大學) in the PRC in July 1993 and obtained the qualification of senior engineer from Xiamen Municipal Human Resources and Social Security Bureau (廈門市人力資源與社會保障局) in February 2023. He was recognized as Fujian Province High-Caliber Personnel (Level A) (福建省高層次 A 類人才) in 2023 and Xiamen High-Caliber Personnel (Level A) (廈門高層次 A 類人才) in 2024.

Mr. Huang currently serves as a director of the subsidiaries of the Group, including Taizhou Anjoy Foods Co., Ltd. (泰州安井食品有限公司), Sichuan Anjoy Foods Co., Ltd. (四川安井食品有限公司), Hubei Anjoy Foods Co., Ltd. (湖北安井食品有限公司), Henan Anjoy Foods Co., Ltd. (河南安井食品有限公司), Shandong Anjoy Foods Co., Ltd. (山東安井食品有限公司), and Hubei New Liuwu Foodstuff Group Co., Ltd. (湖北新柳伍食品集團有限公司), a director and general manager of Liaoning Anjoy Foods Co., Ltd. (遼寧安井食品有限公司) and Guangdong Anjoy Foods Co., Ltd. (廣東安井食品有限公司), as well as the supervisor of Fujian Fuhua Foods Co., Ltd. (福建馥華食品有限公司).

### Non-executive Directors

**Dr. Zheng Yanan (鄭亞南)**, aged 72, joined our Company as a Director in May 2023.

Dr. Zheng has extensive experience in various leadership roles within the corporate and equity investment sector. Dr. Zheng has served as the chairman of the board of Pacific Securities Co., Ltd. (太平洋證券股份有限公司) (listed on the Shanghai Stock Exchange, stock code: 601099), since July 2009. He has also served as the executive director and manager of Chinascholars Equity Investment Co., Ltd. (神州學人股權投資有限公司) since March 2018, a director of Lianchuang Innovation Private Equity Fund Management (Beijing) Co., Ltd. (聯創創新私募基金管理(北京)有限公司) since April 2017 and served as its legal representative and chairman since October 2024. He acted as the executive director of Beijing Huixingda Investment Consulting Co., Ltd. (北京匯興達投資諮詢有限公司) from November 2011 then as the supervisor since June 2016, the executive director and general manager of Xinrong Zhihui Technology Development Co., Ltd. (新榮智匯科技發展有限公司) since March 2014, a director of Beijing Oulian Products Security Technology Service Co., Ltd. (歐聯產品安全技術服務(北京)有限公司) since March 2006, and the chairman of the board of Dahua Dalu Investment Co., Ltd. (大華大陸投資有限公司) since October 2007.

Dr. Zheng obtained a bachelor's degree of economics from Peking University (北京大學) in the PRC in July 1982, a master's degree of economics from the Graduate School of Chinese Academy of Social Sciences (中國社會科學院研究生院) in the PRC in December 1985, and a doctoral degree of management from Wuhan University of Technology (武漢理工大學) in the PRC in June 2004.



## Biographies of Directors and Senior Management

**Mr. Dai Fan (戴凡)**, aged 69, joined our Company as a Director in May 2023.

Mr. Dai has been serving as a director of Guoli Minsheng since August 2023. He worked at Howden Group for more than 25 years from May 1994 to September 2022. From May 1994 to December 2007, Mr. Dai worked at Howden Fedco Ltd., Howden Engineering (S.E. Asia) Ltd. and Howden Burton Corblin Asia Ltd. in Hong Kong as the regional sales manager. He then joined Howden Hua Engineering Co., Ltd. as the general sales manager of compressors in January 2008. From August 2001 to January 2010, he was a director of Newworld International Investments Limited, a company primarily engaging in investment business. He served as a director at Wuxi Huashun Food Industry Co., Ltd. (無錫華順食品工業有限公司) from September 1998 to November 2010.

Mr. Dai graduated from Yangzhou Industrial College (揚州工業專科學校) (currently known as Yangzhou University (揚州大學)) in the PRC in July 1982, majoring in heating and industrial ventilation engineering, and he obtained a master's degree of business administration from The University of Dundee in the United Kingdom in December 1993.

**Mr. Zhang Guangxi (張光璽)**, aged 55, joined our Group in May 2023, served as the chairman of the Supervisory Committee of the Company from May 2023 to November 2025, and has served as the employee representative Director of the Company since November 2025.

Mr. Zhang Guangxi currently serves at Anjoy Foods Group Co., Ltd. Beijing Branch, and concurrently as a supervisor at Chinascholars Equity Investment Co., Ltd. (神州學人股權投資有限公司) and Lianchuang Innovation Private Equity Fund Management (Beijing) Co., Ltd. (聯創創新私募基金管理(北京)有限公司). He previously worked at Dahua Dalu Investment Co., Ltd. (大華大陸投資有限公司), Beijing Mechanized Construction Co., Ltd. (北京市機械施工公司), China Huatai International Trading Limited, and Addsino Co., Ltd. (航天工業發展股份有限公司) (listed on the Shenzhen Stock Exchange, stock code: 000547).

Mr. Zhang obtained a bachelor's degree in accounting from China Central Radio and Television University (中央廣播電視大學) (currently known as The Open University of China (國家開放大學)) in the PRC in January 2007.

### Independent Non-executive Directors

**Ms. Zhang Mei (張梅)**, aged 55, joined our Company as an independent non-executive Director in May 2023.

Ms. Zhang has been an accounting professor at Fujian Jiangxia University (福建江夏學院) (formerly known as Fujian Economic Management Cadres College (福建經濟管理幹部學院)) since July 1993. Ms. Zhang (i) has been serving as an independent director of Strait Innovation Internet Co., Ltd. (海峽創新互聯網股份有限公司) (listed on the Shenzhen Stock Exchange, stock code: 300300) since November 2020; and (ii) has been serving as an independent director of Addsino Co., Ltd. (航天工業發展股份有限公司) (listed on the Shenzhen Stock Exchange, stock code: 000547) since December 2025.



## Biographies of Directors and Senior Management

Previously, Ms. Zhang was (i) an independent director of Fujian Boss Software Corp. (福建博思軟件股份有限公司) (listed on the Shenzhen Stock Exchange, stock code: 300525), from July 2018 to June 2024, (ii) an independent director of Fujian Nanping Sun Cable Co., Ltd. (福建南平太陽電纜股份有限公司) (listed on the Shenzhen Stock Exchange, stock code: 002300), from May 2019 to May 2024, and (iii) an independent director of Fujian Apex Software Co., Ltd. (福建頂點軟件股份有限公司) (listed on the Shanghai Stock Exchange, stock code: 603383), from July 2022 to May 2024.

Ms. Zhang has been a registered member of The Chinese Institute of Certified Public Accountants (中國註冊會計師協會), accredited by The Fujian Institute of Certified Public Accountants since December 2009 and a Certified Public Valuer by China Appraisal Society (中國資產評估協會) since June 1999.

Ms. Zhang obtained a bachelor's degree of accounting and a master's degree of accounting from Fuzhou University (福州大學) in the PRC in July 1993 and March 2005, respectively.

**Dr. Liu Xiaofeng (劉曉峰)**, aged 64, has been appointed as an independent non-executive Director of the Company since July 2025. Currently, Dr. Liu has been an independent non-executive director of Logory Logistics Technology Co., Ltd. (合肥維天運通信息科技股份有限公司) (stock code: 2482.HK), China Risun Group Limited (stock code: 1907.HK), and ICBC UBS Asset Management Co., Ltd. (工銀瑞信基金管理有限公司).

Dr. Liu has over 30 years of experience in corporate finance and has served in a number of international financial institutions since 1993. Dr. Liu has worked for N.M. Rothschild & Sons Limited, N.M. Rothschild & Sons (HK) Limited, J.P. Morgan Securities (Asia Pacific) Limited, DBS Asia Capital Limited, China Resources Capital Holdings Company Limited and UBS Securities Co., Ltd., and he has been an independent non-executive director of the following companies: Kunlun Energy Company Limited (stock code: 0135.HK), Haier Electronics Group Co., Ltd., a company that was previously listed on the Stock Exchange and delisted in December 2020, Hisense Home Appliances Group Co., Ltd. (海信家電集團股份有限公司) (stock code: 0921.HK), Honghua Group Limited (stock code: 0196.HK), AAG Energy Holdings Limited (stock code: 2686.HK, delisted in July 2023) and Cinda International Holdings Limited (stock code: 0111.HK), and Sunfonda Group Holdings Limited (stock code: 1771.HK).

Dr. Liu obtained a bachelor's degree in political economics from the Southwestern University of Finance and Economics (西南財經大學) (formerly known as Sichuan Economic College (四川財經學院)) in the PRC in July 1983. He obtained a master's degree in development studies from the University of Bath, United Kingdom in December 1987. Dr. Liu also obtained a master's degree and a doctorate degree from the Faculty of Economics, University of Cambridge, United Kingdom in October 1988 and May 1994, respectively.



## Biographies of Directors and Senior Management

**Dr. Zhao Bei (趙蓓)**, aged 68, joined our Group as an independent non-executive Director in May 2023.

Dr. Zhao has over 20 years of teaching experience in the field of management studies. Dr. Zhao was a lecturer in the Department of Finance and Banking from 1986 to 1988, an associate professor from 1996 to 1997 and has been a professor and PhD supervisor since 2005 at the School of Management of Xiamen University (廈門大學). Dr. Zhao served as a Doctoral Demonstrator at The University of Hong Kong from 1997 to 2003. Prior to that, Dr. Zhao served as personal financial manager at Royal Bank of Canada Centre. From 1988 to 1996, Dr. Zhao consecutively held teaching positions at various universities in Canada, including Saint Mary's University, Acadia University, Algoma University and Mount Allison University.

Dr. Zhao serves as (i) an independent director of Xiamen King Long Motor Group Co., Ltd. (廈門金龍汽車集團股份有限公司) (listed on the Shanghai Stock Exchange, stock code: 600686), since September 2020, and (ii) an independent director of Contemporary Ampere Technology Co., Limited (寧德時代新能源科技股份有限公司) (listed on the Shenzhen Stock Exchange (stock code: 300750) and the Hong Kong Stock Exchange (stock code: 3750), since August 2023. She also serves as an independent director of Hrain Biotechnology Co., Ltd. (上海恒潤達生生物科技股份有限公司) since June 2021, and an independent director of Zhongqiao Sports Co., Ltd. (中喬體育股份有限公司) since November 2021. Dr. Zhao was an independent director of Fujian Septwolves Industry Co., Ltd. (福建七匹狼實業股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002029), and an independent director of Huaxia Eye Hospital Group Co., Ltd. (華廈眼科醫院集團股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 301267). Dr. Zhao also currently serves as Chairman of the Supervisory Board of the Xiamen Economic and Trade Association (廈門經濟貿易促進會), Vice President of the Xiamen Enterprise Strategy Research Association (廈門企業戰略研究會副會長), and an advisor to the Xiamen Economic Management Consulting Association (廈門經濟管理諮詢協會).

Dr. Zhao obtained a bachelor's degree of economics from Xiamen University (廈門大學) in the PRC in July 1982, a master's degree of business administration from Dalhousie University in Canada in February 1986, and a doctoral degree of management in The University of Hong Kong in December 2003.

**Mr. Zhang Yueping (張躍平)**, aged 55, joined our Company as an independent non-executive Director in May 2023.

Mr. Zhang has been working at Fujian Institute of Oceanography (福建海洋研究所) since 1992 and is currently a researcher of the Department of Marine Biology of Fujian Institute of Oceanography (福建海洋研究所), specializing in marine biology research. Mr. Zhang also serves as a member of the Standing Committee of the Huli District Committee of the Chinese People's Political Consultative Conference (CPPCC) in Xiamen (湖里區政協常委). He has been a member of the standing council of Fujian Society of Fisheries (福建省水產學會), a member of the Marine Ecology Professional Committee of the Ecological Society of China, the chairman of the supervisory board of the Xiamen Ocean and Fisheries Society (廈門市海洋與水產學會), a member of the Standing Committee of the Xiamen Municipal Committee of the Jiusan Society (九三學社廈門市委會), and the chairman of the Huli District Committee (湖里區主委).

Mr. Zhang obtained a bachelor's degree of science from Xiamen University (廈門大學) in the PRC in July 1992.



## Biographies of Directors and Senior Management

### SENIOR MANAGEMENT

Mr. Zhang Qingmiao (張清苗) is an executive Director, the general manager and co-chairman of the Board of our Company. For the biography of Mr. Zhang Qingmiao, please refer to “—Directors — Executive Directors” in this section.

Mr. Huang Jianlian (黃建聯) is an executive Director and the deputy general manager of our Company. For the biography of Mr. Huang Jianlian, please refer to “—Directors — Executive Directors” in this section.

**Mr. Huang Qingsong (黃清松)**, aged 58, joined the Group in September 2007, and has been the deputy general manager of our Company since February 2011. Mr. Huang currently also serves as the executive director and general manager of Wuxi Anjoy Foods Marketing Co., Ltd. (無錫安井食品營銷有限公司), a wholly owned subsidiary of our Company. He served as the deputy general manager of marketing at Wuxi Huashun Food Industry Co., Ltd. (無錫華順食品工業有限公司).

Mr. Huang obtained a bachelor’s degree in business management from Huaqiao University (華僑大學) in the PRC in July 1990. Mr. Huang was accredited as a senior economist by the Fujian Provincial Department of Human Resources and Social Security (福建省人力資源和社會保障廳) in February 2015 and he was awarded the business marketing qualification certificate by Xiamen Personnel Bureau (廈門市人事局) in December 1997.

**Ms. Tang Yi (唐奕)**, aged 51, joined our Group in July 2010 and has served as the chief financial officer of our Company since February 2011. Ms. Tang currently serves as the supervisor of Shandong Anjoy Foods Co., Ltd. (山東安井食品有限公司), Honghu Xinhongye Food Co., Ltd. (洪湖市新宏業食品有限公司), Hubei New Liuwu Foodstuff Group Co., Ltd. (湖北新柳伍食品集團有限公司) and Honghu Anjoy Food Co., Ltd. (洪湖安井食品有限公司). She served as a finance manager at Wuxi Xinkexin Special Welding Materials Co., Ltd. (無錫新科信特種焊材有限公司), Lida Technology (Wuxi) Co., Ltd. (力達科技(無錫)有限公司) and Wuxi Huashun Food Industry Co., Ltd. (無錫華順食品工業有限公司).

Ms. Tang graduated from Donghua University (東華大學) (formerly known as China Textile University (中國紡織大學)) in the PRC majoring in accounting in July 2003. Ms. Tang was accredited as a senior economist by the Jiangsu Provincial Department of Personnel (江蘇省人事廳) in December 2008.

**Mr. Liang Chen (梁晨)**, aged 43, joined our Group in March 2010 and has been the Board secretary of the Company since February 2011 and the joint company secretary since November 2024. Mr. Liang currently serves as the branch general party secretary and the chairman of the labor union of the Company, the supervisor of Sichuan Anjoy Foods Co., Ltd. (四川安井食品有限公司), Liaoning Anjoy Foods Co., Ltd. (遼寧安井食品有限公司) and Hubei Anjoy Foods Co., Ltd. (湖北安井食品有限公司), as well as a director of Hubei New Liuwu Foodstuff Group Co., Ltd. (湖北新柳伍食品集團有限公司).

Mr. Liang has served as an independent director of Xin Hee Co., Ltd. (欣賀股份有限公司) (listed on the Shenzhen Stock Exchange, stock code: 003016), since August 2022, and an independent director of Ligao Foods Co., Ltd. (立高食品股份有限公司) (listed on the Shenzhen Stock Exchange, stock code: 300973), since November 2023.



## Biographies of Directors and Senior Management

Mr. Liang has extensive experience and qualifications in capital operation, investor relations management and corporate governance of listed companies. In August 2013, Mr. Liang obtained the board secretary qualification certificate from the Shanghai Stock Exchange. In October 2022, he acquired the independent director qualification certificate from the Shenzhen Stock Exchange. Mr. Liang was engaged as the supervisor of CPC member conduct and integrity at the CSRC Xiamen Bureau (中國證監會廈門證監局) for the period from December 2022 to December 2025. In April 2023, he was appointed as a member of the independent directors committee and deputy secretary-general of The Listed Company Association of Xiamen (廈門上市公司協會) for a five-year term. Mr. Liang has been a member of the Xiamen Haicang District Committee of the Chinese People's Political Consultative Conference (廈門市海滄區政協委員會) since December 2021.

Mr. Liang was named as the Outstanding Board Secretaries of Main Board Listed Companies in China (中國主板上市公司優秀董秘) in 2019 and 2020 by Securities Times (證券時報), and he was consecutively awarded the New Fortune Gold Medal Board Secretary (新財富金牌董秘) by New Fortune magazine in 2023 and 2024. In 2024, he also received the “Golden Quality Award – Outstanding Board Secretary” (上海證券報金質量獎 – 優秀董秘獎) jointly presented by Shanghai Securities News and China Securities Journal and was recognized as Xiamen High-Caliber Personnel (Level B) (廈門高層次B類人才).

Mr. Liang obtained a bachelor's degree in law from Taiyuan University of Technology (太原理工大學) in the PRC in July 2006. Mr. Liang obtained a master's degree in constitutional law and administrative law from Zhengzhou University (鄭州大學) in the PRC in June 2010.



# Directors' Report

The Board of Directors is pleased to present this annual report for the year ended 31 December 2025, together with the audited consolidated financial statements of the Group for the year ended 31 December 2025.

## PRINCIPAL ACTIVITIES

The Company is primarily engaged in the R&D, production and sales of quick-frozen food products, such as quick-frozen flavored and processed products (primarily quick-frozen surimi products and quick-frozen meat products), quick-frozen prepared dishes and quick-frozen flour and rice products. After years of development, the Company has established a marketing network centered in Eastern China and extending throughout the country, gradually growing into one of the most influential and well-known quick-frozen food companies in China. The business operations and prospects of the Company, as well as the risks to our business activities, are set forth in the sections headed “Management Discussion and Analysis – Business Review” and “Management Discussion and Analysis – Risk Factors” of this report, respectively. Details of the business of the Company’s principal subsidiaries are set out in note 8 to the financial statements.

## RESULTS

The results of the Group for the year ended 31 December 2025 and the financial information of the Group as at 31 December 2025 are set out in the consolidated financial statements in this report.

## BUSINESS REVIEW

A review of the business of the Company during the Reporting Period and a discussion on the future business development are provided in the section headed “Chairman’s Statement” and the “Management Discussion and Analysis – Future Outlook” of this report, respectively. A description of the major risks and uncertainties that the Company may be facing, as well as the Company’s response policies and potential opportunities, are provided in the section headed “Management Discussion and Analysis – Risk Factors” of this report. An analysis of the significant events after the reporting period of the Company and the Group’s performance during the year using financial key performance indicators is provided in the section headed “Management Discussion and Analysis” of this report.

Information on the Company’s investor relations is set out in the section headed “Corporate Governance Report” of this report. Further details about the Group’s relationships with its employees, customers, suppliers and persons who have significant influence on the Company are set out in the 2025 Environmental, Social and Governance Report of the Company.

## SHARE CAPITAL

Please refer to note 5.36 to the financial statements for details of movements in the Company’s total issued shares as of the end of the Reporting Period.



## Directors' Report

### DIVIDEND POLICY

The Company has, in accordance with relevant regulations, established the dividend policy, as well as procedures and mechanisms for deciding and adjusting profit distribution, which are explicitly set out in the Articles of Association. The details are as follows:

- (I) Principles of profit distribution: The Company shall attach importance to reasonable investment returns to investors in profit distribution, keep profit distribution policies consecutive and stable and insist on the following principles: (1) Profit shall be distributed in statutory order; (2) If there are unrecovered losses, the profits shall not be distributed to shareholders; (3) The same shares represent the same rights and the same earnings; (4) The shares of the Company held by the Company shall not be subject to profit distribution.
- (II) Forms of profit distribution: The Company may distribute profits in cash, in shares or in a combination of both cash and shares; The Company's profit distribution shall not exceed the range of the accumulated distributable profits or damage the Company's ability to continue operations.
- (III) Intervals of profit distribution: Provided that the net profit attributable to the shareholders of the Company for the current year is positive, the Company shall conduct at least one profit distribution per fiscal year, and the Board of Directors may propose to the Company to conduct interim cash or shares dividend distribution based on the Company's profit and funding needs. If the Company's audit report for the most recent fiscal year is either a non-unqualified opinion or an unqualified opinion with a significant uncertainty paragraph related to going concern, and the asset-liability ratio exceeds 80% at the end of the reporting period with a negative net cash flow from operating activities, the Company may forgo profit distribution.
- (IV) Sequence of profit distribution: If the Company satisfies the conditions for cash dividends, priority should be given to profit distribution by means of cash dividends.
- (V) Conditions for profit distribution:
  1. Proportion of cash dividends: Under the condition that the Company's capital requirements for normal production and operation are satisfied, and there is no material adverse change in the Company's external business environment and operating conditions, the profits distributed by the Company in cash each year shall not be less than 40% of distributable profits achieved that year.
  2. Specific conditions for share dividends distribution: If the Company's operation is in good condition, the Company may propose a share dividend distribution plan after satisfying the cash dividend mentioned above. If the Company adopts both cash and share dividends for profit distribution, the Company will implement differentiated cash dividend policies on the condition that the Company's capital requirements for normal production and operation are satisfied:

① Where the Company is in a sophisticated stage of development and has no significant capital expenditure arrangement, the cash dividend payout ratio in the profit distribution shall reach a minimum of 80%;② Where the Company is in a sophisticated stage of development and has any significant capital expenditure arrangement, the cash dividend payout ratio in the profit distribution shall reach a minimum of 40%;③ Where the Company is in growth stage and has any significant capital expenditure arrangement, the cash dividend payout ratio in the profit distribution shall reach a minimum of 20%;



## Directors' Report

Where the Company's development stage is difficult to define, but the Company has any significant capital expenditure arrangement, the aforesaid provisions may still be followed.

The shareholders' meeting authorizes the Board of Directors to propose a profit distribution plan for the year in accordance with the above principles each year, taking into account, among other things, features of the industries where the Company operates, its development stage, business model, profit level and whether it has any significant capital expenditure plans.

3. Profit distribution of wholly-owned or controlled subsidiaries: The Company shall exercise its shareholder rights over its wholly-owned or controlled subsidiaries in a timely manner, ensure that the subsidiaries implement a financial and accounting system consistent with that of the Company in accordance with the provisions of the articles of association of the wholly-owned or controlled subsidiaries; the amount of cash dividends distributed by the subsidiaries per year shall not be less than 20% of the distributable profit for the relevant year, and ensure that the Company has the ability to implement the cash dividend plan for the relevant year and such dividends are paid to the Company before the Company distributes dividends to shareholders.

(VI) Procedures for considering the profit distribution:

1. The profit distribution plan shall not be submitted to the shareholders' meeting for consideration before it is considered and approved by the Board of Directors. When the Board of Directors considers the profit distribution plan, it must be approved by a majority of the votes of all directors, and by more than half of the votes of the Company's independent directors.
2. Profit distribution plan under consideration of the shareholders' meeting shall be approved by votes representing more than half of voting rights held by the shareholders present at the shareholders' meeting. When voting at the shareholders' meeting, online voting shall be provided to shareholders.
3. When the Company makes adjustments to the retained undistributed profit utilization plan arrangements or principles, it shall be re-submitted for approval by the Board of Directors and the shareholders' meeting in accordance with the above consideration procedures, and the reasons for the adjustment shall be demonstrated and explained in detail in the relevant resolutions.
4. The distribution of dividends (or shares) shall be completed within two months after a resolution is made at the shareholders' meeting on the profit distribution plan, or after the Board of Directors of the Company has formulated a specific plan based on the conditions and maximum amount of interim dividends for the following year as considered and approved at the annual shareholders' meeting.



## Directors' Report

(VII) The consideration and deliberation procedures and decision-making mechanism for the profit distribution policy of the Board of Directors and the shareholders' meeting:

1. Before periodic reports are published, the Board of Directors of the Company shall consider and deliberate a profit distribution plan based on the Company's ability for sustainable operation, adequate funds for normal production, operation and development, and reasonable investment returns to investors.
2. If the independent directors believe that the specific cash dividend plan may harm the rights and interests of the Company or minority shareholders, they shall have the right to express independent opinions. Where the Board of Directors of the Company fails to adopt or fully adopt the opinions of independent directors, it shall record the opinions of independent directors and the specific reasons for not adopting them in the resolution of the Board of Directors of the Company, and disclose relevant information.
3. When formulating a specific profit distribution plan, the Board of Directors of the Company shall observe profit distribution policies as specified in laws, regulations and the Articles of Association. The profit distribution plan shall explain the retained undistributed profit utilization plan arrangements or principles for the relevant year.
4. The Board of Directors of the Company shall consider and announce the profit distribution plan in periodic reports and submit it to the shareholders' meeting for approval. If the Board of Directors of the Company fails to make a cash profit distribution plan, it shall disclose the reasons in periodic reports.
5. The Board of Directors and the shareholders' meeting should fully consider the opinions of public investors in the relevant decision-making and discussion process.

(VIII) Adjustment of profit distribution policies:

1. If the Company needs to adjust the profit distribution policy due to material changes in external operating environment or its own operating conditions, the adjusted profit distribution policy shall not breach any regulations of the CSRC and the Stock Exchanges.

The "material changes in external operating environment or its own operating conditions" refer to circumstances as follows: (1) The Company suffers losses due to significant changes in the laws, regulations and industry policies formulated by the state, instead of reasons of the Company; (2) The Company suffers losses due to events of force majeure including earthquake, typhoon, flood and war which are unforeseeable, unavoidable and insurmountable and impose material adverse impact on production and operation of the Company; (3) After the Company's statutory reserve fund is used for making up for previous years' losses, the net profit of the Company in the year is still not enough to make up for previous years' losses; (4) Other circumstances as prescribed by the CSRC and Stock Exchanges.

2. In the process of adjusting profit distribution policy, the Board of Directors of the Company shall take full account of opinions of independent directors and public investors. When the Board of Directors considers the profit distribution policy, it must be approved by a majority of the votes of all directors, and by more than half of the votes of the Company's independent directors.



## Directors' Report

- Any adjustment to the profit distribution policy shall be reviewed and approved by the Board of Directors before being submitted to the shareholders' meeting for consideration. The Company shall discuss the relevant matters in detail and explain reasons thereof in the proposal submitted to the shareholders' meeting with the protection of shareholders' interests as the starting point. Matters concerning adjustment to profit distribution policy under consideration of the shareholders' meeting shall be adopted by shareholders present at the meeting representing 2/3 or more of the voting rights of the shareholders.

### DIVIDEND

The Proposal on the 2025 Profit Distribution Plan of the Company (the “**Profit Distribution Plan**”) was considered and approved at the twenty-eighth meeting of the fifth session of the Board of Directors of the Company held on 30 March 2026. The Profit Distribution Plan complies with the dividend policy stipulated in the Articles of Association and the Company's disclosed shareholder return framework. The formulation of the Profit Distribution Plan fully considers the actual circumstances and future capital requirements of the Company, and will not have a material impact on its earnings per share, cash flow status or production and operation activities.

As of 31 December 2025, in accordance with China Accounting Standards for Business Enterprises, the retained earnings of the Company at the end of 2025 were RMB3,500,161,686.09. From January to December 2025, the net profit attributable to shareholders of the Company in the consolidated financial statements of the Company was RMB1,359,237,139.62. Upon the resolution by the Board, the Company intends to distribute profits for the year of 2025 based on the total issued share capital as of the registration date for the equity distribution, excluding the shares held in the share repurchase special securities account. The Profit Distribution Plan is as follows:

The Company proposes to distribute a cash dividend of RMB1.44 per share (tax inclusive) to all shareholders, based on the total issued share capital as of the registration date for the equity distribution, excluding the shares held in the share repurchase special securities account of the Company. As at present, the total share capital of the Company is 333,288,932 shares; after deducting 1,160,900 shares in the share repurchase special securities account of the Company, the base number is 332,128,032 shares. Calculated on this basis, the proposed cash dividend was RMB478,264,366.08 (tax inclusive), representing 35.19% of the net profit attributable to shareholders of the listed company (audited) in the 2025 consolidated financial statements of the Company. In addition to the interim cash dividend paid of RMB473,282,453.59 (tax inclusive) for 2025, the Company's total dividends for 2025 are expected to be RMB951,546,819.67 (tax inclusive), representing 70.01% of the net profit attributable to shareholders of the listed company (audited) in the 2025 consolidated financial statements of the Company.



## Directors' Report

The cash dividend is denominated and declared in RMB, with payments made in RMB to A shareholders and in HKD to H shareholders. The actual amount of dividends to be paid in HKD shall be calculated based on the central parity exchange rate of RMB against HKD as quoted by the People's Bank of China on the date of the annual general meeting.

During the period from the date of approval of the Profit Distribution Plan by resolution of the Board to the registration date of the equity interest for the interest distribution, if there are changes in the total share capital of the Company or the number of shares in the repurchase special securities account, the Company intends to maintain the same distribution ratio per share and adjust the total distribution amount accordingly. Further announcement will be made for the specific adjustments if there are subsequent changes in the total share capital.

During the Reporting Period, there was no arrangement under which a Shareholder has waived or agreed to waive any dividend.

The Company expects to distribute the final dividend on Thursday, 2 July 2026 to Shareholders whose names appear on the Company's register of members of H Shares on Tuesday, 2 June 2026. In accordance with the relevant regulations of the Shanghai Stock Exchange and China Securities Depository and Clearing Corporation Limited Shanghai Branch, a separate dividend implementation announcement in respect of the distribution of the final dividend to A Shareholders of the Company will be issued.

### CLOSURE OF REGISTER OF MEMBERS

In order to determine the entitlement of H Shareholders to the final dividend, the H Share registrar of the Company will be closed from Thursday, 28 May 2026 to Tuesday, 2 June 2026 (both days inclusive), during which period no transfer of H Shares will be registered. Shareholders whose names appear on the register of members of H Shares of the Company on Tuesday, 2 June 2026 shall be entitled to the final dividend. In order to qualify for the final dividend, H Shareholders of the Company are required to deposit the transfer documents together with the relevant share certificates at the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, no later than 4:30 p.m. on Wednesday, 27 May 2026.



## Directors' Report

### TAX INFORMATION

#### *Individual Income Tax*

In accordance with provisions of the Notice of the State Administration of Taxation on Individual Income Tax Collection Issues after the Document with the Number of Guo Shui Fa [1993] No. 045 Has Been Abolished 《國家稅務總局關於國稅發[1993]045 號文件廢止後有關個人所得稅徵管問題的通知》(Guo Shui Han [2011] No. 348), withholding and paying obligor will withhold and pay individual income tax for dividends and bonuses income of overseas resident individual shareholders from the domestic non-foreign-funded enterprises by issuing shares in Hong Kong. When the domestic non-foreign-funded enterprise issues shares in Hong Kong, its overseas resident individual shareholders will enjoy relevant tax preference in accordance with tax convention signed by the PRC and the country stated in the residential identity and tax arrangement of Mainland China and Hong Kong (Macau). The tax rate for dividend is generally 10% in accordance with relevant tax convention and provisions on tax arrangement. To simplify tax collection and management, when a domestic non-foreign-funded enterprise that has issued shares in Hong Kong distributes dividends and bonuses, individual income tax will be generally withheld and paid at the tax rate of 10% and application is not necessary. Situations in which tax rate for dividends is not 10% will be handled in accordance with the following provisions: (1) as for residents of countries under the convention whose tax rate is less than 10%, withholding and paying obligor can handle the application for enjoying relevant convention treatment and excessive tax will be refunded upon approval of competent taxation authority; (2) as for residents of countries under the convention whose tax rate is between 10% and 20%, withholding and paying obligor shall withhold and pay individual income tax as per actual tax rate under the convention when distributing dividends and bonuses and no need to handle application issues; (3) as for residents of countries without tax convention and other situations, withholding and paying obligor shall withhold and pay individual income tax at the tax rate of 20% when distributing dividends and bonuses.

#### *Enterprise Income Tax*

According to the Enterprise Income Tax Law of the PRC 《中華人民共和國企業所得稅法》, the Implementation Regulations of the Enterprise Income Tax Law of the PRC 《中華人民共和國企業所得稅法實施條例》 and the Notice of the State Administration of Taxation on Issues Relating to Withholding of Enterprise Income Tax by PRC Resident Enterprises on Dividends Paid to Overseas Non-PRC Resident Enterprise Shareholders of H Shares 《國家稅務總局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稅有關問題的通知》(Guo Shui Han [2008] No. 897), when a PRC resident enterprise pays dividends for 2008 or any year thereafter to overseas non-PRC resident enterprise shareholders of H Shares, it shall withhold and pay enterprise income tax thereon at a uniform rate of 10%.



## Directors' Report

### *Profit Distribution to Investors of Northbound Trading*

For investors of the Hong Kong Stock Exchange (including enterprises and individuals) investing in the A Shares listed on the SSE (the “**Northbound Trading**”), their dividends and bonuses will be distributed in Renminbi by the Company through the Shanghai Branch of China Securities Depository and Clearing Corporation Limited to the accounts of the nominees holding such shares. The Company will withhold income taxes at the rate of 10% on behalf of the investors and will report to the competent tax authorities for the withholding. For investors of Northbound Trading who are tax residents of other countries and whose country of domicile has entered into a tax treaty with the PRC stipulating a dividend and bonus tax rate of lower than 10%, those enterprises or individuals may, or may entrust a withholding and paying obligor to, apply to the competent tax authorities for the entitlement of the rate under such tax treaty. Upon approval by the competent tax authorities, the paid tax in excess of the tax payable based on the tax rate under such tax treaty will be refunded.

The registration date of the equity interest and the date of distribution of cash dividends and other schedule arrangements for the investors of Northbound Trading will be the same as those for the A Shareholders.

### *Profit Distribution to Investors of Southbound Trading*

For investors of the Shanghai Stock Exchange and Shenzhen Stock Exchange (including enterprises and individuals) investing in the H Shares listed on the Hong Kong Stock Exchange (the “**Southbound Trading**”), the cash dividends will be paid in RMB. Relevant tax policies are subject to the relevant requirements under the Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect (Caishui [2014] No.81) 《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知(財稅[2014]81號)》 and the Notice on the Tax Policies Related to the Pilot Program of the Shenzhen-Hong Kong Stock Connect (Caishui [2016] No.127) 《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知(財稅[2016]127號)》. For dividends and bonuses received by domestic individual investors from investing in H Shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect, the companies shall withhold individual income tax at the rate of 20% on behalf of the investors. For dividends and bonuses received by domestic securities investment funds from investing in H Shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect, the tax payable shall be the same as that for individual investors. The companies will not withhold the income tax of dividends and bonuses for domestic enterprise investors and those domestic enterprise investors shall report and pay the relevant tax themselves.

The registration date of the equity interest and the date of distribution of cash dividends and other schedule arrangements for the investors of Southbound Trading will be the same as those for the H Shareholders.

Shareholders are recommended to consult their tax consultants regarding the tax impacts in the PRC, Hong Kong and other countries (regions) for holding and selling shares.

## PUBLIC FLOAT

As of the Latest Practicable Date and based on the information available to the Company and to the knowledge of the Directors, the Company's public float complies with the requirements of Rule 8.08 of the Listing Rules of the Stock Exchange.

## DIRECTORS

As of the Latest Practicable Date, the Board comprises eleven Directors, including four executive Directors (Mr. Liu Mingming, Mr. Zhang Qingmiao, Mr. Zhang Gaolu and Mr. Huang Jianlian), three non-executive Directors (Dr. Zheng Yanan, Mr. Dai Fan and Mr. Zhang Guangxi) and four independent non-executive Directors (Ms. Zhang Mei, Dr. Liu Xiaofeng, Dr. Zhao Bei and Mr. Zhang Yueping). General information and biographies of the Directors of the Company are set out in the section headed “Biographies of Directors and Senior Management” and under “Composition of the Board” in the “Corporate Governance Report” of this report.

## DISCLOSURE OF INTERESTS

### Interests and Short Positions of the Directors and Chief Executive in the Shares, Underlying Shares and Debentures of the Company and its Associated Corporations

As of 31 December 2025, the interests or short positions of the following Directors and chief executive in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) 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 are taken or deemed to have under such provisions of the SFO), or the interests or short positions were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or to be notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Name	Position	Nature of Interest	Class of Shares	Number of Shares	Approximate Percentage of Shareholding of A Shares <sup>(2)</sup> (%)	Approximate Percentage of the Company's total share capital <sup>(2)</sup> (%)
Mr. Liu Mingming	Chairman of the Board and executive Director	Beneficial owner	A Shares	12,286,114	4.19	3.69
Mr. Zhang Qingmiao	Co-chairman of the Board, executive Director and general manager	Beneficial owner	A Shares	5,125,300	1.75	1.54
Mr. Huang Jianlian	Executive Director and deputy general manager	Beneficial owner	A Shares	1,678,150 <sup>(3)</sup>	0.57	0.50
Dr. Zheng Yanan	Non-executive Director	Beneficial owner	A Shares	48,000 <sup>(4)</sup>	0.02	0.01

Notes:

- (1) All interests are long positions.
- (2) These figures are calculated based on the 333,288,932 shares (including 293,294,232 A-share ordinary shares (including treasury shares) and 39,994,700 H-share ordinary shares), being the total number of issued shares of the Company as of the end of the Reporting Period.



## Directors' Report

- (3) Out of the 1,678,150 A Shares, Mr. Huang Jianlian has been granted outstanding options to subscribe for 48,000 A Shares under the 2023 Share Option Incentive Plan.
- (4) Dr. Zheng Yanan has been granted outstanding options to subscribe for 48,000 A Shares under the 2023 Share Option Incentive Plan.

Save as disclosed above, as at the end of the Reporting Period, none of the Directors and chief executive of the Company has or is deemed to have interests or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) (i) which will have 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 in which they are taken or deemed to have under such provisions of the SFO); (ii) which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which will be required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

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

As of 31 December 2025, to the best of the Company's knowledge after making reasonable enquiries, the following persons (who are not the Directors or chief executive of the Company as disclosed above) have interests or short positions in the Shares or underlying Shares of the Company that are required to be disclosed to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO, and recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name of Shareholder	Nature of Interest	Number of Shares Held <sup>(1)</sup>	Approximate Percentage of Shareholding in the Relevant Class of Shares <sup>(2)</sup> (%)	Approximate Percentage of the Company's total share capital <sup>(2)</sup> (%)
<b>A Share</b>				
Guoli Minsheng	Beneficial owner	73,321,219(L)	25.00	22.00
<b>H Share</b>				
Huatai Securities Co., Ltd.	Interest in controlled corporation	2,758,700(L)	6.90	0.83
The Goldman Sachs Group, Inc.	Interest in controlled corporation	2,616,800(S)	6.54	0.79
		5,999,200(L)	15.00	1.80
Goldman Sachs (Asia) Corporate Holdings L.L.C.	Interest held jointly with other persons	5,999,200(S)	15.00	1.80
		5,999,200(S)	15.00	1.80
Goldman Sachs (Asia) L.L.C.	Interest held jointly with other persons	5,999,200(S)	15.00	1.80
Goldman Sachs Holdings (Asia Pacific) Limited	Interest held jointly with other persons	5,999,200(S)	15.00	1.80

## Directors' Report

Name of Shareholder	Nature of Interest	Number of Shares Held <sup>(1)</sup>	Approximate Percentage of Shareholding in the Relevant Class of Shares <sup>(2)</sup> (%)	Approximate Percentage of the Company's total share capital <sup>(2)</sup> (%)
Goldman Sachs Holdings (Hong Kong) Limited	Interest held jointly with other persons	5,999,200(S)	15.00	1.80
Jiang Jinzhi	Interest in controlled corporation	5,232,800(L)	13.08	1.57
Golden China Master Fund	Beneficial owner	2,616,400(L)	6.54	0.79
Greenwoods Asset Management Hong Kong Limited	Investment manager	2,616,400(L)	6.54	0.79
Invest Partner Group Limited	Interest in controlled corporation	2,616,400(L)	6.54	0.79
Shanghai Greenwoods Asset Management Company Limited	Trustee	2,616,400(L)	6.54	0.79
Xizang Jingning Corporate Management Company Limited	Interest in controlled corporation	2,616,400(L)	6.54	0.79
China International Capital Corporation Limited	Interest in controlled corporation	348,900(L)	0.87	0.10
		6,348,100(S)	15.87	1.90
China International Capital Corporation (International) Limited	Interest in controlled corporation	348,900(L)	0.87	0.10
		6,348,100(S)	15.87	1.90
China International Capital Corporation Hong Kong Securities Limited	Underwriter	5,999,200(S)	15.00	1.80
Schroders PLC	Investment manager	1,993,100(L)	4.98	0.60
Hosen Private Equity III GP, LTD <sup>(4)</sup>	Investment manager	3,266,400(L)	8.17	0.98
Hosen Private Equity III, L.P. <sup>(4)</sup>	Interest in controlled corporation	3,266,400(L)	8.17	0.98
HT Investment Limited <sup>(4)</sup>	Beneficial owner	3,266,400(L)	8.17	0.98
Zhang Alex Tianli <sup>(4)</sup>	Interest in controlled corporation	3,266,400(L)	8.17	0.98
Wang Hang <sup>(4)</sup>	Interest in controlled corporation	3,266,400(L)	8.17	0.98

### Notes:

- (L) represents long position; (S) represents short position.
- The information above is based on the disclosures in the Disclosure of Interests section of the HKEx news website. Pursuant to Part XV of the SFO, the Shareholders of the Company are required to file disclosure of interests forms to the Hong Kong Stock Exchange when certain criteria are fulfilled. When a Shareholder's shareholding in the Company changes, it is not necessary to notify the Company or the Hong Kong Stock Exchange unless certain criteria are fulfilled. Therefore, the shareholdings filed with the Hong Kong Stock Exchange may be different from the latest shareholding of the Shareholders.
- These figures are calculated based on the 333,288,932 shares (including 293,294,232 A-share ordinary shares and 39,994,700 H-share ordinary shares), being the total number of issued shares of the Company as of the end of the Reporting Period.
- HT Investment Limited was incorporated as an exempted company in the Cayman Islands. It is a wholly owned subsidiary of Hosen Private Equity III, L.P., a limited partnership formed under the laws of Cayman Islands, whose general partner is Hosen Private Equity III GP, LTD., which is ultimately controlled by Wang Hang and Alex Tianli Zhang. Accordingly, Hosen Private Equity III, L.P., Hosen Private Equity III GP, LTD., Wang Hang and Alex Tianli Zhang are deemed to be interested in the total number of Shares held by HT Investment Limited.



## Directors' Report

### DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

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.

### MAJOR CUSTOMERS AND SUPPLIERS

During the Reporting Period, 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.

### USE OF PROCEEDS

The Company issued H Shares on 4 July 2025 and listed on the Main Board of the Stock Exchange. A total of 39,994,700 H Shares with a nominal value of RMB1.00 each were issued through the Hong Kong Public Offering and International Placing at an issue price of HKD60.00 per Share. The total proceeds raised from this issuance of H Shares amounted to HKD2,399.68 million. After deducting the issuance expenses directly incurred from the issuance, the net proceeds were approximately HKD2,297.2 million.

There was no change in the use of proceeds as disclosed in the Prospectus. The use of proceeds raised from the H Shares of the Company is as follows:

	Approximate % of the total amount	Net proceeds available for use <i>(HK\$ in million)</i>	Utilized proceeds during the Reporting Period <i>(HK\$ in million)</i>	Unutilized proceeds as of the end of Reporting Period <i>(HK\$ in million)</i>	Expected timetable for full utilization of unutilized proceeds
Expanding our sales and distribution network	35.0%	804.0	0	804.0	Before 31 December 2030
Strengthening our procurement capabilities, optimizing our supply chain and building a supply chain system	35.0%	804.0	0	804.0	Before 31 December 2030
Digitalizing our business operations	15.0%	344.6	0	344.6	Before 31 December 2030
Product development and technological innovation	5.0%	114.9	0	114.9	Before 31 December 2030
Working capital and general corporate purposes	10.0%	229.7	0	229.7	Before 31 December 2028
<b>Total</b>	100%	2,297.2	0	2,297.2	



## Directors' Report

The balance of the proceeds from the initial public offering will be utilized according to the usages and proportions as disclosed in the Prospectus. Majority of the unutilised net proceeds were deposited with reputable banks in Hong Kong or the PRC for the year ended 31 December 2025.

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

From the Listing Date to the end of the Reporting Period, the Company and any of its subsidiaries did not purchase, sell, or redeem any of the Company's listed securities (including sales of treasury shares (as defined under the Listing Rules)). As of 31 December 2025, the Company held 1,160,900 treasury shares, all of which were A Shares and to be used for the Company's employee share incentive plan.

### **EMPLOYEES AND REMUNERATION**

As at 31 December 2025, the total number of employees of the Group was 17,100. During the Reporting Period, the total employee costs incurred by the Group amounted to RMB1,785 million, including salaries, wages, allowances and benefits.

The Group recruited employees primarily through employment websites, on-campus recruitment and internal referrals. It emphasizes the importance of training and development for the employees. It provides induction training to new joiners on various aspects including the corporate culture, internal regulations and policies, occupational safety and food safety. Furthermore, the Group offers online or on-site ongoing training sessions conducted by internal and external experts to enhance employees' professional capabilities in their respective roles. The Group has management training programs, which encompass training for individuals in pivotal roles.

The Group offers competitive remuneration packages to its employees, including salary and allowances and performance-based bonuses. With the self-developed performance evaluation system, the Group assesses the performance of employees annually, which forms the basis for determining the salary levels, bonuses and promotions any employee may receive. Moreover, the Group adopts share incentive plans, including restricted A-share incentive schemes and a share option scheme, for the purpose of motivating our Directors and key personnel. The Group also strives to protect the health and legal rights of female employees in terms of compensation and benefits, and provide a comfortable working environment and fair development opportunities. For example, the Group has clarified the legal rights and interests of female employees regarding vacation in our internal policies. Meanwhile, the Group insists on the protection of equal employment opportunities for migrant workers and people with disabilities, promoting the inclusion of retired servicemen in employment, and supporting all employees to achieve personal career development.



## Directors' Report

### TRAINING PROGRAMMES

The Company has established a training management system that supports employees' self-development. During the Year, in line with the Company's business support needs and development objectives, the Company formulated training plans and organized a diverse range of training activities. This has created a platform for enhancing employees' capabilities and career development, thereby ensuring the accomplishment of the Company's strategic development goals.

### PENSION SCHEMES

Details of the pension schemes of the Group are set out in note 5.26 to the financial statements.

### SHARE SCHEMES

#### 2023 Share Option Incentive Plan

The Company adopted the 2023 Share Option Incentive Plan on 13 October 2023. The purpose of the 2023 Share Option Incentive Plan is to promote the Company's long-term incentive mechanism, attract and retain outstanding talents, and effectively combine the interests of Shareholders, the Company and the employees. As of 31 December 2025, options representing 6,387,120 A Shares under the 2023 Share Option Incentive Plan remained outstanding (of which options representing 3,193,560 A Shares will be cancelled in due course in 2026 due to the non-satisfaction of the exercise conditions). The A-share options granted to specific participants prior to the listing of the H Shares of the Company will remain valid after the listing. No options under the 2023 Share Option Incentive Plan will be further granted and all granted options have been granted to specific individuals under the 2023 Share Option Incentive Plan. The terms of 2023 Share Option Incentive Plan are not subject to the provisions of Chapter 17 of the Listing Rules.

#### *(1) Summary of Key Terms of the 2023 Share Option Incentive Plan*

##### *(a) Purpose*

In order to further improve the corporate governance structure of the Company, establish and improve the Company's long-term incentive and restraint mechanism, attract and retain the Company's core management personnel and key talents, fully mobilize their enthusiasm and creativity, effectively enhance the cohesion of the core team and core competitiveness of the Company, effectively combine the interests of the shareholders, the Company and the core team, so as to enable all parties to pay attention to the Company's long-term development, and to ensure the realization of the development strategy and business objectives of the Company. On the premise of fully safeguarding the interests of shareholders and in accordance with the principle of reciprocity between earnings and contributions, the plan is formulated in accordance with the PRC Company Law, the PRC Securities Law, the Administrative Measures on Equity Incentives for Listed Companies, the Shanghai Stock Exchange Listing Rules and other relevant laws, administrative regulations and normative documents, as well as the provisions of the Articles of Association of the Company.



## Directors' Report

### *(b) Type of Awards*

The 2023 Share Option Incentive Plan provides for awards of share options.

### *(c) Scope of Participants*

Directors, senior management and production, marketing and technical backbones serving in the Company (including its subsidiaries). For those who fall within the scope of the incentive targets under the 2023 Share Option Incentive Plan, the Remuneration and Evaluation Committee shall draw up a list of names, which shall be verified and determined by the Supervisory Committee of the Company.

### *(d) Administration*

The Shareholders' meeting is the highest authority of the 2023 Share Option Incentive Plan. The Board is the managing authority of the 2023 Share Option Incentive Plan. The Supervisory Committee and independent non-executive Directors are the supervising authorities of the 2023 Share Option Incentive Plan.

### *(e) Validity Period*

The validity period of the 2023 Share Option Incentive Plan is the period from the date of grant of the share options to the date on which all share options granted to the participants are exercised or cancelled, and shall not be longer than 60 months.

### *(f) Source of Shares*

The source of the underlying shares of the 2023 Share Option Incentive Plan shall be A Shares of the Company issued by the Company to the incentive recipients and/or repurchased from the secondary market.

### *(g) Maximum Number of Shares*

The total number of options of the 2023 Share Option Incentive Plan is 12,000,000, representing 12,000,000 A Shares and accounting for 4.09% of the total A Shares in issue on the date of publication of this plan. The total number of A Shares involved with all incentive plans of the Company shall not exceed 10% of the total outstanding share capital of our Company. The maximum number of Shares granted to any participant under the 2023 Share Option Incentive Plan shall not exceed 1% of the total outstanding share capital of our Company.

### *(h) Date of Grant*

After the 2023 Share Option Incentive Plan has been considered and approved by the Shareholders' meeting of the Company, the Company will convene the Board meeting to make the initial grant of options to the incentive recipients in accordance with the relevant regulations and complete the registration, announcement and other relevant procedures within 60 days (if there are conditions for the granting of options, the period shall be counted from the fulfillment of such conditions). If the Company fails to complete the aforesaid work within 60 days, it shall promptly disclose the reasons for such failure and announce the termination of the implementation of the 2023 Share Option Incentive Plan, and the period during which interests may not be granted under the Administrative Measures on Equity Incentives for Listed Companies shall not be counted as part of the 60 days.



## Directors' Report

The authorization date of the reserved portion of stock options shall be confirmed by the Board of the Company within 12 months after the Shareholders' meeting.

The authorization date shall be determined by the Board after the 2023 Share Option Incentive Plan has been considered and approved by the Shareholders' meeting, and the authorization date must be a trading day. If the date determined in accordance with the above principles is a non-trading day, the authorization date shall be postponed to the first trading day thereafter.

### *(i) Vesting Period*

The vesting period for the initial grant of options under the 2023 Share Option Incentive Plan are as follows:

- as to 40% of the aggregate number of options between the first trading day following the 12th month after the registration date (the "**Registration Date**") and the first trading day following the 24th month after the Registration Date;
- as to 30% of the aggregate number of options between the first trading day following the 24th month after the Registration Date and the first trading day following the 36th month after the Registration Date; and
- as to 30% of the aggregate number of options between the first trading day following the 36th month after the Registration Date and the first trading day following the 48th month after the Registration Date.

The vesting period for the reserved grant of options under the 2023 Share Option Incentive Plan is below:

- as to 50% of the aggregate number of options between the first trading day following the 12th month after the Registration Date and the first trading day following the 24th month after the Registration Date; and
- as to 50% of the aggregate number of options between the first trading day following the 24th month after the Registration Date and the first trading day following the 36th month after the Registration Date.

After the vesting period, the options granted under the 2023 Share Option Incentive Plan are exercisable on a trading day, other than: (i) within thirty days before the publication of the Company's annual report or interim report, or if the publication is postponed, within thirty days before the original scheduled publication date; (ii) within ten days prior to the publication of the Company's quarterly report, earnings forecast and preliminary results; (iii) within the period from the date of occurrence of a significant event that may have a significant impact on the trading price of the Company's A Shares and its derivatives or the date of entering the decision-making process to the date of disclosure in accordance with the law; and (iv) other periods stipulated by CSRC and Shanghai Stock Exchange.



## Directors' Report

### (j) *Exercise Price*

The initial exercise price of the options granted under the 2023 Share Option Incentive Plan (including the reserved options) is RMB106.03 per A Share. The exercise price will be adjusted upon the occurrence of certain events, including increase in the share capital by way of capitalization of capital reserves, issue of bonus shares, subdivision of shares, issue of new shares or payment of dividends. As at 31 December 2025, the exercise price is RMB98.73 per A Share.

### (k) *Rights and Obligations of our Company*

- The Company has the right to interpret and implement the 2023 Share Option Incentive Plan and evaluate the grantees according to the relevant provisions of the 2023 Share Option Incentive Plan;
- The Company has the right to require the incentive recipients to work for the Company in accordance with the requirements of the positions for which they have been hired. If the incentive recipients are unable to perform the jobs for which they have been hired or fail to pass the assessment, or if the incentive recipients have seriously harmed the Company's interests or reputation due to violating the law, breach of professional ethics, disclosure of the Company's confidentiality, violation of the Company's rules and regulations, or breach of duty or malfeasance, the Board of the Company may, with the approval of the Board of the Company, cancel the incentive recipients' unexercised stock options;
- The Company withholds and pays on behalf of the incentive recipients the personal income tax and other taxes payable by the incentive recipients in accordance with the relevant provisions of related tax laws and regulations;
- The Company undertakes not to provide loans and any other form of financial assistance, including guaranteeing loans, to the participants for the purpose of acquiring the relevant options under the 2023 Share Option Incentive Plan;
- The Company shall fulfill the declaration and disclosure obligations in relation to the 2023 Share Option Incentive Plan in a timely manner according to the relevant regulations;
- The Company shall actively cooperate with the grantees who meet the exercise conditions to exercise their options in accordance with the 2023 Share Option Incentive Plan and the relevant regulations of the CSRC, the Shanghai Stock Exchange and securities depository and clearing institution. However, if the grantee fails to exercise his/her options for the reasons that are attributable to the CSRC, the Shanghai Stock Exchange or securities depository and clearing institution, our Company shall not be liable for the losses caused to such grantee; and
- Other rights and obligations stipulated by laws, regulations, departmental rules, normative documents and the 2023 Share Option Incentive Plan.



## Directors' Report

### (2) Changes in Share Options during the Reporting Period

As at 31 December 2025, all the outstanding options under the 2023 Share Option Incentive Plan have been granted to 1,339 grantees to subscribe for 6,387,120 A Shares, representing 2.18% of the issued A Share capital (excluding treasury shares) of the Company as of the same date. Among the outstanding options granted, two Directors, three members of senior management, nine other connected persons of the Company, and 1,325 grantees who are employees of our Group and are not Directors, members of senior management, consultants or connected persons of the Company were granted outstanding options to subscribe for 96,000 A Shares, 132,000 A Shares, 245,400 A Shares, and 5,913,720 A Shares, respectively. No consideration was paid or is payable for the options granted to the grantees under the 2023 Share Option Incentive Plan.

The table below sets forth the details of the exercise of options granted to Directors, members of senior management or connected persons of the Company and other employees of the Group under the 2023 Share Option Incentive Plan during the Reporting Period:

Name	Position	Date of Grant	Vesting Period/ Exercise Period	Exercise Price per Share RMB	Outstanding as at 1 January 2025	Number of options					Outstanding as at 31 December 2025	Weighted Average Closing Price Immediately before the Exercise Date RMB
						Granted during the Reporting Period	Exercised during the Reporting Period	Lapsed during the Reporting Period	Cancelled during the Reporting Period			
<b>Directors</b>												
Mr. Huang Jianlian	Executive Director and deputy general manager	25 October 2023	1 to 4 years <sup>(Note 1)</sup>	98.73	80,000	0	0	0	32,000	48,000	-	
Dr. Zheng Yanan	Non-executive Director	25 October 2023	1 to 4 years <sup>(Note 1)</sup>	98.73	80,000	0	0	0	32,000	48,000	-	
<b>Senior Management</b>												
Mr. Huang Qingsong	Deputy general manager	25 October 2023	1 to 4 years <sup>(Note 1)</sup>	98.73	80,000	0	0	0	32,000	48,000	-	
Mr. Liang Chen	Board secretary	25 October 2023	1 to 4 years <sup>(Note 1)</sup>	98.73	70,000	0	0	0	28,000	42,000	-	
Ms. Tang Yi	Chief financial officer	25 October 2023	1 to 4 years <sup>(Note 1)</sup>	98.73	70,000	0	0	0	28,000	42,000	-	

## Directors' Report

Name	Position	Date of Grant	Vesting Period/ Exercise Period	Exercise Price per Share RMB	Outstanding as at 1 January 2025	Granted during the Reporting Period	Exercised during the Reporting Period	Lapsed during the Reporting Period	Cancelled during the Reporting Period	Number of options		Weighted Average Closing Price Immediately before the Exercise Date RMB
										Outstanding as at 31 December 2025	Outstanding as at 31 December 2025	
<b>Connected Persons</b>												
Ms. Pang Ke	Director of Wuxi Huashun Minsheng Foods Co., Ltd. (無錫華順民生食品有限公司) ("Wuxi Huashun")	25 October 2023	1 to 4 years <sup>(Note 1)</sup>	98.73	60,000	0	0	0	24,000	36,000	-	
Mr. Jiang Meng	General Manager of Henan Anjoy Foods Co., Ltd. (河南安井食品有限公司) ("Henan Anjoy")	25 October 2023	1 to 4 years <sup>(Note 1)</sup>	98.73	60,000	0	0	0	24,000	36,000	-	
Mr. Jiang Heng	General Manager of Taizhou Anjoy Foods Co., Ltd. (泰州安井食品有限公司) ("Taizhou Anjoy")	25 October 2023	1 to 4 years <sup>(Note 1)</sup>	98.73	60,000	0	0	0	24,000	36,000	-	
Mr. Xiao Huabing	Director of Honghu Xinhongye Food Co., Ltd. (洪湖市新宏業食品有限公司) ("Honghu Xinhongye")	25 October 2023	1 to 4 years <sup>(Note 1)</sup>	98.73	60,000	0	0	0	24,000	36,000	-	
Ms. Gu Zhihua	Supervisor of Wuxi Anjoy Foods Marketing Co., Ltd. (無錫安井食品營銷有限公司)	25 October 2023	1 to 4 years <sup>(Note 1)</sup>	98.73	50,000	0	0	0	20,000	30,000	-	
Ms. Ruan Dongna	Supervisor of Taizhou Anjoy	25 October 2023	1 to 4 years <sup>(Note 1)</sup>	98.73	46,000	0	0	0	18,400	27,600	-	
Mr. Lian Huizhang	Supervisor of Wuxi Huashun	25 October 2023	1 to 4 years <sup>(Note 1)</sup>	98.73	46,000	0	0	0	18,400	27,600	-	
Mr. Lin Yi	Supervisor of Henan Anjoy	25 October 2023	1 to 4 years <sup>(Note 1)</sup>	98.73	15,000	0	0	0	6,000	9,000	-	
Mr. Du Cheng	Second-level deputy manager of the statistics department at Sichuan Anjoy Foods Co., Ltd. (四川安井食品有限公司) ("Sichuan Anjoy")	25 October 2023	1 to 4 years <sup>(Note 1)</sup>	98.73	12,000	0	0	0	4,800	7,200	-	



## Directors' Report

Name	Position	Date of Grant	Vesting Period/ Exercise Period	Exercise Price per Share RMB	Outstanding as at 1 January 2025	Number of options					Weighted Average Closing Price Immediately before the Exercise Date RMB
						Granted during the Reporting Period	Exercised during the Reporting Period	Lapsed during the Reporting Period	Cancelled during the Reporting Period	Outstanding as at 31 December 2025	
<b>Other grantees who had been granted options to subscribe for an aggregate number of 50,000 or more A Shares</b>											
Mr. Ye Weijian	General Manager of Guangdong Anjoy Foods Co., Ltd. (廣東安井食品有限公司)	25 October 2023	1 to 4 years <sup>(Note 1)</sup>	98.73	90,000	0	0	0	36,000	54,000	-
Mr. Yu Xiaojun	General Manager of Shandong Anjoy Foods Co., Ltd. (山東安井食品有限公司)	25 October 2023	1 to 4 years <sup>(Note 1)</sup>	98.73	60,000	0	0	0	24,000	36,000	-
Mr. Ni Rutie	General Manager of Xiamen Anjoy Mr. Frozen Supply Chain Co., Ltd. (廈門安井凍品先生供應鏈有限公司)	25 October 2023	1 to 4 years <sup>(Note 1)</sup>	98.73	60,000	0	0	0	24,000	36,000	-
Mr. Yan Kaidong	Deputy general manager of marketing center	25 October 2023	1 to 4 years <sup>(Note 1)</sup>	98.73	60,000	0	0	0	24,000	36,000	-
Mr. Yu Tenghui	General Manager of Hubei Anjoy Foods Co., Ltd. (湖北安井食品有限公司)	25 October 2023	1 to 4 years <sup>(Note 1)</sup>	98.73	60,000	0	0	0	24,000	36,000	-
Mr. Zhang Shaohua	General manager of Sichuan Anjoy	25 October 2023	1 to 4 years <sup>(Note 1)</sup>	98.73	60,000	0	0	0	24,000	36,000	-
Mr. Liu Zhonghu	General Manager of Hubei New Liuwu	25 October 2023	1 to 4 years <sup>(Note 1)</sup>	98.73	60,000	0	0	0	24,000	36,000	-
Mr. Chen Xincai	Supermarket director of marketing center	25 October 2023	1 to 4 years <sup>(Note 1)</sup>	98.73	55,000	0	0	0	22,000	33,000	-
Mr. Jiang Guowang	Chief assistant of marketing center	25 October 2023	1 to 4 years <sup>(Note 1)</sup>	98.73	55,000	0	0	0	22,000	33,000	-
Mr. Shi Rongxu	Information director	25 October 2023	1 to 4 years <sup>(Note 1)</sup>	98.73	55,000	0	0	0	22,000	33,000	-
Mr. Wei Ketao	Marketing director of marketing center	25 October 2023	1 to 4 years <sup>(Note 1)</sup>	98.73	50,000	0	0	0	20,000	30,000	-

## Directors' Report

Name	Position	Date of Grant	Vesting Period/ Exercise Period	Exercise Price per Share RMB	Outstanding as at 1 January 2025	Granted during the Reporting Period	Exercised during the Reporting Period	Number of options			Outstanding as at 31 December 2025	Weighted Average Closing Price Immediately before the Exercise Date RMB
								Lapsed during the Reporting Period	Cancelled during the Reporting Period	Outstanding as at 31 December 2025		
Mr. Huang Meiqing	Northeast region director of marketing center	25 October 2023	1 to 4 years <sup>(Note 1)</sup>	98.73	50,000	0	0	0	20,000	30,000	-	
Mr. Li Xihong	Northern China region director of marketing center	25 October 2023	1 to 4 years <sup>(Note 1)</sup>	98.73	50,000	0	0	0	20,000	30,000	-	
Mr. Kang Yiwei	Planning director of marketing center	25 October 2023	1 to 4 years <sup>(Note 1)</sup>	98.73	50,000	0	0	0	20,000	30,000	-	
Mr. Xiao Xiao	Deputy general manager of Honghu Xinhongye	25 October 2023	1 to 4 years <sup>(Note 1)</sup>	98.73	50,000	0	0	0	20,000	30,000	-	
Mr. Liu Jing	Deputy general manager of Hubei New Liuwu	25 October 2023	1 to 4 years <sup>(Note 1)</sup>	98.73	50,000	0	0	0	20,000	30,000	-	
<b>Other</b>												
235 employees with outstanding options to acquire between 10,000 and 49,999 A Shares	-	25 October 2023	1 to 4 years <sup>(Note 1)</sup>	98.73	5,372,000	0	0	22,800	2,240,000	3,109,200	-	
1,309 employees with outstanding options to acquire less than 10,000 A Shares	-	25 October 2023	1 to 4 years <sup>(Note 1)</sup>	98.73	3,843,800	0	0	6,000	1,582,280	2,255,520	-	

### Notes:

- (1) The outstanding options under the 2023 Share Option Incentive Plan shall be vested in accordance with the vesting period as follows: (i) as to 30% of the aggregate number of options between 28 October 2025 and the first trading day following the 36th month after the Registration Date; and (ii) as to 30% of the aggregate number of options between the first trading day following the 36th month after the Registration Date and the first trading day following the 48th month after the Registration Date. The exercise period of the options granted under the 2023 Share Option Incentive Plan shall commence from the date on which the relevant options become vested and end on the expiration date of the respective vesting period mentioned above.

40% of the aggregate number of options under the 2023 Share Option Incentive Plan were cancelled on 24 October 2025 as the grantees did not exercise their options during the vesting period.



## Directors' Report

- (2) The closing price of A Shares immediately prior to the grant date of the 2023 Share Option Incentive Plan was RMB114.02 per share.
- (3) As of the year ended 31 December 2025, the number of shares that may be issued in respect of options granted under all share schemes of the Company was 6,387,120 shares, representing 2.07% of the weighted average number of shares of the Company in issue (excluding treasury shares).

### EQUITY-LINKED AGREEMENTS

No equity linked agreements that will or may result in the Company issuing shares, or that require the Company to enter into any agreements that will or may result in the Company issuing shares, were entered into by the Company during the Year or subsisted at the end of the Year.

### DIRECTORS' SERVICE CONTRACTS

The Company has entered into service contracts with the Directors. The Directors may be re-elected upon expiry of their term of office, upon the approval by the shareholders' general meeting. In addition, none of the Directors has entered into any service contracts with the Company or its subsidiaries which cannot be terminated within one year without compensation (other than statutory compensation).

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

No transactions, arrangements or contracts of significance in which the Directors of the Company or their connected entities had a material interest, directly or indirectly, have been entered into by the Company or its subsidiaries from the Listing Date to the end of the Reporting Period.

### DIRECTORS' INTERESTS IN BUSINESSES THAT COMPETE WITH THE BUSINESSES OF THE COMPANY

Each of the Directors did not have any interest in a business which competes or is likely to compete, either directly or indirectly, with the Company's business which would require disclosure under Rule 8.10 of the Listing Rules during the year ended 31 December 2025.



## Directors' Report

### MANAGEMENT CONTRACTS

Save for employment contracts with employees, the Company did not enter into any contracts nor had any existing contracts in respect of all or any significant part of management and administration of business of the Company during the Reporting Period.

### CONTRACTS OF SIGNIFICANCE AND RELATIONSHIP WITH CONTROLLING SHAREHOLDER

No contract of significance has been entered into between the Company or any of its subsidiaries and the controlling shareholders, and no contract of significance for the provision of services to the Company or any of its subsidiaries by the controlling shareholder or any of its subsidiaries was entered into during the year ended 31 December 2025.

### PERMITTED INDEMNITY PROVISION

The Company has maintained liability insurance policies for its Directors. During the Reporting Period and as of the Latest Practicable Date, permitted indemnity provision (as defined in section 9 of the Companies (Directors' Report) Regulation (Chapter 622D of the Laws of Hong Kong)) was and is being in force for the benefit of the Directors of the Company.

### DONATIONS

The Group has made charitable donations of RMB0.33 million during the Reporting Period.

### CONNECTED TRANSACTIONS

None of the related-party transactions set out in the note 12 to the financial statements constitute connected transactions or continuing connected transactions that are required to be disclosed under the Listing Rules. During the Reporting Period, the Group did not conduct any connected transactions or continuing connected transactions in accordance with the Listing Rules.

### PRE-EMPTIVE RIGHTS

During the Reporting Period, the Company has no arrangements in respect of pre-emptive rights according to the provisions under the PRC laws and the Articles of Association.

### MATERIAL LEGAL MATTERS

As of the end of the Reporting Period, the Company was not involved in any material litigation or claims and no material litigation or arbitration was pending or threatened against the Company so far as the Company is aware.

### COMPLIANCE WITH LAWS AND REGULATIONS

The businesses operated by the Company are subject to the PRC laws. During the Reporting Period, to the best knowledge of the Board, the Group has complied in all material respects with the relevant PRC laws and regulations that have a significant impact on the Group.



## Directors' Report

### ENVIRONMENTAL POLICIES AND PERFORMANCE

The Company has established a comprehensive ESG management mechanism and set up an ESG governance structure comprising the Board, the Sustainability Committee, the ESG Working Team and operational units, ensuring that environmental, social, and governance (ESG) matters are managed in an effective way. The Board has the highest decision-making authority and is responsible for approving the Company's ESG development strategy, key targets and external reports, while also ensuring they are consistent with the overall strategy of the Company. This top-level design ensures that the ESG management is conducted systematically and in full alignment with the Company's overall strategy. Through policies such as the Environmental, Social, and Governance (ESG) Management System, the Climate Change Management System and the Nutrition and Health Policy, the Company continues to strengthen its ESG governance. During the Reporting Period, leveraging this robust governance structure, the Company implemented specialized management over key issues such as environmental compliance, energy utilization and pollutant emissions, continuously improving its environmental management performance.

For further details of the Group's environmental policies and performance, please refer to the 2025 Environmental, Social and Governance Report of the Company.

### AUDIT COMMITTEE

The Audit Committee has reviewed the accounting principles and policies adopted by the Group and the consolidated financial statements for the Reporting Period.

### AUDITOR

Pursuant to the resolution of the fourth extraordinary shareholders' meeting of 2024 held by the Company on 20 December 2024 and the Engagement Letter entered into with Ernst & Young ("EY"), EY was appointed as the reporting accountant for the initial public offering of the Company's H shares and listing on the Main Board of the Hong Kong Stock Exchange. Following the Company's successful listing on the Main Board of the Hong Kong Stock Exchange on 4 July 2025, EY has completed all its engagements and its mandate has accordingly terminated.

As approved at the 2024 annual shareholders' meeting held by the Company on 21 May 2025, BDO China Shu Lun Pan Certified Public Accountants LLP (立信會計師事務所(特殊普通合夥)) ("BDO China") was appointed as the auditor of the Company, and the Company will adopt the China Accounting Standards for Business Enterprises on a uniform basis in preparing financial reports and will not separately appoint an overseas financial report auditing firm. BDO China has audited the accompanying financial statements of this report, which have been prepared in accordance with the China Accounting Standards for Business Enterprises.

There has been no change in auditor of the Company since the Listing Date.

By order of the Board

**Anjoy Foods Group Co., Ltd.**

**Mr. Liu Mingming**

*Chairman of the Board and Executive Director*

Xiamen, China

30 March 2026



# Corporate Governance Report

## COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of shareholders and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code, which sets out principles of good corporate governance. To the best knowledge of the Directors, the Company has complied with all code provisions set out in Part 2 of the Corporate Governance Code from the listing date to the end of the Reporting Period.

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

## COMPLIANCE WITH MODEL CODE REGARDING SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules. Upon specific enquiries by the Company, all Directors confirmed that they complied with the requirements of the Model Code relating to securities transactions by Directors from the Listing Date to the end of the Reporting Period.

## CORPORATE CULTURE

The Company adheres to its corporate mission of “delivering health and happiness, making simple delicious food”, its corporate values of “responsibility, integrity, action and mutual benefit”, its business philosophy of “food is for the people”, and its corporate style of “do it right away and do it with your heart”. Upholding its business strategy of “parallel development across three product categories, and multi-channel coverage”, the Company continuously improves product quality, enhances brand reputation, and strengthens corporate competitiveness. For details on the Group's corporate culture and how we put it into practice, please see the section headed “Chairman's Statement” of this report.

## BOARD OF DIRECTORS

### Composition of the Board

As of the Latest Practicable Date, the Board comprises 11 Directors, including 4 executive Directors, 3 non-executive Directors and 4 independent non-executive Directors as follows:

Name	Positions
Mr. Liu Mingming	Executive Director and Chairman of the Board
Mr. Zhang Qingmiao	Executive Director, co-chairman of the Board and general manager
Mr. Zhang Gaolu	Executive Director and co-chairman of the Board
Mr. Huang Jianlian	Executive Director
Dr. Zheng Yanan	Non-executive Director
Mr. Dai Fan	Non-executive Director
Mr. Zhang Guangxi	Non-executive Director and employee representative Director
Ms. Zhang Mei	Independent non-executive Director
Dr. Liu Xiaofeng	Independent non-executive Director
Dr. Zhao Bei	Independent non-executive Director
Mr. Zhang Yueping	Independent non-executive Director



## Corporate Governance Report

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

During the Reporting Period, the Board complied with the requirements of appointing at least three independent non-executive Directors (among whom at least one independent non-executive Director holds the appropriate professional qualifications or accounting or relevant financial management knowledge) set out in Rules 3.10(1) and 3.10(2) of the Listing Rules at any time.

The Company also complied with the requirements of appointing independent non-executive Directors, accounting for one third of the members of the Board set out in Rule 3.10A of the Listing Rules. Independence of each independent non-executive Director has been confirmed in accordance with Rule 3.13 of the Listing Rules, and the Company regards them as independent.

Mr. Zhang Guangxi confirmed that on 24 November 2025, and each of the Directors (other than Mr. Zhang Guangxi) confirmed that, in November 2024, he/she: (i) obtained legal advice as mentioned in Rule 3.09D of the Listing Rules; and (ii) understood the requirements under the Listing Rules of the Stock Exchange that are applicable to them as a director of a listed issuer and the possible consequences of making false statements or providing false information to the Stock Exchange.

### Board Diversity

As of the Latest Practicable Date, the analysis of the Board diversity is as follows:

Item	Type	Number	As a percentage of Board members
Class of director	Executive Director	4	36%
	Non-executive Director	3	27%
	Independent non-executive Director	4	36%
Gender	Male director	9	82%
	Female director	2	18%
Age group	50 or below	1	9%
	51-59 (excluding 59 years old)	5	45%
	59 or above	5	46%

In order to enhance the effectiveness of our Board and to maintain the high standard of corporate governance, the Company has adopted the Board diversity policy (the “**Board Diversity Policy**”), which sets out the objectives and approaches to achieve and maintain diversity of our Board. Pursuant to the Board Diversity Policy, the Company seeks to achieve Board diversity through the consideration of a number of factors when selecting the candidates to our Board, including but not limited to gender, skills, age, professional experience, knowledge, cultural and educational background, and length of service. The ultimate decision of the appointment will be based on merit and the contribution which the selected candidates will bring to our Board.



## Corporate Governance Report

The Directors of the Company have a balanced mix of knowledge and skills, including overall management and strategic development, finance and accounting and corporate governance in addition to industry experience in the food industry. The Company has four independent non-executive Directors with different industry backgrounds, representing more than one-third of the members of our Board. Our Company has evaluated the structure, size and composition of our Board, and is of the opinion that the structure of the 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.

Besides, the Company particularly recognizes the importance of gender diversity. Pursuant to the Board Diversity Policy, the Company has adopted a measurable objective of continuing to have at least 10% female representation in the Board and the current composition of the Board satisfies this target gender ratio with two female Directors. With a view to establishing and sustaining a pipeline of potential Board successors that can achieve gender diversity, the Company will seek to increase the proportion of female members when selecting and recommending suitable candidates for Board appointments, continuously working to enhance gender diversity of the Board. Taking into account our existing business model and specific needs as well as the different background of the Directors of the Company, the Company is of the view that the composition of the Board satisfies the Board Diversity Policy of the Company, and gender diversity on the Board has been achieved. 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 is responsible for ensuring the diversity of our Board members. The Nomination Committee will review and evaluate the implementation of the Board Diversity Policy from time to time to ensure its continued effectiveness, and, when necessary, make any revisions that may be required and recommend any such revisions to the Board for consideration and approval.

### Employee Diversity

As at 31 December 2025, the total number of employees of the Group amounted to 17,100. Among them, there were 8,878 male employees, accounting for 51.92% of the total, and 8,222 female employees, accounting for 48.08% of the total. Among the senior management, there were 4 males, representing 80% of the total, and 1 female, representing 20% of the total. The Company has internally established the Anti-Discrimination Procedure and has always followed a fair recruitment policy. It forbids discrimination resulting from factors such as gender, age or disability, and places emphasis on equal pay for equal work between men and women in terms of remuneration, benefits and others. The Company considers that gender diversity of employees has been achieved. The Company has not identified any mitigating factors or circumstances which make achieving gender diversity across the workforce (including senior management) more challenging or less relevant.



## Corporate Governance Report

### BOARD MEETINGS

Code provision C.5.1 of the CG Code stipulates that Board meetings should be held at least four times a year at approximately quarterly intervals with active participation of the majority of the Directors, either in person or through electronic means of communication. As the Company was only listed on the Stock Exchange on 4 July 2025, 2 regular Board meetings were held during the period from the Listing Date to 31 December 2025. The Company expects to continue to convene at least four regular meetings in each financial year at approximately quarterly intervals in accordance with code provision C.5.1 of the CG Code.

### Appointment, Re-election and Re-appointment of Directors

In accordance with the provisions set out in the Articles of Association, the Directors shall be elected by the Shareholders' meeting and shall serve three-year terms. Upon expiration of the term, the Directors may be re-elected and re-appointed.

### Directors' Training

Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. During the Reporting Period, all Directors have participated in continuous professional development by attending training courses or external seminars to develop and refresh their knowledge and skills in relation to their contribution to the Board. Related reading materials (including legal and regulatory updates) have been provided to the Directors for their reference.

### Duties Performed by the Board and Management

The Board is responsible for the overall leadership of the Group, overseeing the Group's strategic decisions and monitoring business and performance. These responsibilities include determining the Company's operating plan and investment proposals, formulating the Company's profit distribution plans and plans for making up losses, deciding on the establishment of the internal management structure of the Company, developing basic management systems of the Company, and managing the disclosure of the Company's information.

The senior management of the Company comprises the general manager, deputy general managers, chief financial officer and Board secretary. The management is delegated with responsibilities for implementing the strategy and direction as adopted by the Board from time to time, and conducting the day-to-day operations of the Group. They meet regularly to review the performance of the businesses of the Group as a whole, coordinate overall resources and make financial and operational decisions. The Board also gives clear directions as to their powers of management including circumstances where management should report back, and will review the delegation arrangements on a periodic basis to ensure that they remain appropriate to the needs of the Group.



# Corporate Governance Report

## Chairman of the Board and General Manager

Pursuant to the code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and performed by different individuals. During the Reporting Period, the Chairman of the Board and the general manager of the Company were held by separate persons to ensure the independence of the decision-making of the Board and the daily operation of the management. The Chairman of the Board of the Company is Mr. Liu Mingming, and the general manager of the Company is Mr. Zhang Qingmiao. The positions of the Chairman and the general manager are clearly separated. The Chairman is not permitted to concurrently hold the position of general manager, and the division of responsibilities between the Chairman and the general manager is clearly established and documented in writing. The Chairman is responsible for the operation of the Board, and the general manager is responsible for the management of the Company's daily business operation. The Articles of Association of the Company have set out the respective duties of the Chairman and the general manager in detail. During the Reporting Period, the Company has complied with the provisions of Code Provision C.2.1 of the CG Code.

## CORPORATE GOVERNANCE FUNCTIONS

The Board recognizes the importance of corporate governance and is responsible for performing the duties as set out in the code provision A.2.1 of the CG Code as follows:

- (1) to develop and review the Company's policies and practices on corporate governance;
- (2) to review and monitor the training and continuous professional development of Directors and senior management;
- (3) to review and monitor the Company's policies and practices in compliance with all applicable legal and regulatory requirements;
- (4) to develop, review and monitor the code of conduct and compliance guidelines applicable to employees and Directors; and
- (5) to review the Company's compliance with the CG Code and disclosure in the corporate governance report.

The Board has performed the above corporate governance functions during the Reporting Period.

## SPECIAL COMMITTEES OF THE BOARD

The Company has formed five special committees of the Board, namely the Audit Committee, the Nomination Committee, the Remuneration and Assessment Committee, the Strategy Committee and the Sustainability Committee. Each special committee of the Board performs its duties in accordance with their respective terms of reference.



## Corporate Governance Report

### Audit Committee

The Audit Committee consists of Ms. Zhang Mei (independent non-executive Director), Mr. Dai Fan (non-executive Director), Mr. Zhang Guangxi (non-executive Director), Dr. Liu Xiaofeng (independent non-executive Director) and Dr. Zhao Bei (independent non-executive Director). Ms. Zhang Mei serves as the chairperson of the Audit Committee.

The Audit Committee is responsible for reviewing the Company's financial information and its disclosure, monitoring and evaluating internal and external audit work and internal controls. Its primary duties include, but not limited to, the following:

- (i) to supervise and assess external audit work, make proposals regarding appointment, reappointment and dismissal of external auditors, approve the remuneration and terms of engagement of the external auditors, deal with all matters of the resignation or dismissal of external auditors, supervise practicing activities of external auditors;
- (ii) to review and monitor the independence and objectivity of external auditors and the effectiveness of the audit process in accordance with applicable standards. The Audit Committee shall discuss with the external auditors the nature, scope and related reporting responsibility before the audit commences;
- (iii) to formulate and implement policies relating to the provision of non-audit services by external auditors;
- (iv) to supervise and assess internal audit work, supervise the internal audit system and accounting policies of the Company and its implementation;
- (v) to act as the representative of the Company and the external auditor, be responsible for the communication between the internal audit and the external audit and monitor their relationship to ensure the coordination between the works of internal auditor and the external auditor, ensure that the internal audit function is adequately resourced and has appropriate standing within the Company, and review and monitor its effectiveness;
- (vi) to examine the completeness of the financial statements, annual reports and accounts, half-year reports and (if to be published) quarterly reports of the Company, and review important opinions regarding financial reporting in such statements and reports. The Committee members shall communicate with the Board and members of the senior management, and consider any significant and unusual items that are, or may need to be, reflected in such reports and accounts;
- (vii) to review the financial information and its disclosure of the Company, and financial and accounting policies and operation;



## Corporate Governance Report

- (viii) to review and evaluate the financial control, risk management and internal control systems of the Company;
- (ix) to discuss with the management on risk management and internal control system to ensure that the management has performed its duty to maintain an effective internal control system;
- (x) to review the internal system of the Company and organize the review of major (related) connected transactions;
- (xi) to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board;
- (xii) to review and monitor the training and continuous professional development of directors and members of the senior management;
- (xiii) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors;
- (xiv) to review the Company's compliance with the Corporate Governance Code as contained in Appendix C1 to the Listing Rules and disclosure in the Corporate Governance Report set out in the annual reports;
- (xv) to report to the Board on the provisions of the Corporate Governance Code as contained in Appendix C1 to the Listing Rules;
- (xvi) to inspect the Company's compliance with laws and regulations, including supervision and management of issues related to business ethics and corruption;
- (xvii) to be responsible for the laws and regulations, the Articles of Association, the listing rules of the stock exchange(s) where the shares of the Company are listed and other matters authorized by the Board of the Company.

The Audit Committee's major work during the Reporting Period includes: (1) reviewing the annual consolidated financial statements for the year ended 31 December 2024, and the opinions and reports of the independent auditor; (2) reviewing the interim report for the six months ended 30 June 2025; (3) engaging an external auditor to provide audit services for financial statements and A Shares internal control as well as special audit on raised funds to the Company; (4) overseeing and monitoring the risk management and internal control systems of the Company on an ongoing basis and reviewing with our external auditors and management periodically, the scope, adequacy and effectiveness of the Company's corporate accounting and financial controls, risk management and internal control systems, and any related significant findings regarding risks or disclosures and considering recommendations for improvement of such controls. This review has covered all key control areas, including financial control, operational control and compliance control. Further details regarding the annual review by the Audit Committee are set out in the section headed "Risk Management and Internal Control".



## Corporate Governance Report

During the Reporting Period, the Audit Committee held five meetings, details of which are as follows:

<b>Name of Meeting</b>	<b>Date of Meeting</b>	<b>Contents of Meeting</b>
Audit Committee	25 April 2025	<p>Considered:</p> <ol style="list-style-type: none"><li>1. The Annual Report of the Company for the Year 2024 and Its Abstract;</li><li>2. The Proposal on the Company's Report on the Final Accounts for the Year 2024;</li><li>3. The Proposal on the Profit Distribution Plan of the Company for the Year 2024;</li><li>4. The Proposal on the Internal Control Evaluation Report of the Company for the Year 2024;</li><li>5. The Proposal on the Special Report on the Deposit and Use of Raised Funds for the Year 2024;</li><li>6. The Proposal on the Duty Performance Report of the Audit Committee of the Company for the Year 2024;</li><li>7. The Proposal on the Company's Evaluation Report of the Accounting Firm's Performance for the Year 2024;</li><li>8. The Proposal on Audit Committee's Report on Its Oversight of the Accounting Firm's Performance for the Year 2024;</li><li>9. The Proposal on the Re-appointment of the Accounting Firm for the Year 2025;</li><li>10. The Proposal on Extension of Certain Proceed-funded Projects for Private Placement of Shares;</li><li>11. The 2025 First Quarter Report of the Company.</li></ol>



## Corporate Governance Report

<b>Name of Meeting</b>	<b>Date of Meeting</b>	<b>Contents of Meeting</b>
	25 August 2025	Considered: <ol style="list-style-type: none"><li>1. The Company's 2025 Interim Report and Its Abstract;</li><li>2. The Proposal on the Profit Distribution Plan of the Company for the First Half of 2025;</li><li>3. The Proposal on the Special Report on the Deposit and Use of Raised Funds of the Company for the First Half of 2025;</li><li>4. The Proposal on Changes to Certain Proceed-funded Projects for Private Placement of Shares of the Company;</li><li>5. The Proposal on Alignment in Preparation of Financial Reports in Accordance with the China Accounting Standards for Business Enterprises.</li></ol>
	30 September 2025	Considered:  The Proposal on Changes to Certain Proceed-funded Projects for Private Placement of Shares of the Company
	28 October 2025	Considered:  The 2025 Third Quarter Report of the Company
	22 December 2025	Considered:  The Proposal on the Addition of Implementation Subject for Certain Proceed-funded Projects for Private Placement of Shares



## Corporate Governance Report

### Nomination Committee

The Nomination Committee consists of Mr. Zhang Yueping (independent non-executive Director), Mr. Liu Mingming (executive Director) and Ms. Zhang Mei (independent non-executive Director). Mr. Zhang Yueping serves as the chairperson of the Nomination Committee.

The primary duties of the Nomination Committee include, but are not limited to, the following:

- (i) reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board of Directors at least annually, assisting the Board of Directors in preparing a skills matrix, and making recommendations to the Board of Directors on the size and composition of the Board of Directors based on the Company's operating activities, asset size and shareholding structure; when considering the composition of the Board of Directors, maintaining a balanced mix of executive and non-executive directors (including independent directors) for the Board of Directors as well as considering the diversity of the Board of Directors from various perspectives, including but not limited to gender, age, cultural and educational background and professional experience of the Directors; and formulating and reviewing the Board Diversity Policy;
- (ii) studying the criteria and procedures for the selection of directors and the general manager, and making recommendations to the Board of Directors;
- (iii) conducting an extensive search for qualified candidates for directors and the general manager;
- (iv) reviewing and making recommendations on candidates for directors (including independent directors) and the general manager;
- (v) selecting, reviewing and making recommendations on candidates for other senior management positions and their qualifications that need to be brought to the Board of Directors for appointment;
- (vi) making recommendations to the Board of Directors on the appointment or re-appointment of directors and succession plans for directors, especially the chairman of the Board of Directors, and the general manager;
- (vii) conducting an evaluation of each director's time commitment and contribution to the Board of Directors, as well as their ability to effectively fulfill their duties;
- (viii) supporting the issuer in conducting regular assessments of the performance of the Board of Directors;
- (ix) reviewing the independence of independent directors;
- (x) other matters authorized by the Board of Directors.



## Corporate Governance Report

The process for the nomination of Directors of the Company is as follows: the Nomination Committee shall review the qualifications of nominees for appointment and form a clear opinion on the review, as well as make recommendations to the Board of Directors on the nomination or removal of directors. The specific procedures include: (i) pursuant to the requirements of the Articles of Association, collecting proposals on candidates for directors from the persons with the right to propose when the Company needs to elect directors; (ii) arranging the relevant departments of the Company to independently collect, among others, the basic information, education background, professional title, work experience, all part-time jobs and relationship with the Company of the candidates and prepare relevant written materials. (iii) liaising with candidates to obtain consent and relevant written documents from nominees to be nominated, and requiring candidates to provide documents in relation to, among others, their basic information, education background, professional title, work experience, all part-time jobs and relationship with the Company. (iv) the relevant resolutions being considered and approved by the Nomination Committee. (v) submitting the resolutions that have been considered and approved together with the relevant documents to the Board of Directors of the Company for consideration.

The principal work of the Nomination Committee during the Reporting Period included the following: (1) nominated Mr. Zhang Qingmiao and Mr. Zhang Gaolu as candidates for co-chairmen of the Board; (2) reviewed the structure, size, composition and diversity of the Board; (3) assessed the independence of independent non-executive Directors; (4) reviewed the Board Diversity Policy.

During the Reporting Period, the Nomination Committee held one meeting, details of which are as follows:

<b>Name of Meeting</b>	<b>Date of Meeting</b>	<b>Contents of Meeting</b>
Nomination Committee	28 November 2025	Considered: The Proposal on the Election of Co-chairmen

### Remuneration and Evaluation Committee

The Remuneration and Evaluation Committee consists of Dr. Zhao Bei (independent non-executive Director), Mr. Zhang Gaolu (executive Director) and Mr. Zhang Yueping (independent non-executive Director). Dr. Zhao Bei serves as the chairperson of the Remuneration and Evaluation Committee.

The primary duties of the Remuneration and Evaluation Committee include, but are not limited to, the following:

- (i) to make recommendations to the Board on: 1. the remuneration for directors and members of senior management; 2. formulating or changing equity incentive schemes, employee stock ownership plans, and conditions for incentive participants to be granted with and exercise interests; 3. the remuneration for non-executive directors; 4. the arrangement of stock ownership plans for subsidiaries to be spun off by directors and members of senior management; 5. other matters prescribed by laws, administrative regulations, securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association.



## Corporate Governance Report

- (ii) to determine, with delegated responsibility granted by the Board, the remuneration packages of individual executive Directors and members of senior management, or make recommendations to the Board on the remuneration packages of individual executive Directors and members of senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
- (iii) to consider salaries paid by comparable companies, time commitment and responsibility and employment conditions elsewhere in the group;
- (iv) to review and approve compensation payable to executive directors and members of senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive for the Company;
- (v) to review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;
- (vi) to ensure that no director or any of their associates (as defined under the Listing Rules) is involved in deciding their own remuneration; and
- (vii) to review and/or approve matters relating to share schemes under Chapter 17 of the Hong Kong Listing Rules.

The Directors receive compensation in the form of fees, salaries, performance-related bonuses, pension scheme contributions, and equity-settled share-based payment expenses. As for their performance-based remuneration, pursuant to the Remuneration Management System of Directors and Senior Management Members of the Company, the proportion of Directors' performance-based remuneration shall, in principle, not be less than fifty percent of the aggregate of basic remuneration and performance-based remuneration. The remuneration of the Directors and senior management of the Company shall be aligned with market developments, commensurate with the operating results of the Company and individual performance, and coordinated with the sustainable development of the Company.

For the remuneration of Directors and senior management, the Remuneration and Evaluation Committee makes recommendations to the Board in relation to the remuneration offering of individual executive Directors and senior management, which is the adoption of the models in E.1.2(c)(ii) of the CG Code.

The principal work of the Remuneration and Evaluation Committee during the Reporting Period included the following: (1) reviewed the remuneration policy of the Board; (2) assessed the performance of duties by the Directors and senior management; (3) approved the terms of the Directors' service contracts; (4) reviewed the remuneration of the Directors and senior management of the Company and provided advice to the Board in this regard.



## Corporate Governance Report

During the Reporting Period, the Remuneration and Evaluation Committee held two meetings, details of which are as follows:

<b>Name of Meeting</b>	<b>Date of Meeting</b>	<b>Contents of Meeting</b>
Remuneration and Evaluation Committee	25 April 2025	Considered: <ol style="list-style-type: none"><li>1. The Proposal on Remuneration Plan for the Directors of the Company for the year 2025;</li><li>2. The Proposal on Remuneration Plan for the Senior Management of the Company for the year 2025.</li></ol>
	28 October 2025	Considered: <ol style="list-style-type: none"><li>1. The Proposal on the Adjustment to the Exercise Price of the 2023 Share Option Incentive Scheme;</li><li>2. The Proposal on Cancellation of Certain Share Options Granted but Unexercised under the 2023 Share Option Incentive Plan;</li><li>3. The Proposal on Fulfillment of Exercise Conditions for the Second Exercise Period of the first tranche of the Share Options of the 2023 Stock Option Incentive Plan.</li></ol>

### Strategy Committee

The Strategy Committee consists of Mr. Liu Mingming, Mr. Zhang Qingmiao and Mr. Huang Jianlian, all of whom are executive Directors. Mr. Liu Mingming serves as the chairperson of the Strategy Committee.

The primary duties of the Strategy Committee include, but are not limited to, the following:

- (i) to study and make proposals on the long-term development strategy of the Company;
- (ii) to study and make proposals on significant investment decisions and financing plans that are subject to the approval by the Board according to the Articles of Association;
- (iii) to study and make proposals on significant capital operations and asset operating projects that are subject to the approval by the Board according to the Articles of Association;



## Corporate Governance Report

- (iv) to study and make proposals on other significant matters that affect the development of the Company;
- (v) to inspect the implementation of the foregoing;
- (vi) to handle such other matters as authorised by the Board.

The principal work of the Strategy Committee during the Reporting Period included coordinating and developing the Company's strategic plans for enhancing the operational quality and strengthening returns to investors, as well as providing advice to the Board on relevant proposals.

During the Reporting Period, the Strategy Committee held two meetings, details of which are as follows:

<b>Name of Meeting</b>	<b>Date of Meeting</b>	<b>Contents of Meeting</b>
Strategy Committee	25 April 2025	Considered: The Proposal on the Company's Half-Year Assessment Report on the 2024 Action Plan of "Enhancing Quality, Increasing Efficiency and Focusing on Returns"
	25 August 2025	Considered: The Proposal on the Company's 2024 Assessment Report on Action Plan of "Enhancing Quality, Increasing Efficiency and Focusing on Returns" and the 2025 Action Plan

### Sustainability Committee

The Sustainability Committee consists of Mr. Liu Mingming (executive Director), Mr. Zhang Qingmiao (executive Director), Mr. Huang Jianlian (executive Director), Dr. Zheng Yanan (non-executive Director), Dr. Liu Xiaofeng (independent non-executive Director) and Mr. Zhang Yueping (independent non-executive Director). Mr. Liu Mingming serves as the chairperson of the Sustainability Committee.



## Corporate Governance Report

The primary duties of the Sustainability Committee include, but are not limited to, the following:

- (i) to keep abreast of ESG development trends, ensure that the position of the Company and its performance on sustainable development issues remain up to date and comply with applicable legal and regulatory requirements and international standards;
- (ii) to conduct research, analysis and risk assessment on sustainable development and ESG-related issues of the Company, and propose vision, strategy and framework in respect of ESG of the Company;
- (iii) to review and approve ESG development objectives and key performance indicators of the Company, oversee the progress of the implementation of ESG objectives, and make recommendations based on the results of ESG implementation and the achievement of performance objectives;
- (iv) to oversee the operation of the Company's ESG system in various business segments, deliberate and review the impact of Company business on the environment and society, respond proactively to emerging sustainability issues, and provide the Board of Directors with recommendations and proposals to enhance the performance of sustainable development of the Company;
- (v) to regularly report to the Board of Directors on the Company's ESG-related work, provide timely feedback on the progress of the Company's ESG work and issues of concern to the Company from internal and external stakeholders, and put forward enhancement proposals for the management of ESG practices of the Company;
- (vi) to review the annual ESG report of the Company and report to the Board of Directors;
- (vii) to conduct research and make recommendations on other major matters affecting the sustainable development of the Company;
- (viii) other matters authorized by the Board of Directors of the Company and other matters involved in related laws and regulations.

The principal work of the Sustainability Committee during the Reporting Period included reviewing ESG-related policies established by the Company; reviewing ESG development objectives and key performance indicators of the Company as well as overseeing the progress of the implementation; and reviewing the annual ESG report.

During the Reporting Period, the Sustainability Committee held one meeting, details of which are as follows:

<b>Name of Meeting</b>	<b>Date of Meeting</b>	<b>Contents of Meeting</b>
Sustainability Committee	25 April 2025	Considered: The 2024 Environmental, Social and Corporate Governance Report of the Company



## Corporate Governance Report

### REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Details of emoluments of the Directors and the chief executive of the Company are included in note 12.5 to the financial statements, and the remuneration of other individuals who served as senior management of the Company during the Reporting Period fell within the following bands:

	<b>Number of Individuals</b>
Below RMB1,000,000	0
RMB1,000,000 to RMB2,000,000 (RMB2,000,000 inclusive)	2
Above RMB2,000,000	1
Total	3

Mr. Liang Chen, our Board secretary, is the nephew of Mr. Liu Mingming, our Chairman of the Board. Other than this, the Directors and senior management do not have any relationship among themselves in financial, business, family or other material aspects other than working relationship in the Company.

### BOARD INDEPENDENCE MECHANISM

The Board has established relevant mechanisms to ensure that the Board obtains independent views and opinions as follows:

The Company established the Working Rules of the Independent Directors and other institutional documents to provide guidance for the duty performance of each Director to ensure standard operation and scientific decision-making by the Board;

The Board of the Company consists of eleven members; seven of them are non-executive Directors, including four independent non-executive Directors in compliance with the Listing Rules with a balanced composition so that there is a strong independent element on the Board;

Before nomination of candidates for new independent non-executive Directors, the Nomination Committee will make a comprehensive assessment on their independence, working experience and professional skills, etc. It will also assess ongoing independence of the existing independent non-executive Directors and their time commitment for their performance of duties on an annual basis;

The chairman holds a meeting with independent non-executive Directors annually without the presence of other Directors. In addition, the Company convenes meetings from time to time attended by all independent non-executive Directors to seek their advice;

The specific committees under the Board may, in the course of performing their duties, engage intermediaries to provide professional advice for their performance of duties, facilitating comprehensive consideration of diverse perspectives in the decision-making process;

All members of the Board are entitled to have timely access to the information of the Group (including but not limited to management accounts, operational results and statistics, audit results and other relevant industry and market information and forecasts).

## Corporate Governance Report

During the Reporting Period, the Company fully complied with the relevant provisions set out above. Through reviewing the implementation of the aforementioned mechanism, the Board is of the view that it is effective in ensuring that independent views and input are provided to the Board.

### MEETING ATTENDANCE RECORD OF DIRECTORS

Attendance record of all Directors to the shareholders' meetings, Board meetings and meetings of specific committees under the Board during the Reporting Period are as below:

Director's Name	Number of Board meetings attended/number of meetings required to attend	Number of meetings of the Audit Committee attended/number of meetings required to attend	Number of meetings of the Nomination Committee attended/number of meetings required to attend	Number of meetings of the Remuneration and Evaluation Committee attended/number of meetings required to attend	Number of meetings of the Strategy Committee attended/number of meetings required to attend	Number of meetings of the Sustainability Committee attended/number of meetings required to attend	Number of shareholders' meetings attended/number of meetings required to attend
Mr. Liu Mingming	10/10		1/1		2/2	1/1	2/2
Mr. Zhang Qingmiao	10/10				2/2	1/1	2/2
Mr. Zhang Gaolu	10/10			2/2			2/2
Dr. Zheng Yanan	10/10					1/1	2/2
Mr. Dai Fan	10/10	5/5					2/2
Ms. Zhang Mei	10/10	5/5	1/1				2/2
Dr. Liu Xiaofeng	7/7	1/1				0/0	1/1
Dr. Zhao Bei	10/10	5/5		2/2			2/2
Mr. Zhang Yueping	10/10		1/1	2/2		1/1	2/2
Mr. Huang Jianlian	10/10				2/2	1/1	2/2
Mr. Zhang Guangxi	2/2	1/1					0/0

Notes:

- Dr. Liu Xiaofeng has served as an independent non-executive Director of the Company since 3 July 2025, as a member of the Sustainability Committee since 1 August 2025, and as a member of the Audit Committee since 28 November 2025. Following the effectiveness of his appointments as Director and as a member of the relevant committees, the Company held 7 Board meetings, 1 shareholders' meeting and 1 Audit Committee meeting. No Sustainability Committee meeting was held.
- Mr. Zhang Guangxi has served as an employee representative Director of the Company and as a member of the Audit Committee since 28 November 2025. Following the effectiveness of his appointments as Director and as a member of the relevant committee, the Company held 2 Board meetings and 1 Audit Committee meeting. No shareholders' meeting was held.

### DIRECTORS' RESPONSIBILITY FOR FINANCIAL STATEMENTS

It is the responsibility of the Board to prepare the financial statements for each fiscal year to give a true and fair view of the financial condition of the Company and the results and cash flow during the relevant period. In preparing the financial statements for the year ended 31 December 2025, the Directors have selected suitable accounting policies and adopted appropriate accounting standards. Based on judgments and estimates that are prudent and reasonable, the Directors have ensured that the accounts are prepared on the going concern basis. The Directors confirm that the preparation of the financial statements of the Group for the year ended 31 December 2025 is in accordance with statutory requirements and applicable accounting standards.

The reporting responsibilities of the Company's external auditor on the financial statements of the Group are set out in the section of "Auditor's Report" in this report.



## Corporate Governance Report

### RISK MANAGEMENT AND INTERNAL CONTROL

The Company has established and currently maintains risk management and internal control systems consisting of policies and procedures in relating to Company's business operations. The Company has adopted and implemented comprehensive risk management policies in various aspects of our business operations such as legal and compliance, financial reporting and internal control. The Board is responsible for conducting an independent review of the adequacy and effectiveness of the Company's risk management and internal control system, continuously monitoring and reviewing its operational effectiveness at least annually. The risk management and internal control systems of the Company are designed to manage risks rather than completely eliminate the risk of failing to achieve business objectives. The Board can only provide reasonable, but not absolute, assurance against material misstatements or losses.

### ORGANIZATION SYSTEM AND KEY FEATURES OF RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

The Company has established a comprehensive risk management and internal control organization system, which includes the Board, the Audit Committee, the audit department under the Audit Committee, the finance department, in-house legal positions, and engaged external legal counsel.

The Board of Directors is responsible for the establishment and updating of our internal control systems, while our senior management monitors the daily implementation of the internal control procedures and measures with respect to each subsidiary and functional department.

The Audit Committee assists the Board in performing its duties of risk management and internal control systems, and supervises the Company's risk management and internal control systems on an ongoing basis, to provide opinions and suggestions with regard to the improvement of the risk management and internal control systems.

The Company set up in-house legal positions and engaged external legal advisers to supervise and manage legal and compliance matters of the Company. This includes overseeing daily business operations, providing legal guidance to subsidiaries and reviewing the legality of contracts.

The Company's finance department comprehensively manages its financial operations. It is primarily responsible for the formulation of financial strategy of the Company, budgeting, fund management and financial reporting. The Company has established a series of systems, such as accounting management systems, key accounting policies and estimates management and group-wide financial reporting disclosure management systems, to regulate the management of accounting personnel, processes, internal control and audits, accounting policies and estimates. The Company also has various procedures in place to standardize the preparation, approval, submission and disclosure of financial statements and reports.

The Company has established an internal audit management system, specifying the scope of internal control review and evaluation, the content and process of internal control evaluation reports and supervision and management. The Company has set up an audit department under the Audit Committee to perform internal audit and investigation functions, evaluating the company's internal controls, including those related to the IT systems. The audit department is also responsible for the compliance, audit and supervision of various economic activities of the company and each department to prevent operational risks and protect the safety and integrity of company assets. Additionally, our audit department conducts annual offline audits of each subsidiary, focusing on areas including contracts, guarantees, funds and procurement.



## Corporate Governance Report

### IDENTIFYING, EVALUATING AND MANAGING MATERIAL RISKS

The Company organises the management of the Company together with the supervisory departments of the headquarters, business departments and subsidiaries to accurately identify major risks of the year based on the latest changes in the external environment and its own business development at the beginning of each year, and analyses each major risk, formulates countermeasures, prepares a comprehensive risk management report and submits it to the Board of the Company for consideration and approval after the report is considered by the Audit Committee of the Board. Meanwhile, it dynamically monitors major risks, tracks the implementation of preventive and control measures, regularly reports to the management the changing trend of such risks in the ordinary course of production, and puts forward management suggestions in a timely manner. For material risks identified, the Company develops practical response plans based on its current development status and strategic plans.

### IMPLEMENTATION OF RISK MANAGEMENT AND INTERNAL CONTROL

In 2025, in order to comply with the relevant requirements of the Company Law of the People's Republic of China (Revised in 2023) 《中華人民共和國公司法(2023年修訂)》 and the Transitional Period Arrangements for the Implementation of Supporting Rules and Regulations of the New Company Law 《關於新〈公司法〉配套制度規則實施相關過渡期安排》 issued by the CSRC, the Company abolished its Supervisory Committee, revised nearly 20 systems, and established the Management System relating to Remuneration of Directors and Senior Management, the Postponement and Exemption System of Information Disclosure, and the Management System for Resignation of Directors and Senior Management. Based on its system construction and in light of issues identified through internal and external supervision and inspections, the Company updated and improved its internal control systems. In addition, the Audit Committee reviews the Company's risk management and internal control four times per year on a quarterly basis, and reviews the effectiveness of the Company's risk management and internal control systems. On 27 January 2026, the Company considered and approved the report on the Company's comprehensive risk management, internal control assessment report and the auditing report on internal control, respectively, and received reports from the business department on the work of the Company's risk management and internal control for 2025 and the work plan for 2026.

The Directors of the Company are of the view that, during the Reporting Period, the risk management and internal control system of the Company were implemented effectively, the Company's internal control objectives were fulfilled and no significant deficiency was found.

### INSIDE INFORMATION DISCLOSURE POLICY

Regarding the procedures and internal control measures for handling and disclosing inside information, the Company has established relevant policies concerning the disclosure of inside information. The Registration System for Information Insiders stipulates that, prior to the disclosure of the Company's inside information in accordance with laws, the Company shall complete the registration and management of information insiders. The Company shall complete its form of information insider to promptly record the list of persons informed of inside information at stages such as consultation planning, consultation, contract signing and reporting, transmission, preparation, resolution, and disclosure, which includes information such as the time, place, basis, means, and content of their knowledge of the inside information, and shall be confirmed by the information insider.



## Corporate Governance Report

In accordance with the Administrative Measures for Information Disclosure by Listed Companies, the Listing Rules of the Stock Exchange and other relevant regulations of the stock exchanges where the Company's shares are listed, the Company discloses inside information as soon as reasonably practicable.

The Board of the Company conducts periodic reviews of these policies and their effectiveness.

### SHAREHOLDERS' RIGHTS

The shareholders' meeting of the Company is made up of all shareholders. The shareholders' meeting is the organ of authority of the Company, through which shareholders exercise their powers.

### CONVENING OF SHAREHOLDERS' MEETING

In accordance with the Articles of Association, shareholders that, either individually or jointly, hold over 10% of shares of the Company may propose to the Board of Directors in writing for the convening of an extraordinary shareholders' meeting. In accordance with laws, administrative regulations, and the Articles of Association, the Board of Directors shall issue a written response to state if it agrees to convene the extraordinary shareholders' meeting within 10 days from the receipt of the proposal. In the event that the Board of Directors agrees to convene such extraordinary shareholders' meeting, a notice of the meeting shall be provided within five days of such resolution by the Board of Directors. Alterations to the original proposals for the meeting stated in the notice shall be approved by the relevant shareholders. In the event that the Board of Directors disagrees with the convening of such extraordinary shareholders' meeting or fails to provide any feedback within 10 days after receiving the proposal, shareholders that, either individually or jointly, hold over 10% of shares of the Company have the right to propose to the audit committee for the convening of the extraordinary shareholders' meeting, and such proposal shall be made in writing to the audit committee. In the event that the audit committee agrees to convene an extraordinary shareholders' meeting, a notice of the meeting shall be issued within five days of receipt of such request. Alterations to the original proposals in the notice shall be approved by the relevant shareholders. In the event that the audit committee does not provide a notice of the shareholders' meeting within the specified timeframe, the audit committee shall be considered to be unwilling to convene and preside over the meeting. The shareholders that, either individually or jointly, hold over 10% of shares of the Company for a period of 90 consecutive days or more may convene and preside over the shareholders' meeting on their own.

### PROPOSALS OF SHAREHOLDERS' MEETING

When the Company convenes the shareholders' meeting, shareholders who individually or collectively hold more than 1% of the shares of the Company shall have the right to put forward proposals to the Company. Shareholders who individually or collectively hold more than 1% of the shares of the Company may submit an interim proposal in writing to the convener 10 days prior to the convening of the shareholders' meeting. The interim proposal shall have concrete content and specific matters for resolution. The convener shall issue a supplementary notice of the shareholders' meeting within 2 days after receiving the proposal, announce the content of the interim proposal, and submit the same at the shareholders' meeting for consideration. However, this does not apply if the interim proposal violates the provisions of laws, administrative regulations, or the Articles of Association, or if it is not within the scope of the shareholders' meeting's authority.



## Corporate Governance Report

### PUTTING FORWARD ENQUIRIES TO THE BOARD

Shareholders may supervise the operations of the Company and make suggestions and enquiries to the Board.

### CONTACT DETAILS

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

Telephone: 0592-6884968

Address: No. 2508, Xinyang Road, Haicang District, Xiamen, Fujian Province, PRC, Securities and Legal Affairs

Email: zhengquanbu@anjoyfood.com

### INVESTOR RELATIONS

The Company believes that maintaining effective communication with Shareholders is essential for strengthening investor relations and enabling investors to understand the Company's business, performance and strategy. In order to enhance information exchange between the Company and its investors and potential investors, deepen the investors' understanding of the Company, effectively protect the legitimate rights and interests of investors, particularly those from the public, and facilitate the establishment of a long-term, stable, and positive relationship between the Company and its investors, the Company has formulated the Investor Relations Management System to manage the investor relations of the Company, based on the fundamental principles of compliance, equality, proactiveness, and good faith.

The Company strives to communicate with investors in a timely, in-depth and extensive manner through various channels, utilizing efficient tools such as the internet to enhance communication efficiency and reduce costs. Channels of communication between the Company and investors include but are not limited to: (1) announcements, including periodic reports and interim reports; (2) shareholders' meetings; (3) the Company's website; (4) analyst meetings, investor briefings, site visits, and exchange meetings; (5) one-on-one communications; (6) mailing information; (7) telephone inquiries, fax, and email; (8) advertisements, brochures, or other promotional materials; (9) media interviews and coverage, and new media platforms; (10) site visits; (11) investor education centers; and (12) roadshows. For the appeals investors have made to the Company, the Company shall assume the primary responsibility to handle them in accordance with the law and reply to investors in a timely manner.



## Corporate Governance Report

### SHAREHOLDERS' COMMUNICATION POLICY

The Company adopted a shareholders' communication policy so as to promote the effectiveness of communication and establish a bridge between the Company and its Shareholders.

The Company has established a company website (<https://www.anjoyfood.com>) and enquiry channels for the investors (tel: 0592-6884968; email: [zhengquanbu@anjoyfood.com](mailto:zhengquanbu@anjoyfood.com)). An Investor Relations section is available on the website, or alternatively, the Company accepts questions and suggestions from investors via email, collecting and responding to inquiries, complaints, and suggestions from investors, as well as promptly publishing and updating information related to investor relations management. The Company enriches and timely updates its website content. It may post press releases, company profiles, products or services, disclosable statutory information, contact methods of investor relations, feature articles, stock quotes and other information of concern to investors on the Company's website for investors' reference.

During the Reporting Period, the Company held results briefings to provide investors with information of development of the industry in which the Company operates, its development strategies, business management, financial position, profit distribution, risks and difficulties, and other issues that investors are concerned about, answer their questions and hear their views. The Company may collect relevant questions from small and medium investors via email, on forums, by phone or by sending out letters in advance and reply to them at analyst meetings, performance explanation sessions or during road shows. Through the online interactive method, investors may directly raise questions online.

If the Company deems necessary, it may have one-on-one communication with investors, fund managers and analysts about its operation and financial situation and other matters. During one-on-one communication, the Company should treat investors equally and create opportunities for small and medium investors.

The Board reviews the shareholders' communication policy and investor relations policy annually, and makes any amendments it considers necessary to ensure the effectiveness of the policies and that the legitimate interests of the Shareholders and investors are adequately protected.

The Company has reviewed the implementation of shareholders' communication policy during the Reporting Period. Considering the abovementioned communication channels of the investors, the measures taken and the activities held by the Company, the Company considers that the shareholders' communication policy has been effectively implemented.



## Corporate Governance Report

### AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Since the Company has completed the issuance of H Shares and listed on the Hong Kong Stock Exchange, the Company amended the provisions regarding its registered capital and other relevant clauses in light of the aforesaid H Share issuance. In addition, to fully implement the requirements of the laws, regulations and normative documents, including the Company Law, the Securities Law, the Trial Measures for the Administration of Securities Issuance and Listing by Domestic Enterprises Overseas 《境內企業境外發行證券和上市管理試行辦法》, the Guidelines for Articles of Association of Listed Companies, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, and the Listing Rules, the Company made the amendments to the Articles of Association in light of the actual situation, in addition to the abolition of the Supervisory Committee. The functions and powers of the Supervisory Committee stipulated in the Company Law shall be exercised by the Audit Committee and the Rules of Procedures of the Board of Supervisors of Anjoy Foods shall be repealed accordingly, and the provisions relating to the Supervisory Committee and Supervisors in all regulations and systems of the Company shall be no longer applicable. Such amendments were considered and approved by the Shareholders at the 2025 first extraordinary general meeting held on 28 November 2025. Details of the said amendments are set out in the circular of the Company dated 12 January 2025.

Save as disclosed above, there have been no changes to the Articles of Association of the Company since the Listing Date.

### AUDITOR'S REMUNERATION

For the year ended 31 December 2025, the audit services provided by the Company's external auditors included the audit of the 2025 financial statements and internal control audit services, with total fees amounting to RMB2.75 million (of which RMB650,000 was for internal control audit services). The Company did not engage the auditors to provide any significant non-audit services to the Company.

### JOINT COMPANY SECRETARIES

Mr. Liang Chen (梁晨) and Mr. Ng Tung Ching Raphael (吳東澄) act as the joint company secretary of the Company. The biographical details of Mr. Liang Chen are set out in the section headed "Biographies of Directors and Senior Management" in this report. The biography of Mr. Ng Tung Ching Raphael is as follows:

Mr. Ng Tung Ching Raphael has been appointed as the joint company secretary of the Company in November 2024. Mr. Ng is the assistant vice president of Governance Services of Computershare Hong Kong Investor Services Limited. He is a seasoned professional with over 15 years of extensive experience in the legal and company secretarial domains, specializing in corporate governance and compliance. Mr. Ng obtained his bachelor's degree in law from Manchester Metropolitan University, a master's degree in Chinese business law from The Chinese University of Hong Kong and a master's degree in professional accounting and corporate governance from The City University of Hong Kong. Mr. Ng is a fellow of The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries) and The Chartered Governance Institute in the United Kingdom. He also possesses the practitioner's endorsement from HKCGI.

Mr. Liang Chen serves as the primary contact person between Mr. Ng Tung Ching Raphael and the Company. During the Reporting Period, Mr. Liang Chen and Mr. Ng Tung Ching Raphael have attended relevant professional trainings for not less than 15 hours.



## Corporate Governance Report

### CHANGES IN APPOINTMENT AND INFORMATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT MEMBERS

#### Changes of Directors

The Board has resolved that, Dr. Liu Xiaofeng, an independent non-executive Director, has been appointed as a member of the Sustainability Committee with effect from 1 August 2025, with his term of office commencing from 1 August 2025 until the expiry of the fifth session of the Board.

The Board has resolved that, Mr. Zhang Qingmiao and Mr. Zhang Gaolu, the executive Directors, have been appointed as Co-chairmen of the Company with effect from 28 November 2025, with a term of office from 28 November 2025 until the expiration of the term of the fifth session of the Board. After Mr. Zhang Gaolu assumed the position of Co-chairman, his original position as deputy Chairman of the Company automatically terminated.

Mr. Zhang Guangxi was elected as an employee representative Director of the fifth session of the Board of the Company at the first employee representative meeting, with his term of office commencing from 28 November 2025 until the expiry of the term of the fifth session of the Board.

The Board has resolved that, Dr. Liu Xiaofeng, an independent non-executive Director, and Mr. Zhang Guangxi, the employee representative Director, have been appointed as members of the Audit Committee with effect from 28 November 2025, with their term of office commencing from 28 November 2025 until the expiry of the fifth session of the Board.

Ms. Zhang Mei, an independent non-executive Director, has served as an independent director of Addisino Co., Ltd. (航天工業發展股份有限公司) (listed on the Shenzhen Stock Exchange, stock code: 000547) since December 2025.

Dr. Liu Xiaofeng, an independent non-executive Director, has ceased to be an independent non-executive director of Kunlun Energy Company Limited (stock code: 0135) since May 2025, and has served as an independent non-executive director of ICBC UBS Asset Management Co., Ltd. (工銀瑞信基金管理有限公司) since October 2025.

Mr. Zhang Yueping, an independent non-executive Director, has served as the chairman of the Grassroots Committee of Huli District Committee (湖里區基層委主委) since October 2025.

#### Abolition of Supervisory Committee

Following approval at the 2025 first extraordinary general meeting, the Company has made amendments to the Articles of Association and abolished the Supervisory Committee. On 28 November 2025, Mr. Zhang Guangxi, Mr. Zhang Wei, and Ms. Wang Xiaojiao retired from their positions as Supervisors of the Company.



## Corporate Governance Report

### Changes of Senior Management

During the Reporting Period, there were no changes in the positions or personal particulars of the Company's senior management.

Save as disclosed above, during the Reporting Period and as of the Latest Practicable Date, there was no information on Directors, former supervisors and senior management required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.



# Auditor's Report

Xin Kuai Shi Bao Zi [2026] No. ZA10678

**To the Shareholders of Anjoy Foods Group Co., Ltd.:**

## **I OPINION**

We have audited the accompanying financial statements of Anjoy Foods Group Co., Ltd. (“Anjoy Food”), which comprise the consolidated and company’s balance sheets as at 31 December 2025, the consolidated and company’s income statements, the consolidated and company’s statements of cash flows, and the consolidated and company’s statements of changes in shareholders’ equity for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated and company’s financial position of Anjoy Food as at 31 December 2025 and the consolidated and company’s financial performance and cash flows for the year then ended in accordance with the requirements of Accounting Standards for Business Enterprises.

## **II BASIS FOR OPINION**

We conducted our audit in accordance with China Standards on Auditing (“CSAs”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of Anjoy Food in accordance with China Independence Standard for Certified Public Accountants No. 1 – Independence for Audit and Review Engagements and China Code of Ethics for Certified Public Accountants (“the CICPA Code”) and have fulfilled our other ethical responsibilities in accordance with the CICPA Code. The independence requirements for audits of public interest entities have been applied in our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **III KEY AUDIT MATTERS**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



## Auditor's Report

### III KEY AUDIT MATTERS (CONTINUED)

We identified the following key audit matters in our audit:

Key Audit Matters	How these matters were addressed in the audit
<p><b>1. Revenue Recognition</b></p> <p>In 2025, the Anjoy Food's consolidated operating income amounted to RMB16,192.61 million, representing an increase of RMB1,065.96 million compared to the year 2024, with a year-on-year growth rate of 7.05%. As revenue is a key performance indicator of Anjoy Food, there is an inherent risk that management may manipulate the recognition of revenue in order to achieve specific business targets. Therefore, we have identified revenue recognition as a key audit matter.</p> <p>The accounting policies for revenue recognition are disclosed in Note 3.25 to the accompanying consolidated financial statements.</p>	<p>The audit procedures we performed include:</p> <ol style="list-style-type: none"> <li>(1) Understanding and evaluating the design and operating effectiveness of management's key internal controls over revenue recognition.</li> <li>(2) Selecting samples to review contracts or orders and identifying contract terms related to the transfer of control related goods to evaluate whether accounting policy of Anjoy Food complies with Accounting Standards for Business Enterprises.</li> <li>(3) Performing analytical review procedures, including an analysis of monthly fluctuations in revenue, costs, and gross profit margin for the current period, as well as a comparative analysis of these metrics for major products between the current and prior years.</li> <li>(4) Performing tests of details by selecting samples from the sales ledger and tracing them to the related sales contracts or orders, delivery notes and customer acceptance records.</li> <li>(5) Performing confirmation procedures on customers with significant revenue amounts for the year ended 31 December 2025.</li> <li>(6) Performing cut-off procedures for revenue transactions recorded before and after the balance sheet date to determine whether revenue had been recorded in the appropriate accounting period.</li> </ol>



## Auditor's Report

### III KEY AUDIT MATTERS (CONTINUED)

Key Audit Matters	How these matters were addressed in the audit
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#### 2. Inventory – Existence, Valuation and Allocation

As at 31 December 2025, the carrying amount of the Anjoy Food's consolidated inventories amounted to RMB3,647.32 million, representing 17.56% of the total consolidated assets. The Company holds substantial inventory balances and is required to maintain an appropriate level of inventories to meet future market demand. However, as the inventories primarily consist of agricultural by-products (raw materials) and food products (finished goods), they are subject to stringent storage and shelf-life requirements, which gives rise to potential risks of obsolescence, deterioration, or an inadequate provision. Accordingly, we identified the existence, valuation and allocation of inventories as a key audit matter.

The audit procedures we performed include:

- (1) Understanding and evaluating the design and operating effectiveness of management's key internal controls relevant to existence, valuation and allocation of inventory, and testing their operating effectiveness.
- (2) Attending inventory counts for finished goods and raw materials at year-end, with a focus on identifying inventory with indications of slow-moving, deterioration or damage; performing confirmation procedures on goods dispatched but not recognized as revenue and examining subsequent revenue recognition and subsequent receipts in respect of goods dispatched at the year end.
- (3) Performing analytical review procedures, including: calculating inventory turnover and comparing them with those of the prior year, as well as comparing inventory balances and their composition across different periods and months to assess the overall reasonableness of the year-end balance and its composition.
- (4) Performing tests of inventory pricing to assess the accuracy of the unit costs used in valuing inventory issued during the year.
- (5) Performing overall verification of inventory movement lists and comparing them with the period-end results to confirm whether the inventory receiving, dispatching and stocking are balanced and whether the related cost recognition complies with the Accounting Standards for Business Enterprises.
- (6) Obtaining and analyzing the aging report of inventory with the shelf life of food products to assess whether any indicators of impairment existed;
- (7) Reviewing the recognition criteria for the net realizable value of inventory and the provision method adopted for inventory provision and reviewing the amount of the provision for inventory write-down recognized in the current year.



## Auditor's Report

### IV OTHER INFORMATION

The management of Anjoy Food (“Management”) is responsible for the other information. The other information comprises all of the information included in the 2025 Annual Report of Anjoy Food, other than the financial statements and our auditor’s report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 the other information, we are required to report that fact. We have nothing to report in this regard.

### V RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the requirements of Accounting Standards for Business Enterprises, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing Anjoy Food’s ability to continue as a going concern, disclosing, if applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Anjoy Food or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Anjoy Food’s financial reporting process.



## Auditor's Report

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

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

As part of an audit in accordance with CSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- (1) Identify and assess the risks of material misstatement of the 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.
- (2) Obtain an understand of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- (3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (4) Conclude on the appropriateness of management's 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 Anjoy Food '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 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 Anjoy Food to cease to continue as a going concern.
- (5) Evaluate the overall presentation (including the disclosures), structure and contents of the financial statements, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (6) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Anjoy Food to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.



## Auditor's Report

### VI AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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 communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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.

**BDO China Shu Lun Pan  
Certified Public Accountants LLP**

**Certified Public Accountant of China:  
(Engagement Partner)**

Wu Zhendong

**Certified Public Accountant of China:**

Sun Wei

**Shanghai, China**

**30 March 2026**



# Consolidated Balance Sheet

**ANJOY FOODS GROUP CO., LTD.**  
**Consolidated Balance Sheet**  
**As at 31 December 2025**

(All amounts in RMB unless otherwise stated)

<b>ASSETS</b>	Note	<b>31 December 2025</b>	31 December 2024
Current assets:			
Cash at bank and on hand	5.1	<b>4,980,279,916.72</b>	2,779,147,320.50
Settlement reserves			
Placements with financial institutions			
Financial assets held for trading	5.2	<b>3,639,173,341.26</b>	3,321,232,760.25
Derivative financial assets			
Notes receivable	5.3	<b>1,967,358.95</b>	
Accounts receivable	5.4	<b>671,444,798.54</b>	626,126,834.39
Receivables financing	5.5	<b>1,216,335.50</b>	
Prepayments	5.6	<b>95,048,430.15</b>	64,891,335.27
Premium receivables			
Reinsurance accounts receivable			
Reinsurance contract reserves receivables			
Other receivables	5.7	<b>23,172,952.63</b>	19,918,161.43
Financial assets held under resale agreements			
Inventories	5.8	<b>3,647,316,907.29</b>	3,284,637,556.75
Including: Data resources			
Contract assets			
Assets held for sale			
Non-current assets due within one year			
Other current assets	5.9	<b>165,993,954.79</b>	254,617,690.70
<b>Total current assets</b>		<b>13,225,613,995.83</b>	10,350,571,659.29

continued



## Consolidated Balance Sheet

As at 31 December 2025

(All amounts in RMB unless otherwise stated)

ASSETS	Note	31 December 2025	31 December 2024
Non-current assets:			
Loans and advances			
Debt investments			
Other debt investment			
Long-term receivables			
Long-term equity investments	5.10	15,568,064.29	13,764,499.33
Investments in other equity instruments			
Other non-current financial assets			
Investment properties	5.11	30,867,987.22	
Fixed assets	5.12	5,197,433,283.85	5,117,835,293.69
Construction in progress	5.13	323,589,579.31	198,453,777.35
Productive biological assets			
Oil and gas assets			
Right-of-use assets	5.14	55,721,841.55	42,483,789.24
Intangible assets	5.15	836,990,453.28	688,982,631.17
Including: Data resources			
Development costs			
Including: Data resources			
Goodwill	5.16	755,182,959.93	739,129,048.51
Long-term deferred expenses	5.17	112,201,112.62	48,296,912.31
Deferred tax assets	5.18	167,390,901.18	157,030,086.82
Other non-current assets	5.19	46,125,069.33	18,550,716.41
<b>Total non-current assets</b>		<b>7,541,071,252.56</b>	7,024,526,754.83
<b>TOTAL ASSETS</b>		<b>20,766,685,248.39</b>	17,375,098,414.12

The accompanying notes form an integral part of these financial statements.

Legal representative:  
Liu Mingming

Principal in charge of accounting:  
Tang Yi

Head of accounting department:  
Hui Li



## Consolidated Balance Sheet

As at 31 December 2025

(All amounts in RMB unless otherwise stated)

LIABILITIES AND SHAREHOLDERS' EQUITY	Note	31 December 2025	31 December 2024
Current liabilities:			
Short-term borrowings	5.21	890,604,887.79	111,115,011.11
Borrowings from the central bank			
Placement from financial institutions			
Financial liabilities held for trading	5.22		6,902,000.00
Derivative financial liabilities			
Notes payable	5.23	167,899,413.21	233,945,292.26
Accounts payable	5.24	1,498,252,688.11	1,620,314,330.91
Advances from customers			
Contract liabilities	5.25	573,510,094.73	260,137,977.27
Securities sold under agreement to repurchase			
Deposits from customers and banks			
Funds held for securities brokering			
Funds held for securities underwriting			
Employee benefits payable	5.26	216,564,213.36	245,519,629.29
Taxes payable	5.27	332,420,003.45	240,320,723.39
Other payables	5.28	197,517,164.81	638,186,409.38
Commission and brokerage payable			
Reinsurance payable			
Liabilities held for sale			
Non-current liabilities due within one year	5.29	30,453,948.28	7,456,818.03
Other current liabilities	5.30	375,876,492.58	314,868,598.07
<b>Total current liabilities</b>		<b>4,283,098,906.32</b>	3,678,766,789.71
Non-current liabilities			
Insurance contract reserves			
Long-term borrowings	5.31		490,131.00
Bonds payable			
Including: Preference shares			
Perpetual debt			
Lease liabilities	5.32	48,156,365.93	36,194,829.93
Long-term payables	5.33	123,313,819.05	
Long-term employee benefits payable	5.34	3,696,418.59	2,146,477.45
Provisions			
Deferred income	5.35	170,786,628.20	131,686,008.18
Deferred tax liabilities	5.18	234,050,959.37	255,481,444.10
Other non-current liabilities			
<b>Total non-current liabilities</b>		<b>580,004,191.14</b>	425,998,890.66
<b>Total liabilities</b>		<b>4,863,103,097.46</b>	4,104,765,680.37

continued



## Consolidated Balance Sheet

As at 31 December 2025

(All amounts in RMB unless otherwise stated)

LIABILITIES AND SHAREHOLDERS' EQUITY	Note	31 December 2025	31 December 2024
Shareholders' equity:			
Share capital	5.36	333,288,932.00	293,294,232.00
Other equity instruments			
Including: Preference shares			
Perpetual debt			
Capital surplus	5.37	10,054,003,390.49	8,143,848,179.42
Less: Treasury shares	5.38	108,593,033.82	108,593,033.82
Other comprehensive income	5.39	2,142,538.11	1,638,108.55
Specialized reserve			
Surplus reserve	5.40	167,902,880.22	147,905,530.22
General risk reserve			
Retained earnings	5.41	5,043,878,192.65	4,474,436,194.16
Total equity attributable to shareholders of the Company		15,492,622,899.65	12,952,529,210.53
Non-controlling interests		410,959,251.28	317,803,523.22
<b>Total shareholders' equity</b>		<b>15,903,582,150.93</b>	13,270,332,733.75
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>20,766,685,248.39</b>	17,375,098,414.12

The accompanying notes form an integral part of these financial statements.

Legal representative:  
Liu Mingming

Principal in charge of accounting:  
Tang Yi

Head of accounting department:  
Hui Li



# Company Balance Sheet

**ANJOY FOODS GROUP CO., LTD.**  
**Company Balance Sheet**  
**As at 31 December 2025**

(All amounts in RMB unless otherwise stated)

<b>ASSETS</b>	Note	<b>31 December 2025</b>	31 December 2024
Current assets:			
Cash at bank and on hand		<b>2,596,674,159.37</b>	518,525,118.26
Financial assets held for trading		<b>2,251,754,595.27</b>	1,372,545,289.30
Derivative financial assets			
Notes receivable			
Accounts receivable	18.1	<b>190.00</b>	2,835.37
Receivables financing			
Prepayments		<b>10,025,835.07</b>	6,770,667.98
Other receivables	18.2	<b>202,320,240.68</b>	205,201,626.86
Inventories		<b>166,411,412.51</b>	190,260,508.97
Including: Data resources			
Contract assets			
Assets held for sale			
Non-current assets due within one year			
Other current assets		<b>1,304.41</b>	2,303,646.97
<b>Total current assets</b>		<b>5,227,187,737.31</b>	2,295,609,693.71

continued



## Company Balance Sheet

As at 31 December 2025

(All amounts in RMB unless otherwise stated)

ASSETS	Note	31 December 2025	31 December 2024
Non-current assets:			
Debt investments			
Other debt investment			
Long-term receivables			
Long-term equity investments	18.3	9,403,794,141.68	8,861,935,212.07
Investments in other equity instruments			
Other non-current financial assets			
Investment properties			
Fixed assets		178,172,052.28	194,164,809.72
Construction in progress		10,697,293.99	3,700,766.91
Productive biological assets			
Oil and gas assets			
Right-of-use assets		1,681,918.29	813,882.74
Intangible assets		22,935,543.74	24,720,782.89
Including: Data resources			
Development costs			
Including: Data resources			
Goodwill			
Long-term deferred expenses		5,534,269.28	3,578,202.70
Deferred tax assets		2,641,990.95	
Other non-current assets		999,978.77	751,650.00
<b>Total non-current assets</b>		<b>9,626,457,188.98</b>	9,089,665,307.03
<b>TOTAL ASSETS</b>		<b>14,853,644,926.29</b>	11,385,275,000.74

The accompanying notes form an integral part of these financial statements.

Legal representative:  
Liu Mingming

Principal in charge of accounting:  
Tang Yi

Head of accounting department:  
Hui Li



## Company Balance Sheet

As at 31 December 2025

(All amounts in RMB unless otherwise stated)

LIABILITIES AND SHAREHOLDERS' EQUITY	Note	31 December 2025	31 December 2024
Current liabilities:			
Short-term borrowings			
Financial liabilities held for trading			6,902,000.00
Derivative financial liabilities			
Notes payable		10,087,712.44	19,077,065.06
Accounts payable		114,385,653.73	118,657,287.28
Advances from customers			
Contract liabilities		448,295,147.61	1,549,027,789.42
Employee benefits payable		23,827,911.40	21,611,591.19
Taxes payable		80,436,328.56	21,218,714.79
Other payables		9,108,648.67	280,926,995.68
Liabilities held for sale			
Non-current liabilities due within one year		940,280.06	313,346.12
Other current liabilities		58,346,844.04	201,611,480.56
<b>Total current liabilities</b>		<b>745,428,526.51</b>	2,219,346,270.10
Non-current liabilities:			
Long-term borrowings			
Bonds payable			
Including: Preference shares			
Perpetual debt			
Lease liabilities		761,812.38	515,611.27
Long-term payables			
Long-term employee benefits payable			
Provisions			
Deferred income		14,983,979.15	17,556,867.91
Deferred tax liabilities			55,895,125.71
Other non-current liabilities			
<b>Total non-current liabilities</b>		<b>15,745,791.53</b>	73,967,604.89
<b>Total liabilities</b>		<b>761,174,318.04</b>	2,293,313,874.99

continued



## Company Balance Sheet

As at 31 December 2025

(All amounts in RMB unless otherwise stated)

<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>	Note	<b>31 December 2025</b>	31 December 2024
Shareholders' equity:			
Share capital		<b>333,288,932.00</b>	293,294,232.00
Other equity instruments			
Including: Preference shares			
Perpetual debt			
Capital surplus		<b>10,200,968,557.98</b>	8,153,463,892.48
Less: Treasury shares		<b>108,593,033.82</b>	108,593,033.82
Other comprehensive income			
Specialized reserve			
Surplus reserve		<b>166,644,466.00</b>	146,647,116.00
Retained earnings		<b>3,500,161,686.09</b>	607,148,919.09
<b>Total shareholders' equity</b>		<b>14,092,470,608.25</b>	9,091,961,125.75
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>14,853,644,926.29</b>	11,385,275,000.74

The accompanying notes form an integral part of these financial statements.

Legal representative:  
Liu Mingming

Principal in charge of accounting:  
Tang Yi

Head of accounting department:  
Hui Li



# Consolidated Income Statement

## ANJOY FOODS GROUP CO., LTD. Consolidated Income Statement For the year ended 31 December 2025

(All amounts in RMB unless otherwise stated)

Item	Note	Year ended 31 December 2025	Year ended 31 December 2024
I. Total revenue		<b>16,192,613,033.59</b>	15,126,651,674.36
Including: Operating income	5.42	<b>16,192,613,033.59</b>	15,126,651,674.36
Interest income			
Earned premiums			
Fee and commissions			
II. Total costs		<b>14,297,633,153.67</b>	13,247,140,742.20
Including: Operating costs	5.42	<b>12,694,849,606.10</b>	11,602,494,309.32
Interest expenses			
Fees and commission paid			
Surrender value			
Net claims paid			
Net provision of insurance liabilities			
Policy dividends paid			
Reinsurance expenses			
Taxes and surcharges	5.43	<b>127,690,457.21</b>	127,920,808.66
Selling expenses	5.44	<b>965,731,453.07</b>	986,207,826.57
General and administration expenses	5.45	<b>415,932,826.32</b>	504,513,774.19
Research and development expenses	5.46	<b>92,066,916.21</b>	97,213,672.95
Financial expenses	5.47	<b>1,361,894.76</b>	-71,209,649.49
Including: Interest expenses		<b>17,449,346.99</b>	1,540,461.26
Interest income		<b>57,126,326.73</b>	73,873,023.58
Add: Other income	5.48	<b>57,117,297.31</b>	44,877,382.29
Investment income ("-" for losses)	5.49	<b>55,811,664.06</b>	30,793,717.32
Including: Income from investment in associates and joint ventures		<b>6,189,043.14</b>	4,070,286.43
Gain from derecognition of financial assets measured at amortized cost ("-" for losses)			
Gain from foreign exchange ("-" for losses)			
Net exposure to hedging gains ("-" for losses)			
Profit arising from changes in fair value ("-" for losses)	5.50	<b>8,021,187.39</b>	62,232,760.25
Credit impairment losses ("-" for losses)	5.51	<b>-3,070,504.97</b>	-7,325,736.16
Asset impairment losses ("-" for losses)	5.52	<b>-213,795,305.36</b>	-52,204,800.40
Gains from assets disposal ("-" for losses)	5.53	<b>-1,455,727.69</b>	-3,474,859.28
III. Operating profit ("-" for losses)		<b>1,797,608,490.66</b>	1,954,409,396.18
Add: Non-operating income	5.54	<b>38,221,113.61</b>	37,755,358.83
Less: Non-operating expenses	5.55	<b>2,460,348.46</b>	3,889,095.73
IV. Profit before income tax ("-" for losses)		<b>1,833,369,255.81</b>	1,988,275,659.28
Less: Income tax expenses	5.56	<b>463,846,326.26</b>	474,657,071.14

continued



## Consolidated Income Statement

For the year ended 31 December 2025  
(All amounts in RMB unless otherwise stated)

Item	Note	Year ended 31 December 2025	Year ended 31 December 2024
V. Net profit for the year (“-” for net loss)		<b>1,369,522,929.55</b>	1,513,618,588.14
(I) classified by continuity of operations			
1. Net profit from continuing operations (“-” for net loss)		<b>1,369,522,929.55</b>	1,513,618,588.14
2. Net profit from discontinued operations (“-” for net loss)			
(II) Classified by ownership of the equity			
1. Net profit attributable to shareholders of the Company (“-” for net loss)		<b>1,359,237,139.62</b>	1,484,831,242.06
2. Net profit attributable to non-controlling interests (“-” for net loss)		<b>10,285,789.93</b>	28,787,346.08
VI: Other comprehensive income, net of tax		<b>720,758.84</b>	1,519,848.83
Other comprehensive income (net of tax) attributable to shareholders of the Company		<b>504,429.56</b>	1,063,679.88
(I) Items that will not be reclassified to profit or loss			
1. Remeasurement of defined benefit plan liability or asset			
2. Share of other comprehensive income of the equity method investments			
3. Changes in fair value of other equity instrument investments			
4. Changes in fair value of enterprise’s own credit risk			
(II) Items that may be reclassified to profit or loss		<b>504,429.56</b>	1,063,679.88
1. Share of other comprehensive income of the equity method investments			
2. Changes in fair value of other debt investments			
3. Amount of financial assets reclassified into other comprehensive income			
4. Provision for credit impairment of other debt investments			
5. Cash flow hedging reserves			
6. Translation differences arising from translation of foreign currency financial statements		<b>504,429.56</b>	1,063,679.88
7. Others			
Other comprehensive income (net of tax) attributable to non-controlling interests		<b>216,329.28</b>	456,168.95
VII. Total comprehensive income for the year		<b>1,370,243,688.39</b>	1,515,138,436.97
Attributable to: Shareholders of the Company		<b>1,359,741,569.18</b>	1,485,894,921.94
Non-controlling interests		<b>10,502,119.21</b>	29,243,515.03
VIII. Earnings per share			
(I) Basic earnings per share (RMB/Share)	5.57	<b>4.40</b>	5.08
(II) Diluted earnings per share (RMB/Share)	5.57	<b>4.40</b>	5.08

The accompanying notes form an integral part of these financial statements.

Legal representative:  
Liu Mingming

Principal in charge of accounting:  
Tang Yi

Head of accounting department:  
Hui Li



# Company Income Statement

**ANJOY FOODS GROUP CO., LTD.**  
**Company Income Statement**  
**For the year ended 31 December 2025**

(All amounts in RMB unless otherwise stated)

Item	Note	Year ended 31 December 2025	Year ended 31 December 2024
I. Operating income	18.4	<b>1,118,829,936.88</b>	1,150,176,777.63
Less: Operating costs	18.4	<b>830,385,130.74</b>	856,643,048.84
Taxes and surcharges		<b>9,838,093.36</b>	9,572,979.19
Selling expenses		<b>4,998,987.19</b>	6,834,352.61
General and administration expenses		<b>85,534,987.65</b>	102,596,349.59
Research and development expenses		<b>16,719,959.17</b>	23,200,415.06
Financial expenses		<b>-2,192,083.01</b>	-12,466,980.14
Including: Interest expenses		<b>93,082.62</b>	31,021.62
Interest income		<b>42,578,507.94</b>	12,531,097.47
Add: Other income		<b>6,503,556.58</b>	10,033,982.84
Investment income ("-" for losses)	18.5	<b>3,545,940,330.00</b>	981,622,279.18
Including: Income from investment in associates and joint ventures			
Gain from derecognition of financial assets measured at amortized cost			
Net exposure hedging gains ("-" for losses)			
Profit arising from changes in fair value ("-" for losses)		<b>5,602,441.40</b>	52,545,289.30
Credit impairment losses ("-" for losses)		<b>-16,959.51</b>	-4,950.39
Assets impairment losses ("-" for losses)			
Gains from assets disposal ("-" for losses)		<b>-43,888.89</b>	-42,804.60
II. Operating Profit ("-" for losses)		<b>3,731,530,341.36</b>	1,207,950,408.81
Add: Non-operating income		<b>312,841.08</b>	854,586.49
Less: Non-operating expenses		<b>424,358.02</b>	216,531.11
III. Profit before income tax ("-" for losses)		<b>3,731,418,824.42</b>	1,208,588,464.19
Less: Income tax expenses		<b>48,610,916.29</b>	62,102,925.76
IV. Net Profit for the year ("-" for losses)		<b>3,682,807,908.13</b>	1,146,485,538.43
1. Net profit from continuing operations ("-" for net loss)		<b>3,682,807,908.13</b>	1,146,485,538.43
2. Net profit from discontinued operations ("-" for net loss)			

continued



## Company Income Statement

For the year ended 31 December 2025  
(All amounts in RMB unless otherwise stated)

Item	Note	Year ended 31 December 2025	Year ended 31 December 2024
V: Other comprehensive income, net of tax			
(I) Items that will not be reclassified to profit or loss			
1. Remeasurement of defined benefit plan liability or asset			
2. Share of other comprehensive income of the equity method investments			
3. Changes in fair value of other equity instrument investments			
4. Changes in fair value of enterprise's own credit risk			
(II) Items that may be reclassified to profit or loss			
1. Share of other comprehensive income of the equity method investments			
2. Changes in fair value of other debt investments			
3. Amount of financial assets reclassified into other comprehensive income			
4. Provision for credit impairment of other debt investments			
5. Cash flow hedging reserves			
6. Translation differences arising from translation of foreign currency financial statements			
7. Others			
VI. Total comprehensive income for the year		<b>3,682,807,908.13</b>	1,146,485,538.43
VII. Earnings per share			
(I) Basic earnings per share (RMB/Share)			
(II) Diluted earnings per share (RMB/Share)			

The accompanying notes form an integral part of these financial statements.

Legal representative:  
Liu Mingming

Principal in charge of accounting:  
Tang Yi

Head of accounting department:  
Hui Li



# Consolidated Cash Flow Statement

**ANJOY FOODS GROUP CO., LTD.**  
**Consolidated Cash Flow Statement**  
**For the year ended 31 December 2025**

(All amounts in RMB unless otherwise stated)

Item	Note	Year ended 31 December 2025	Year ended 31 December 2024
<b>I. Cash flows from operating activities</b>			
Cash received from sales and services		<b>18,563,070,806.89</b>	16,548,175,474.59
Net increase in deposits and placements from financial institutions			
Net increase in due to central banks			
Net increase in placement from other financial institutions			
Cash received from premium income from direct insurance contracts			
Net cash received under reinsurance contracts			
Net increase in policyholders' deposits and investment funds			
Cash received from interests, fees and commissions			
Net increase in placement from financial institutions			
Net increase in repurchase transactions			
Net cash received from agent sales of securities			
Refund of taxes and surcharges		<b>52,780,081.36</b>	50,658,235.22
Cash received relating to other operating activities	5.58	<b>275,731,430.50</b>	249,222,698.58
Sub-total of cash inflows from operating activities		<b>18,891,582,318.75</b>	16,848,056,408.39
Cash paid for goods and services		<b>12,826,008,631.02</b>	10,868,853,021.81
Net increase in loans and advances			
Net increase in deposits with central banks and other financial institutions			
Cash paid for claims under direct insurance contracts			
Net increase of placements with financial institutions			
Cash paid for interests, fees and commissions			
Cash paid for policyholder dividends			
Cash paid to and on behalf of employees		<b>1,784,911,201.05</b>	1,841,276,922.68
Payments of taxes and surcharges		<b>1,171,017,761.14</b>	1,245,096,332.37
Cash paid relating to other operating activities	5.58	<b>792,921,746.95</b>	788,985,463.30
Sub-total of cash outflows from operating activities		<b>16,574,859,340.16</b>	14,744,211,740.16
<b>Net cash flows from operating activities</b>		<b>2,316,722,978.59</b>	2,103,844,668.23

continued



## Consolidated Cash Flow Statement

For the year ended 31 December 2025  
(All amounts in RMB unless otherwise stated)

Item	Note	Year ended 31 December 2025	Year ended 31 December 2024
<b>II. Cash flows from investing activities</b>			
Cash received from disposal of investments		17,293,986,419.34	9,262,475,313.93
Cash received from investment income		67,742,219.67	40,910,660.72
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		2,004,243.92	6,291,765.94
Net cash received from disposal of subsidiaries and other business units	5.58	-131,338.38	
Cash received relating to other investing activities			
Sub-total of cash inflows from investing activities		17,363,601,544.55	9,309,677,740.59
Cash paid for fixed assets, intangible assets and other long-term assets		873,464,939.66	901,279,791.42
Cash payments for investments		17,228,386,376.06	11,613,225,000.00
Net increase in pledged loans			
Net cash paid for acquiring subsidiaries and other business units	5.58	408,036,636.29	
Cash paid relating to other investing activities			
Sub-total of cash outflows from investing activities		18,509,887,952.01	12,514,504,791.42
<b>Net cash flows from investing activities</b>		<b>-1,146,286,407.46</b>	<b>-3,204,827,050.83</b>

continued



## Consolidated Cash Flow Statement

For the year ended 31 December 2025

(All amounts in RMB unless otherwise stated)

Item	Note	Year ended 31 December 2025	Year ended 31 December 2024
<b>III. Cash flows from financing activities</b>			
Cash received from capital contributions		<b>2,186,734,219.32</b>	16,000,000.00
Including: cash received by subsidiaries from minority shareholders' investments			16,000,000.00
Cash received from borrowings		<b>1,428,977,460.88</b>	483,000,000.00
Cash received relating to other financing activities	5.58		154,380.45
Sub-total of cash inflows from financing activities		<b>3,615,711,680.20</b>	499,154,380.45
Cash repayments for debts		<b>967,996,005.17</b>	697,985,122.86
Cash payments for distribution of dividends, profits or interest expenses		<b>1,064,864,073.20</b>	929,784,589.68
Including: dividends or profit paid by subsidiaries to minority shareholders		<b>1,000,000.00</b>	
Cash payments relating to other financing activities	5.58	<b>95,330,875.21</b>	69,188,842.97
Sub-total of cash outflows from financing activities		<b>2,128,190,953.58</b>	1,696,958,555.51
<b>Net cash flows from financing activities</b>		<b>1,487,520,726.62</b>	-1,197,804,175.06
<b>IV. Effect of foreign exchange rate changes on cash and cash equivalents</b>		<b>-38,723,466.13</b>	-342,392.67
<b>V. Net increase in cash and cash equivalents</b>		<b>2,619,233,831.62</b>	-2,299,128,950.33
Add: Cash and cash equivalents at the beginning of the year		<b>2,228,321,659.79</b>	4,527,450,610.12
<b>VI. Cash and cash equivalents at the end of the year</b>		<b>4,847,555,491.41</b>	2,228,321,659.79

The accompanying notes form an integral part of these financial statements.

Legal representative:  
Liu Mingming

Principal in charge of accounting:  
Tang Yi

Head of accounting department:  
Hui Li

# Company Cash Flow Statement

**ANJOY FOODS GROUP CO., LTD.**  
**Company Cash Flow Statement**  
**For the year ended 31 December 2025**

(All amounts in RMB unless otherwise stated)

Item	Note	Year ended 31 December 2025	Year ended 31 December 2024
<b>I. Cash flows from operating activities</b>			
Cash received from sales and services		26,176,827.97	2,087,986,615.48
Refund of taxes and surcharges			24,713,421.03
Cash received relating to other operating activities		52,502,495.07	2,717,587,112.43
Sub-total of cash inflows from operating activities		78,679,323.04	4,830,287,148.94
Cash paid for goods and services		764,152,593.56	798,559,918.64
Cash paid to and on behalf of employees		180,233,279.32	182,705,356.18
Payments of taxes and surcharges		111,126,276.14	114,379,902.23
Cash paid relating to other operating activities		49,441,269.75	180,408,710.30
Sub-total of cash outflows from operating activities		1,104,953,418.77	1,276,053,887.35
<b>Net cash flows from operating activities</b>		<b>-1,026,274,095.73</b>	3,554,233,261.59
<b>II. Cash flows from investing activities</b>			
Cash received from disposal of investments		7,354,425,836.03	4,589,983,326.42
Cash received from returns on investments		3,551,762,461.78	983,504,217.38
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		1,167,814.00	6,985,755.79
Net cash received from disposal of subsidiaries and other business units			
Cash received relating to other investing activities			
Sub-total of cash inflows from investing activities		10,907,356,111.81	5,580,473,299.59
Cash paid to acquire fixed assets, intangible assets and other long-term assets		29,943,216.15	21,991,855.45
Cash paid to acquire investments		8,499,029,945.06	8,299,231,200.00
Net cash paid to acquire subsidiaries and other business units			
Cash paid relating to other investing activities			
Sub-total of cash outflows from investing activities		8,528,973,161.21	8,321,223,055.45
<b>Net cash flows from investing activities</b>		<b>2,378,382,950.60</b>	-2,740,749,755.86

continued



## Company Cash Flow Statement

For the year ended 31 December 2025

(All amounts in RMB unless otherwise stated)

Item	Note	Year ended 31 December 2025	Year ended 31 December 2024
<b>III. Cash flows from financing activities</b>			
Cash received from capital contributions		2,186,734,219.32	
Cash received from borrowings		15,000,000.00	
Cash received relating to other financing activities			82,053,857.35
Sub-total of cash inflows from financing activities		2,201,734,219.32	82,053,857.35
Cash repayments of borrowings		15,000,000.00	
Cash payments for distribution of dividends, profits or interest		1,047,521,035.26	921,791,423.61
Cash payments relating to other financing activities		97,677,571.40	66,698,748.90
Sub-total of cash outflows from financing activities		1,160,198,606.66	988,490,172.51
<b>Net cash flows from financing activities</b>		<b>1,041,535,612.66</b>	-906,436,315.16
<b>IV. Effect of exchange rate changes on cash and cash equivalents</b>			
		-40,014,072.00	2,052.34
<b>V. Net increase in cash and cash equivalents</b>			
Add: Cash and cash equivalents at the beginning of the year		151,620,638.84	244,571,395.93
<b>VI. Cash and cash equivalents at the end of the year</b>		<b>2,505,251,034.37</b>	151,620,638.84

The accompanying notes form an integral part of these financial statements.

Legal representative:  
Liu Mingming

Principal in charge of accounting:  
Tang Yi

Head of accounting department:  
Hui Li

# Consolidated Statement of Changes in Shareholders' Equity

## ANJOY FOODS GROUP CO., LTD. Consolidated Statement of Changes in Shareholders' Equity For the year ended 31 December 2025

(All amounts in RMB unless otherwise stated)

Item	For the year ended 31 December 2025													
	Total equity attributable to shareholders of the Company													
	Share capital	Preference shares	Perpetual bonds	Others	Capital surplus	Less: Treasury shares	Other comprehensive income	Specialized reserve	Surplus reserve	General risk reserve	Retained earnings	Subtotal	Non-controlling interests	Total shareholders' equity
I. Balance at the end of prior year	283,294,232.00				8,143,848,179.42	108,593,033.82	1,638,108.55		147,905,530.22		4,474,436,194.16	12,952,529,210.53	317,803,523.22	13,270,322,733.75
Add: Changes in accounting policies														
Significant accounting errors														
Business combination under common control														
Others														
II. Balance at the beginning of current year	283,294,232.00				8,143,848,179.42	108,593,033.82	1,638,108.55		147,905,530.22		4,474,436,194.16	12,952,529,210.53	317,803,523.22	13,270,322,733.75
III. Increase/decrease for the period (decrease expressed with "-")	39,994,700.00				1,910,155,211.07		504,429.56		19,997,350.00		589,441,998.49	2,540,083,689.12	93,155,728.06	2,633,249,417.18
(I) Total comprehensive income							504,429.56				1,359,237,139.62	1,359,741,569.18	10,502,119.21	1,370,243,688.39

continued



## Consolidated Statement of Changes in Shareholders' Equity

For the year ended 31 December 2025

(All amounts in RMB unless otherwise stated)

Item	For the year ended 31 December 2025														
	Total equity attributable to shareholders of the Company														
	Share capital	Preference shares	Perpetual bonds	Others	Capital surplus	Treasury shares	Less:	Other comprehensive income	Specialized reserve	Surplus reserve	General risk reserve	Retained earnings	Subtotal	Non-controlling interests	Total shareholders' equity
(II) Capital contribution and withdrawal by owners	39,994,700.00				1,910,155,211.07								1,950,149,911.07	83,653,608.85	2,033,803,519.92
1. Ordinary shares paid by shareholders	39,994,700.00				2,053,289,478.74								2,093,284,178.74	83,653,608.85	2,176,937,788.59
2. Capital contributed by other equity instruments holders															
3. Amount recorded in shareholders' equity arising from share-based payment arrangements					-5,784,814.24								-5,784,814.24		-5,784,814.24
4. Others					-137,349,454.43								-137,349,454.43		-137,349,454.43
(III) Profit distribution									19,997,350.00			-769,795,141.13	-769,797,791.13	-1,000,000.00	-770,797,791.13
1. Appropriation to surplus reserve									19,997,350.00			-19,997,350.00			
2. Accrual of general risk reserve															
3. Profit distributed to owners (or stockholders)															
4. Others														-1,000,000.00	-770,797,791.13

continued



## Consolidated Statement of Changes in Shareholders' Equity

For the year ended 31 December 2025

(All amounts in RMB unless otherwise stated)

Item	For the year ended 31 December 2025											
	Total equity attributable to shareholders of the Company											
	Other equity instruments		Less:			General			Subtotal		Total shareholders' equity	
Share capital	Preference shares	Perpetual bonds	Others	Capital surplus	Treasury shares	Other comprehensive income	Specialized reserve	Surplus reserve	General risk reserve	Retained earnings		Non-controlling interests
(IV) Transfer within shareholder's equity												
1. Transfer from capital surplus to paid-in capital (share capital)												
2. Transfer from surplus reserves to paid-in capital (share capital)												
3. Surplus reserves used to offset accumulated losses												
4. Transfer remeasurements of defined benefit obligation to retained earnings												
5. Reclassification from other comprehensive income to retained earnings												
6. Others												

continued



## Consolidated Statement of Changes in Shareholders' Equity

For the year ended 31 December 2025

(All amounts in RMB unless otherwise stated)

Item	For the year ended 31 December 2025													
	Total equity attributable to shareholders of the Company													
	Share capital	Preference shares	Perpetual bonds	Others	Capital surplus	Less: Treasury shares	Other comprehensive income	Specialized reserve	Surplus reserve	General risk reserve	Retained earnings	Subtotal	Non-controlling interests	Total shareholders' equity
(V) Non-current liabilities due within one year														
1. Accrual														
2. Utilisations														
(VI) Others														
IV. Balance at the end of current period	333,288,332.00				10,054,003,390.49	108,593,033.82	2,142,538.11		167,902,880.22	5,043,876,192.65	15,492,622,899.65	410,959,251.28	15,903,582,150.93	

The accompanying notes form an integral part of these financial statements.

Legal representative:  
Liu Mingming

Principal in charge of accounting:  
Tang Yi

Head of accounting department:  
Hui Li



## Consolidated Statement of Changes in Shareholders' Equity

For the year ended 31 December 2025

(All amounts in RMB unless otherwise stated)

Item	Total equity attributable to shareholders of the Company						Subtotal	Non-controlling interests	Total shareholders' equity		
	State capital	Preference shares	Perpetual bonds	Other equity instruments	Less: Treasury shares	Other comprehensive income				Specialized reserve	Surplus reserve
I. Balance at the end of prior year	233,294,232.00				45,713,790.29	574,423.67	147,905,630.22	4,188,923,041.11	12,623,023,306.47	272,560,008.19	12,900,583,314.66
Add: Changes in accounting policies											
Significant accounting errors											
Business combination under common control											
Others											
II. Balance at the beginning of current year	233,294,232.00				45,713,790.29	574,423.67	147,905,630.22	4,188,923,041.11	12,623,023,306.47	272,560,008.19	12,900,583,314.66
III. Increase/decrease for the period (decrease expressed with "-")											
(i) Total comprehensive income					62,879,243.53	1,063,679.88		285,513,153.05	324,505,904.06	45,243,515.03	369,749,419.09
(ii) Total comprehensive income						1,063,679.88		1,484,831,242.06	1,485,894,921.94	29,243,515.03	1,515,138,436.97

continued



## Consolidated Statement of Changes in Shareholders' Equity

For the year ended 31 December 2025

(All amounts in RMB unless otherwise stated)

Item	Total equity attributable to shareholders of the Company														
	Share capital	Preference shares	Perpetual bonds	Others	Capital surplus	Treasury shares	Less:	Other comprehensive income	Specialized reserve	Surplus reserve	General risk reserve	Retained earnings	Subtotal	Non-controlling interests	Total shareholders' equity
(II) Capital contribution and withdrawal by owners					100,808,314.66	62,879,243.53							37,929,071.13	16,000,000.00	53,929,071.13
1. Ordinary shares paid by shareholders														16,000,000.00	16,000,000.00
2. Capital contributed by other equity instruments holders															
3. Amount recorded in shareholders' equity arising from share-based payment arrangements					100,808,314.66	62,879,243.53							100,808,314.66		100,808,314.66
4. Others													-62,879,243.53		-62,879,243.53
(III) Profit distribution													-1,199,318,089.01		-1,199,318,089.01
1. Appropriation to surplus reserve															
2. Accrual of general risk reserve															
3. Profit distributed to owners (or stockholders)													-1,199,318,089.01		-1,199,318,089.01
4. Others															

continued



## Consolidated Statement of Changes in Shareholders' Equity

For the year ended 31 December 2025  
(All amounts in RMB unless otherwise stated)

For the year ended 31 December 2024

Item	Other equity instruments				Total equity attributable to shareholders of the Company					Subtotal	Non-controlling interests	Total shareholders' equity					
	Share capital	Preference shares	Perpetual bonds	Others	Capital surplus	Treasury shares	Less: comprehensive income	Other	Specialized reserve				Surplus reserve	General risk reserve	Retained earnings		
(IV) Transfer within shareholder's equity																	
1. Transfer from capital surplus to paid-in capital (share capital)																	
2. Transfer from surplus reserves to paid-in capital (share capital)																	
3. Surplus reserves used to offset accumulated losses																	
4. Transfer remeasurements of defined benefit obligation to retained earnings																	
5. Reclassification from other comprehensive income to retained earnings																	
6. Others																	

continued



## Consolidated Statement of Changes in Shareholders' Equity

For the year ended 31 December 2025

(All amounts in RMB unless otherwise stated)

For the year ended 31 December 2024

Item	Share capital		Other equity instruments		Total equity attributable to shareholders of the Company					Total shareholders' equity			
	Preference shares	Perpetual bonds	Others	Capital surplus	Less: Treasury shares	Other comprehensive income	Specialized reserve	Surplus reserve	General risk reserve		Retained earnings	Subtotal	Non-controlling interests
(V) Non-current liabilities due within one year													
1. Accrual													
2. Utilisations													
(VI) Others													
IV. Balance at the end of current period	293,294,232.00			8,143,846,179.42	108,593,033.82	1,638,108.55	147,905,530.22	4,474,436,194.16	12,952,529,210.53	317,803,523,221.3	270,332,733.75		

The accompanying notes form an integral part of these financial statements.

Legal representative:  
Liu Mingming

Principal in charge of accounting:  
Tang Yi

Head of accounting department:  
Hui Li

# Company Statement of Changes in Shareholders' Equity

## ANJOY FOODS GROUP CO., LTD. Company Statement of Changes in Shareholders' Equity For the year ended 31 December 2025

(All amounts in RMB unless otherwise stated)

Item	For the year ended 31 December 2025							Total shareholders' equity			
	Share capital	Preference shares	Perpetual bonds	Others	Capital surplus	Less: Treasury shares	Other comprehensive income		Specialized reserve	Surplus reserve	Retained earnings
I. Balance at the end of prior year	293,294,232.00				8,153,463,892.48	108,593,033.82			146,647,116.00	607,148,919.09	9,091,961,125.75
Add: Changes in accounting policies											
Significant accounting errors											
Others											
II. Balance at the beginning of current year	293,294,232.00				8,153,463,892.48	108,593,033.82			146,647,116.00	607,148,919.09	9,091,961,125.75
III. Increase/decrease for the period											
(I) Increase/decrease for the period (decrease expressed with "-")	39,994,700.00				2,047,504,665.50				19,997,350.00	2,893,012,767.00	5,000,509,482.50
(II) Total comprehensive income										3,682,807,908.13	3,682,807,908.13
(III) Capital contribution and withdrawal by owners	39,994,700.00				2,047,504,665.50						2,087,499,365.50
1. Ordinary shares paid by shareholders	39,994,700.00				2,063,289,479.74						2,093,284,179.74
2. Capital contributed by other equity instruments holders											
3. Amount of share-based payments recognized in shareholders' equity					-5,784,814.24						-5,784,814.24
4. Others											
(III) Profit distribution									19,997,350.00	-789,795,141.13	-769,797,791.13
1. Appropriation to surplus reserve									19,997,350.00	-19,997,350.00	
2. Profit distributed to owners (or stockholders)										-769,797,791.13	-769,797,791.13
3. Others											

continued



## Company Statement of Changes in Shareholders' Equity

For the year ended 31 December 2025

(All amounts in RMB unless otherwise stated)

Item	For the year ended 31 December 2025							Total shareholders' equity			
	Share capital	Preference shares	Perpetual bonds	Others	Capital surplus	Treasury shares	Other comprehensive income		Specialized reserve	Surplus reserve	Retained earnings
(IV) Transfer within shareholder's equity											
1. Transfer from capital surplus to paid-in capital (share capital)											
2. Transfer from surplus reserves to paid-in capital (share capital)											
3. Surplus reserves used to offset accumulated losses											
4. Transfer remeasurements of defined benefit obligation to retained earnings											
5. Reclassification from other comprehensive income to retained earnings											
6. Others											
(V) Non-current liabilities due within one year											
1. Accrual											
2. Utilisations											
(VI) Others											
IV. Balance at the end of current period	333,288,932.00				10,200,968,557.98	108,538,033.82		166,644,466.00	3,500,161,666.09	14,092,470,608.25	

The accompanying notes form an integral part of these financial statements.

Legal representative:  
Liu Mingming

Principal in charge of accounting:  
Tang Yi

Head of accounting department:  
Hui Li

# Company Statement of Changes in Shareholders' Equity

For the year ended 31 December 2025

(All amounts in RMB unless otherwise stated)

Item	Other equity instruments							Total shareholders' equity
	Share capital	Preference shares	Perpetual bonds	Others	Capital surplus	Less: Treasury shares	Other comprehensive income	
I. Balance at the end of prior year	293,294,232.00				8,052,655,577.82	45,713,790.29		9,106,664,605.20
Add: Changes in accounting policies								
Significant accounting errors								
Others								
II. Balance at the beginning of current year	293,294,232.00				8,052,655,577.82	45,713,790.29		9,106,664,605.20
III. Increase/decrease for the period (decrease expressed with "-")								
(I) Total comprehensive income					100,808,314.66	62,879,243.53		-14,903,479.45
(II) Capital contribution and withdrawal by owners					100,808,314.66	62,879,243.53		37,929,071.13
1. Ordinary shares paid by shareholders								
2. Capital contributed by other equity instruments holders								
3. Amount of share-based payments recognized in shareholders' equity								
4. Others								
(III) Profit distribution								
1. Appropriation to surplus reserve								
2. Profit distributed to owners (or stockholders)								
3. Others								
					100,808,314.66	62,879,243.53		100,808,314.66
								-62,879,243.53
								-1,199,318,089.01
								-1,199,318,089.01

continued



## Company Statement of Changes in Shareholders' Equity

For the year ended 31 December 2025

(All amounts in RMB unless otherwise stated)

For the year ended 31 December 2024

Item	Other equity instruments				Less:	Total shareholders' equity
	Share capital	Preference shares	Perpetual bonds	Others		
(IV) Transfer within shareholder's equity						
1. Transfer from capital surplus to paid-in capital (share capital)						
2. Transfer from surplus reserves to paid-in capital (share capital)						
3. Surplus reserves used to offset accumulated losses						
4. Transfer remeasurements of defined benefit obligation to retained earnings						
5. Reclassification from other comprehensive income to retained earnings						
6. Others						
(V) Non-current liabilities due within one year						
1. Accrual						
2. Utilisations						
(VI) Others						
IV. Balance at the end of current period	293,294,232.00			8,153,463,892.48	108,593,033.82	9,091,961,125.75

The accompanying notes form an integral part of these financial statements.

Legal representative:  
Liu Mingming

Principal in charge of accounting:  
Tang Yi

Head of accounting department:  
Hui Li



# Notes to the Financial Statements

For the year ended 31 December 2025  
(All amounts in RMB unless otherwise stated)

## 1 CORPORATION GENERAL INFORMATION

Anjoy Foods Group Co., Ltd., formerly known as Xiamen Huashun Minsheng Food Co., Ltd. (the “Company”), was jointly incorporated by Fujian Guoli Minsheng Technology Investment Co., Ltd. (the “Guoli Minsheng”) (renamed as Fujian Guoli Minsheng Technology Development Co., Ltd. in 2021) and Chen Yongshan, with a registered capital of RMB2,000,000. On 24 December 2001, it obtained the Business License for Enterprise Legal Person (Registration No. 3502002004551) issued by the Xiamen Administration for Industry and Commerce.

On 9 February 2011, a shareholders’ meeting resolution was passed to convert the Company into a joint stock limited liability company, using 30 November 2010 as the benchmark date. All shareholders of the original company became shareholders of the new company, and the company name was changed to Fujian Anjoy Foods Co., Ltd. In accordance with the sponsor agreement and the articles of association, the shareholders subscribed for shares in the new company based on their original ownership percentages, using the Company’s net assets of RMB216,179,007.13 as at 30 November 2010. These net assets were converted into a total share capital of 70,000,000 shares at a ratio of 3.08827:1. The excess of net assets over share capital amounting to RMB146,179,007.13 was credited to the Capital surplus. Following this holistic transformation, the Company was registered with the Xiamen Administration for Industry and Commerce on 7 March 2011 and obtained the Business License for Enterprise Legal Person with the registration number 350205200001840. The registered capital was RMB70,000,000. After the holistic transformation into a joint-stock company, the shareholders’ capital contribution structure is as follows:

No.	Shareholder Name	Capital Contribution (RMB in ten thousand)	Percentage of contribution (%)
1	Guoli Minsheng	4,235.94	60.50
2	Liu Mingming	1,241.57	17.74
3	Zhang Qingmiao	525.00	7.50
4	Lv Wenbin	419.99	6.00
5	Huang Jianlian	288.75	4.13
6	Huang Qingsong	288.75	4.13
Total		7,000.00	100.00



## Notes to the Financial Statements

For the year ended 31 December 2025

(All amounts in RMB unless otherwise stated)

### 1 CORPORATION GENERAL INFORMATION (CONTINUED)

On 16 May 2011, a shareholders' meeting resolution was passed to approve an increase in the Company's registered capital by RMB3.65 million. This share capital increase consisted of contributions of RMB1.85 million from Shenzhen Xiushui Investment Co., Ltd. and RMB1.80 million from Shenzhen Tongsheng Chuangye Investment Enterprise (Limited Partnership). On 27 June 2011, the Company completed the industrial and commercial registration procedures for this capital increase.

On 26 November 2012, a shareholders' meeting resolution was passed to approve the capitalization of RMB88.38 million from the Capital surplus to increase the registered capital, distributed to all shareholders via a stock dividend. The ownership percentages of the shareholders remained unchanged after this capitalization. On 4 December 2012, the Company completed the industrial and commercial registration procedures for this capital increase. After this capitalization, the shareholders' capital contribution structure is as follows:

No.	Shareholder Name	Capital Contribution (RMB in ten thousand)	Percentage of contribution (%)
1	Guoli Minsheng	9,319.057	57.51
2	Liu Mingming	2,731.454	16.86
3	Zhang Qingmiao	1,155.00	7.13
4	Lv Wenbin	923.989	5.70
5	Huang Jianlian	635.25	3.92
6	Huang Qingsong	635.25	3.92
7	Shenzhen Xiushui Investment Co., Ltd.	407.00	2.51
8	Shenzhen Tongsheng Chuangye Investment Enterprise (Limited Partnership)	396.00	2.45
Total		16,203.00	100.00

In January 2017, the Company's listing was approved by the China Securities Regulatory Commission (CSRC) under the Reply on Approving the Initial Public Offering of Fujian Anjoy Foods Co., Ltd. (CSRC Permit No. [2017]152). The Company completed the initial public offering and listing of the A Shares on the Shanghai Stock Exchange in February 2017. Immediately following this offering, our registered share capital was RMB216.04 million.



## Notes to the Financial Statements

For the year ended 31 December 2025  
(All amounts in RMB unless otherwise stated)

### 1 CORPORATION GENERAL INFORMATION (CONTINUED)

As approved by the CSRC, the company conducted public issuance of 5 million convertible bonds of RMB500,000,000.00 at a par value of RMB100 (the “2018 Convertible Bonds”) in July 2018 (CSRC Permit No. [2018] 241). As at 4 July 2019, the 2018 Convertible Bonds in the amount of RMB496,160,000.00 had been converted into 14,026,649 A Shares. Following these conversions, the cumulative registered capital increased to RMB230,066,649, and the cumulative paid-in capital (share capital) amounted to RMB230,066,649.

On 13 November 2019, the company granted an aggregate of 6,320,000 RMB ordinary shares (A Shares) as restricted shares to 231 equity incentive participants, including Zhang Qingmiao, with a par value of RMB1 per share. The grant price of the restricted shares to the incentive participants was RMB26.97 per share. As a result of the actual subscription, two incentive participants forfeited their subscription, and the final subscription amount for RMB ordinary shares was RMB6,310,000.00. On 6 January 2020, the restricted shares under the company’s 2019 Equity Incentive Plan were registered with the Shanghai Branch of China Securities Depository and Clearing Co., Ltd.. Upon completion of this registration, the company’s total accumulated issued shares increased from 230,066,649 shares to 236,376,649 shares.

In July 2020, according to the resolutions of the Company’s Third Extraordinary General Meeting of Shareholders in 2019 and the Fourth Meeting of the Fourth Session of the Board of Directors, the Company granted 300,000 restricted ordinary shares (A shares) to 27 incentive participants, with a par value of RMB1 per share and a grant price of RMB66.31 per share. During the actual subscription process, one participant relinquished their subscription. Based on the subscription results, the registered capital was increased by RMB298,000, resulting in a post-change registered capital of RMB236,674,649.

In July 2020, as approved by the CSRC, the Company conducted public issuance of convertible bonds of RMB900,000,000.00 (the “2020 Convertible Bonds”) (CSRC Permit No. [2020] 592) and the 2020 Convertible Bonds became convertible into the Company’s shares on 14 January 2021, at a conversion price of RMB115.90 per share. As of 8 March 2021, the conversion and redemption of the 2020 Convertible Bonds had been completed, and the Company’s total share capital increased to 244,424,360 shares.

In February 2022, as approved by the China Securities Regulatory Commission in the Approval Letter regarding the Private Placement of Shares of Fujian Anjoy Foods Co., Ltd. (CSRC Permit No. [2021] 3419), the Company issued 48,884,872 RMB ordinary shares (A shares) through a private placement. The procedures for the registration and depository of these new shares were completed with the Shanghai Branch of China Securities Depository and Clearing Co., Ltd. on 10 March 2022. Upon completion of this registration, the Company’s total number of issued shares increased from 244,424,360 to 293,309,232.



## Notes to the Financial Statements

For the year ended 31 December 2025

(All amounts in RMB unless otherwise stated)

### 1 CORPORATION GENERAL INFORMATION (CONTINUED)

On 11 March 2022, the 24th Meeting of the Fourth Board of Directors and the 14th Meeting of the Fourth Board of Supervisors of the Company deliberated and approved the Proposal on the Repurchase and Cancellation of Certain Restricted Shares and the Adjustment of the Repurchase Price. Two grantees of the initial grant under the Company's 2019 Restricted Share Incentive Plan resigned due to personal reasons and thus ceased to be qualified grantees. In accordance with the relevant provisions of the Anjoy Foods Group Co., Ltd. 2019 Restricted Share Incentive Plan (Draft), the Company repurchased and cancelled 15,000 restricted shares that had been granted to but not yet released from sales restriction to the aforesaid two grantees. The cancellation of the aforesaid restricted shares was completed on 18 May 2022. Upon completion of this repurchase and cancellation, the Company's total accumulated issued shares changed from 293,309,232 shares to 293,294,232 shares.

In July 2025, the Company's shares were listed on the Main Board of the Stock Exchange of Hong Kong Limited, increasing the registered capital by RMB39,994,700. Following this issuance, the cumulative registered capital amounted to RMB333,288,932, and the cumulative paid-in capital (share capital) amounted to RMB333,288,932.

As at 31 December 2025, the Company had a total of 333,288,932 outstanding shares with registered capital of RMB333,288,932. The Company's Unified Social Credit Code is 913502007054909195. The Company engages in food manufacturing. Its registered office and the principal place of business activities is located at No. 2508 Xinyang Road, Haicang District, Xiamen, the PRC. The legal representative is Liu Mingming. The principal business scope of the Company: Permitted Projects: Food production. (Projects subject to approval in accordance with the law may only be carried out after obtaining approval from the relevant authorities. Specific business projects are subject to the approval documents or licenses issued by the relevant departments.) General Projects: Processing of meat products and by-products (excluding Western-style meat processing projects with an annual capacity of 3,000 tons or less); processing of surimi products and dried and pickled aquatic products (excluding frozen seawater surimi production lines); food sales (only pre-packaged food); food additive sales; primary agricultural product procurement; import and export of goods; import and export of food; import and export of technology; import and export agency; technical services, technical development, technical consultation, technical exchange, technical transfer, and technical promotion. (Unless otherwise subject to approval in accordance with the law, projects may be independently carried out with a business license.) The Company is currently in the production and operation phase.

These financial statements were approved for issuance by the Company's Board of Directors on 30 March 2026.



## Notes to the Financial Statements

For the year ended 31 December 2025  
(All amounts in RMB unless otherwise stated)

### 2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

#### 2.1 Basis of preparation

Such financial statements have been prepared in accordance with the “Accounting Standards for Business Enterprises – Basic Standards” and various specific accounting standards, the Implementation Guidance for the Accounting Standards for Business Enterprises, the Interpretation of the Accounting Standards for Business Enterprises and other relevant requirements issued by the Ministry of Finance (hereinafter referred to as the “Accounting Standards for Business Enterprises”), the Compilation Rules for Information Disclosure by Companies offering Securities to the Public No.15-the General Provisions of the Financial Reports issued by the China Securities and Regulatory Commission. In preparing these financial statements, the Company has also considered the disclosure requirements under the Companies Ordinance of Hong Kong and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

#### 2.2 Going concern

The financial statements are prepared on a going concern basis.

For a period of twelve months from the end of the reporting period, the Company has not identified any events or conditions in financial, operational, or other areas that, individually or collectively with other events or conditions, may cast significant doubt on its ability to continue as a going concern.

### 3 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

The disclosures set out below cover the specific accounting policies and accounting estimates formulated by the Company in light of its actual production and operation characteristics. For details, see Note 3.25 “Revenue” of these notes to the financial statements.

#### 3.1 Statement of compliance with the Accounting Standard for Business Enterprises

These financial statements have been prepared in accordance with the Accounting Standards for Enterprises issued by the Ministry of Finance and present a true and fair view of the consolidated and company’s financial position as at 31 December 2025, and the consolidated and company’s financial performance and cash flows for the year then ended.

#### 3.2 Accounting period

The Company’s accounting year starts on January 1 and ends on December 31.



## Notes to the Financial Statements

For the year ended 31 December 2025

(All amounts in RMB unless otherwise stated)

### 3 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 3.3 Operating cycle

The operating cycle of the Company is 12 months.

#### 3.4 Reporting currency

The Company's functional currency is Renminbi ("RMB"). For its overseas subsidiaries, the functional currency is determined by their respective primary economic environments: Oriental Food Express Limited uses the British Pound ("GBP"), and Good News International Trading Europe B.V. uses the Euro ("EUR"). These financial statements are presented in RMB.

#### 3.5 Accounting treatment of business combinations under common control and business combinations not under common control

Business combinations under common control: Assets and liabilities obtained by combining party in the business combination under common control (including goodwill arising from the acquisition of the merged party by the ultimate controller) are recognized on the basis of their carrying amounts at the combination date recorded on the financial statements of the ultimate controlling party. The difference between the carrying amount of the consideration paid for the combination (or aggregate face values of the shares issued) and the carrying amount of the net assets obtained is adjusted to Capital surplus. If the Capital surplus is not sufficient to absorb the difference, any excess is adjusted to retained earnings.

Business combinations not under common control: The consideration paid for business combination comprises the fair value of the assets transferred by the acquirer, the liabilities incurred or assumed by the acquirer, and the equity interests issued by the acquirer to obtain control of the acquiree at the date of acquisition. Where the cost of the combination exceeds the Company's interest in the fair value of the acquiree's identifiable net assets, the difference is recognized as goodwill. Where the cost of combination is lower than the Company's interest in the fair value of the acquiree's identifiable net assets, the difference is recognized in profit or loss for the current period.

Costs directly attributable to the combination are included in profit or loss in the period in which they are incurred. Transaction costs associated with the issue of equity or debt securities for the business combination are included in the initially recognized amounts of the equity or debt securities.



## Notes to the Financial Statements

For the year ended 31 December 2025  
(All amounts in RMB unless otherwise stated)

### 3 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 3.6 Criteria for determining control and methods of preparing consolidated financial statements

##### 3.6.1 *Criteria for determining control*

The consolidation scope for consolidated financial statement is determined based on the concept of control, the consolidation scope including the Company and all subsidiaries. Control exists when the Company has power over the investee; exposure, or rights to variable returns from its involvement with the investee and has the ability to use its power over the investee to affect the amount of its returns.

##### 3.6.2 *Consolidation procedures*

The Company regards the entire enterprise group as an accounting entity, prepares consolidated financial statements in accordance with unified accounting policies, and reflects the overall financial status, operating results and cash flows of the enterprise group. All significant intra-group accounts and transactions between the Company and its subsidiaries or between subsidiaries are eliminated on consolidation. Any losses resulting from intra-group transactions that indicate impairment losses of the related assets shall be fully recognized. If the accounting policies and accounting periods adopted by the subsidiaries are inconsistent with those of the Company, necessary adjustments shall be made in accordance with the accounting policies and accounting periods of the Company when preparing the consolidated financial statements.

The portion of shareholders' equity of subsidiary as at the balance sheet date, net profit/loss, and comprehensive income for the period ended, non-controlling interests, are presented separately in the consolidated financial statements under the headings of shareholder's equity, net profit, and total comprehensive income, respectively. When the amount of loss for the current period attributable to the non-controlling shareholders of a subsidiary exceeds the non-controlling interests' portion of the opening balance of shareholder's equity of the subsidiary, the excess is allocated against the balance of non-controlling interests.



## Notes to the Financial Statements

For the year ended 31 December 2025

(All amounts in RMB unless otherwise stated)

### 3 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 3.6 Criteria for determining control and methods of preparing consolidated financial statements (continued)

##### 3.6.2 Consolidation procedures (continued)

###### (1) Increase of subsidiary or business

During the reporting period, if a subsidiary or business is added due to a business combination under the same control, the operating results and cash flows from the beginning of the current period to the end of the reporting period shall be included in the consolidated financial statement, the opening balances of the consolidated financial statements and the relevant items in the comparative statement are adjusted at the same time, as if the consolidated reporting entity has been in existence since the time when the ultimate controlling party began to control it.

If the investee under common control can be controlled due to additional investment and other reasons, for equity investments held before the acquisition of the control of the merged party, the relevant gains and losses, other comprehensive income and changes in other net assets have been recognized from the later of the date of acquisition of the original equity and the date when the merging party and the merged party are under common control up to the date of merger, and the retained earnings at the beginning of the comparative statement period or the current gains and losses shall be offset respectively.

During the reporting period, for subsidiaries obtained through a business combination not under common control, the subsidiaries' financial statements shall be included in the consolidated financial statements based on the fair values of the identifiable assets, liabilities and contingent liabilities at the acquisition date.

If the investee not under common control can be controlled due to additional investment and other reasons, the equity of the acquiree held before the purchase date shall be re-measured according to the fair value of the equity on the purchase date, and the difference between the fair value and its book value is included in the current investment income. The equity of the acquiree held before the purchase date regarding other comprehensive income that would be reclassified to profit or loss in the future and changes in other shareholders' equity accounted for by the equity method are converted into investment income for the current period on the purchase date.



## Notes to the Financial Statements

For the year ended 31 December 2025  
(All amounts in RMB unless otherwise stated)

### 3 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 3.6 Criteria for determining control and methods of preparing consolidated financial statements (continued)

##### 3.6.2 Consolidation procedures (continued)

##### (2) Disposal of subsidiaries

##### ① General treatment

When the control of the investee is lost due to the disposal of part of the equity investment or other reasons, the Company will re-measure the remaining equity investment after disposal at its fair value on the date of loss of control. The sum of the consideration obtained from the disposal of the equity and the fair value of the remaining equity, minus the difference between the share of the net assets of the original subsidiary and the sum of the goodwill calculated continuously from the purchase date or the merger date based on the original shareholding ratio, is included in the investment income in the current period of loss of control. Other comprehensive income related to the equity investment of the original subsidiary that would be reclassified to profit or loss in the future and changes in other shareholders' equity accounted for by the equity method, shall be converted into investment income in the current period when control is lost.

##### ② Step-by-step disposal of subsidiaries

Where the equity investment in a subsidiary is disposed of step by step through multiple transactions until control is lost, the terms, conditions and economic effects of each transaction of the disposal of the equity investment in the subsidiary meet one or more of the following circumstances, usually indicating that multiple transactions should be treated as a package transaction accounting treatment.

- i. These transactions were entered into at the same time or taking into account the influence of each other;
- ii. These transactions as a whole can achieve a complete commercial outcome;
- iii. The occurrence of one transaction is dependent on the occurrence of at least one other transaction;
- iv. A transaction is uneconomical on its own, but economical when considered together with other transactions.



## Notes to the Financial Statements

For the year ended 31 December 2025

(All amounts in RMB unless otherwise stated)

### 3 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 3.6 Criteria for determining control and methods of preparing consolidated financial statements (continued)

##### 3.6.2 Consolidation procedures (continued)

###### (2) Disposal of subsidiaries (continued)

If the transactions belong to a package transaction, the Company will account for each transaction as a transaction of disposing of the subsidiary and losing control; the difference between the disposal price and the share of the net assets of the subsidiary corresponding to the disposal investment before the loss of control is recognized as other comprehensive income in the consolidated financial statements and transferred to the profit and loss for the period when the control is lost.

If the transactions not belong to a package transaction, before the loss of control, the accounting treatment shall be carried out for the partial disposal of the equity investment in the subsidiary without the loss of control; when the control is lost, the accounting treatment shall be carried out according to the general treatment method for the disposal of the subsidiary.

###### (3) Purchase of minority stakes in subsidiaries

The difference between the long-term equity investment newly acquired by the Company due to the purchase of minority shares and the net asset share of the subsidiary that should be calculated continuously from the date of purchase or merger date according to the newly added shareholding ratio shall be adjusted for the share capital premium in the Capital surplus in the Consolidated Balance Sheets. If the share capital premium in the Capital surplus is insufficient to offset, the retained earnings shall be adjusted.

###### (4) Partial disposal of equity investment in subsidiary without losing control

The difference between the disposal price and the corresponding share of the net assets of the subsidiary from the purchase date or the merger date, shall be adjusted for the share premium in the Capital surplus in the Consolidated Balance Sheets. If the share premium in the Capital surplus is insufficient to offset, the retained earnings shall be adjusted.



## Notes to the Financial Statements

For the year ended 31 December 2025  
(All amounts in RMB unless otherwise stated)

### 3 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 3.7 Classification of joint arrangements and accounting treatments of joint operations

A joint arrangement is classified into joint operation and joint venture.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

The Company recognizes the following items in relation to its interest in a joint operation:

- i. its solely-held assets, and its share of any liabilities incurred jointly;
- ii. its solely-assumed liabilities, and its share of any liabilities incurred jointly;
- iii. its revenue from the sale of its share of the output arising from the joint operation;
- iv. its share of the revenue from the sale of the output by the joint operation; and
- v. its solely-incurred expenses, and its share of any expenses incurred jointly.

The Company accounts for investments in joint ventures using equity method. Refer to Note “3.13 Long-term equity investments” for details.

#### 3.8 Recognition criteria of cash and cash equivalents

Cash comprises cash on hand and deposits that can be readily withdrawn on demand. Cash equivalents are the Company’s short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### 3.9 Translation of transactions and financial statements denominated in foreign currencies

##### 3.9.1 Foreign currencies

Foreign currency transactions are translated using the exchange rate determined by a reasonable approach that approximates the exchange rate prevailing at the dates of the transactions. The Company adopts the average exchange rate for the period as the translation rate to translate foreign currency amounts into Renminbi for recording purposes.

As at the balance sheet date, monetary items denominated in foreign currency are exchanged to Renminbi by adopting the prevailing exchange rate on that date. Foreign exchange difference arising from the exchange, with the exception that foreign exchange differences for specific borrowings denominated in foreign currency and qualifying for conditions of capitalization are capitalized during the capitalization year and credited to the cost of relevant assets.



## Notes to the Financial Statements

For the year ended 31 December 2025

(All amounts in RMB unless otherwise stated)

### 3 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 3.9 Translation of transactions and financial statements denominated in foreign currencies (continued)

##### *3.9.2 Translation of foreign currency financial statements*

The asset and liability items in the balance sheets are translated at the spot exchange rates on the balance sheet date. Among the shareholders' equity items, the items other than "retained earnings" are translated at the spot exchange rates of the transaction dates. The income and expense items in the income statement are translated using the exchange rate determined by a reasonable approach that approximates the spot exchange rate on the transaction date. The Company adopts the average exchange rate for the period.

Upon disposal of a foreign operation, exchange differences of foreign currency statements related to such foreign operations that are presented under shareholder's equity item are all transferred to profit or loss for the current period.

#### 3.10 Financial instruments

The Company shall recognize a financial asset, a financial liability or an equity instrument in its statement of financial position when, the Company becomes party to the contractual provisions of the instrument.

##### *3.10.1 Classification of financial instruments*

At initial recognition, the Company classifies its financial assets into: financial assets at amortized cost, or financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss according to the Company's business model for managing financial assets and the contract cash flow characteristics of the financial assets.

Financial assets fulfilling all of the following conditions, which are not designated as financial assets at fair value through profit or loss, are classified as financial assets at amortized cost:

- The objective of the business model is to collect the contractual cash flows.
- The contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.



## Notes to the Financial Statements

For the year ended 31 December 2025  
(All amounts in RMB unless otherwise stated)

### 3 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 3.10 Financial instruments (continued)

##### 3.10.1 Classification of financial instruments (continued)

Financial assets fulfilling all of the following conditions, which are not designated as financial assets at fair value through profit or loss, are classified as financial assets at fair value through other comprehensive income (debt instruments):

- The objective of the business model is for both collection of the contractual cash flows and selling such financial assets.
- The contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.

For investments in non-tradable equity instruments, the Company may irrevocably designate them as financial assets measured at fair value through other comprehensive income (equity instruments). The designation is based on an individual financial asset and meets the definition of an equity instrument from the issuer's perspective.

Other than financial assets measured at amortized cost and financial assets at fair value through other comprehensive income as aforementioned, all financial assets are classified as financial assets at fair value through current profit or loss. At initial recognition, the Company may designate a portion of financial assets that should be classified as financial assets at amortized cost or financial assets at fair value through other comprehensive income, as financial assets at fair value through profit or loss in order to eliminate or significantly reduce any accounting mismatch.

Financial liabilities are classified as financial liabilities at amortized cost and financial liabilities at fair value through profit or loss at initial recognition.

At initial recognition, a financial liability fulfilling one of the following conditions may be designated as financial liability at fair value through profit or loss:

- (1) The designation is able to eliminate or significantly reduce any accounting mismatch.
- (2) A group of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the Company is provided internally on that basis to the entity's key management personnel.
- (3) The financial liability contains embedded derivatives which need to be separated.



## Notes to the Financial Statements

For the year ended 31 December 2025

(All amounts in RMB unless otherwise stated)

### 3 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 3.10 Financial instruments (continued)

##### *3.10.2 Recognition basis and measurement methods of financial instruments*

(1) *Financial assets at amortized cost*

Financial assets at amortized cost include notes receivable, accounts receivable, other receivables, long-term receivables, debt investments, etc. Financial assets at amortized cost are measured at fair value on initial recognition, and the related transaction expenses are included in the initial recognized amount. For accounts receivable excluding significant financing components or regardless consideration of financing components of contracts less than one year by the Company, accounts receivable initially recognized at contractual transaction price.

Interest income calculated by the effective interest rate method is recognized in current profit or loss during the holding period.

The difference between the carrying amount and the consideration received is recognized in current profit or loss when the financial asset is recovered or disposed.

(2) *Financial assets at fair value through other comprehensive income (debt instruments)*

Financial assets at fair value through other comprehensive income (debt instruments) include Receivables financing, other debt investments, etc. Financial assets at fair value through other comprehensive income (debt instruments) are measured at fair value on initial recognition, and the related transaction expenses are included in the initial recognized amount. Such financial assets are measured at fair value through other comprehensive income, except for the impairment gains or losses, foreign exchange gains and losses, and interest income calculated using the effective interest method which are recognized in profit or loss for the current period.

When an investment in debt instrument measured at fair value through other comprehensive income is derecognized, the difference between the carrying amount and the consideration received as well as any cumulative profit or loss that were previously recognized in other comprehensive income is recognized in profit or loss for the current period.



## Notes to the Financial Statements

For the year ended 31 December 2025  
(All amounts in RMB unless otherwise stated)

### 3 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 3.10 Financial instruments (continued)

##### 3.10.2 Recognition basis and measurement methods of financial instruments (continued)

(3) *Financial assets at fair value through other comprehensive income (equity instruments)*

Financial assets at fair value through other comprehensive income (equity instruments) include other investments in equity instruments etc. Financial assets at fair value through other comprehensive income (equity instruments) are measured at fair value on initial recognition, and the related transaction expenses are included in the initial recognized amount. Such financial assets are measured at fair value through other comprehensive income. The relevant dividend income of such financial assets is recognized in profit or loss for the current period.

When an investment in equity instrument measured at fair value through other comprehensive income is derecognized, the difference between the carrying amount and the consideration received as well as any cumulative profit or loss that were previously recognized in other comprehensive income is recognized in retain earnings.

(4) *Financial assets at fair value through current profit or loss*

Financial assets at fair value through current profit or loss include financial assets held for trading, derivative financial assets, other non-current financial assets etc. Financial assets at fair value through current profit or loss are measured at fair value on initial recognition, and the related transaction expenses are recognized in profit or loss for the current period. Such financial assets are measured at fair value through profit or loss for the current period.

(5) *Financial liability at fair value through profit or loss*

Financial liability at fair value through profit or loss include financial liabilities held for trading, derivative financial liabilities. Financial liability at fair value through current profit or loss are measured at fair value on initial recognition, and the related transaction expenses are recognized in profit or loss for the current period. Such financial liability are measured at fair value through profit or loss for the current period.

The difference between the carrying amount and the consideration paid is recognized in current profit or loss when the financial liability is derecognized.



## Notes to the Financial Statements

For the year ended 31 December 2025

(All amounts in RMB unless otherwise stated)

### 3 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 3.10 Financial instruments (continued)

##### *3.10.2 Recognition basis and measurement methods of financial instruments (continued)*

###### *(6) Financial liabilities at amortized cost*

Financial liabilities at amortized cost include short-term borrowings, notes payable, accounts payable, other payables, long-term borrowings, debentures payable, long-term payables etc. Financial liabilities at amortized cost are measured at fair value on initial recognition, and the related transaction expenses are included in the initial recognized amount.

Interest expenses calculated by the effective interest rate method is recognized in current profit or loss during the holding period.

The difference between the carrying amount and the consideration paid is recognized in current profit or loss when the financial liability is derecognized.

##### *3.10.3 Recognition basis and measurement methods of financial asset derecognition and financial asset transfer*

A financial asset is derecognized when one of the following criteria is met:

- The contractual rights to receive cash flows from the financial asset have expired.
- The financial asset has been transferred and the Company transfers substantially all the risks and rewards of ownership of the financial asset to the transferee.
- The financial asset has been transferred to the transferee and the Company has not retained control of the financial asset, although the Company neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset.

If the Company and the counterparty modify or renegotiate a contract, and the contract terms are substantially different, the original financial assets shall be derecognized and a new financial asset shall be recognized based on the new contract terms.

In the event of a transfer of financial assets, if the Company retains almost all the risks and rewards of ownership of a financial asset, the asset should not be derecognized.



## Notes to the Financial Statements

For the year ended 31 December 2025  
(All amounts in RMB unless otherwise stated)

### 3 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 3.10 Financial instruments (continued)

##### *3.10.3 Recognition basis and measurement methods of financial asset derecognition and financial asset transfer (continued)*

When judging whether the transfer of financial assets meets the above-mentioned conditions for derecognition of financial assets, the principle of substance over form is adopted.

The Company divides the transfer of financial assets into overall transfer and partial transfer. If the overall transfer of financial assets meets the conditions for derecognition, the difference between the following two amounts shall be included in the current profits and losses:

- (1) The book value of the transferred financial asset.
- (2) Sum of consideration received from the transfer of financial assets and the amount of the accumulated number of changes in fair value that was directly recognized in other comprehensive income (the financial assets involved in the transfer are financial assets at fair value through other comprehensive income debt instruments).

If a part of the financial asset is transferred and the transferred part meets the conditions for derecognition, the book value of the financial asset before the transfer will be apportioned according to the fair value of the derecognized part and the continued recognized part, and the difference between the following two amounts shall be included in the current profit and loss:

- (1) The book value of the derecognition part.
- (2) Sum of the consideration received for the derecognition part and the corresponding amount of the accumulated fair value changes originally recognized in other comprehensive income (the financial assets involved in the transfer are financial assets at fair value through other comprehensive income debt instruments).

For a transfer of a financial asset that does not satisfy the derecognition criteria, the Company will continuously recognize the transferred financial asset. and the considerations received should be recognized as a financial liability.



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### 3 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 3.10 Financial instruments (continued)

##### *3.10.4 Derecognition of financial liabilities*

The Company derecognizes a financial liability (or part of it) when the underlying present obligation (or part of it) is discharged. An agreement between the Company and an existing lender to replace the original financial liability with a new financial liability with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

If the contract terms of the existing financial liabilities (or part of them) are substantially modified, the existing financial liabilities (or part of them) shall be recognized and a new financial liability shall be recognized based on the new contract terms.

When the Company derecognizes a financial liability or a part of it, it recognizes the difference between the carrying amount of the financial liability (or part of the financial liability) derecognized and the consideration paid (including any non-cash assets transferred or new financial liabilities assumed) in profit or loss.

If the Company repurchases a part of the financial liability, the book value of the financial liability shall be allocated according to the fair value of the continued recognition part and the derecognition part on the repurchase date. The difference between the book value allocated to the derecognized part and the consideration paid (including non-cash assets transferred out or liabilities assumed) shall be included in the current profit and loss.

##### *3.10.5 Determination of fair value of financial assets and financial liabilities*

The fair value of a financial instrument that is traded in an active market is determined at the quoted price in the active market. The fair value of a financial instrument that is not traded in an active market is determined by using a valuation technique. In the valuation, the Company adopts the valuation technique which is applicable to the current situation and supportable by adequate available data and other information, selects inputs with the same characteristics as those of assets or liabilities considered by market participants in relevant transactions of assets or liabilities, and gives priority to the use of relevant observable inputs. When relevant observable inputs are not available or feasible, unobservable inputs are adopted.



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### 3 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 3.10 Financial instruments (continued)

##### *3.10.6 Measuring method and accounting treatment of financial instrument impairment*

The Company assesses the expected credit losses (“ECL”) for financial assets at amortized cost, investments in debt instruments at fair value through other comprehensive income, as well as financial guarantee contracts, etc.

Giving consideration to reasonable and supportable information about past events, current conditions and forecasts of future economic conditions, weighted by the probability of default, the Company recognizes the ECL as the probability-weighted amount of the present value of the difference between the contractual cash flows receivable and the cash flows expected to be collected.

If the credit risks of the financial instrument have been significantly increased since initial recognition, the Company will make a loss allowance at an amount of lifetime expected credit loss; if not, the Company will make a loss allowance for the financial instrument at an amount in the future 12-month expected credit losses. Increase in or reversal of credit loss provision is included in profit or loss as loss or gain on impairment.

The Company determine whether credit risk has increased significantly since initial recognition by confirming the change in default risk over the expected lifetime of a financial instrument through comparing 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. Generally, if the maturity exceeds 30 days, the Company considers that the credit risk of the financial instrument has increased significantly, unless there is conclusive evidence that the credit risk of the financial instrument has not increased significantly since the initial recognition.

The Company may consider that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date.

If there is objective evidence that a financial asset has incurred a credit impairment, the Company recognizes an impairment allowance for that financial asset on an individual basis.

For accounts receivable and contract assets arising from transactions adopting *Accounting Standard for Business Enterprises No. 14 – Revenue (2017)*, the Company recognizes the lifetime ECL regardless of whether a significant financing component exists.

The Company shall directly reduce the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.



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### 3 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 3.10 Financial instruments (continued)

##### *3.10.6 Measuring method and accounting treatment of financial instrument impairment (continued)*

The Company groups the account receivables based on similar credit risk characteristics (aging) and estimates the provision percentage for bad debts of the trade receivables based on all reasonable and supportable information, including forward-looking information, as follows:

<b>Age of Accounts</b>	<b>ECL Rate on Accounts Receivable (%)</b>
Not overdue	5
Overdue within 9 months	10
Overdue 9 to 21 months	50
Overdue more than 21 months	100

Other portfolios: No provision for bad debts is made for the portfolio of related parties within the scope of consolidation.

If objective evidence exists that an account receivable is credit-impaired, the Company recognizes a bad debt allowance and records expected credit losses on an individual basis for that account receivable

For lease receivables and long-term receivables arising from the sale of goods or rendering of services, the Company has elected to always measure the loss allowance at an amount equal to lifetime expected credit losses.

The Company makes ECL according to the nature of bills receivable. ECL on commercial acceptance bills are recognized in accordance with the Company's policy for accounts receivable from the date the receivable arises. Bills accepted by banks with lower credit ratings are treated similarly to commercial acceptance bills for the purpose of bad debt provisioning. No provision for bad debts is made for bills accepted by banks with high credit ratings.



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### 3 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 3.11 Inventories

##### *3.11.1 Classification and cost of inventories*

Inventories are classified as: Raw materials, consumables, semi-finished products, work in progress, finished goods, Goods shipped but not recognized as revenue and others.

Inventories are initially measured at cost, cost of inventories includes costs of purchase, costs of conversion and other expenditures incurred in bringing the inventories to their present location and condition.

##### *3.11.2 Valuation method of inventories upon delivery*

Cost is determined using the weighted average method upon delivery.

##### *3.11.3 Inventory system*

The Company adopts the perpetual inventory system as its stock-taking policy.

##### *3.11.4 Amortization method of low-value consumables and packaging*

- (1) Low-value consumables are amortized using the one-off write-off method;
- (2) The packaging materials are amortized using the one-off write-off method;

##### *3.11.5 Recognition criteria and provision method for inventory provision*

At the balance sheet date, inventories shall be measured at the lower of cost and net realizable value. When the carrying amounts of the inventories is higher than its net realizable value, a provision shall be made. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion, the estimated selling expenses and related taxes.

For finished goods, merchandise inventories, and materials held for sale that are directly intended for sale, their net realizable value is determined based on the estimated selling price in the ordinary course of business, less the estimated selling expenses and related taxes. For materials inventory that requires processing, the net realizable value is determined by the estimated selling price of the finished goods less the estimated costs of completion, the estimated selling expenses, and related taxes. Inventory held to satisfy sales contracts or service contracts is valued based on contract prices, and if the inventory quantities held exceeds the contract amount, the net realizable value of the excess is based on general selling prices.



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### 3 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 3.11 Inventories (continued)

##### *3.11.5 Recognition criteria and provision method for inventory provision (continued)*

However, for inventories that are numerous in quantity and low in unit price, the inventory write-down provision is made by category of inventories. For inventories related to product lines manufactured and sold in the same region, having the same or similar end use or purpose, and which are difficult to measure separately from other items, the inventory write-down provision is based on a combined basis.

Except where there is clear evidence indicating abnormal market prices on the balance sheet date, the net realizable value of inventory items is determined based on the market prices on the balance sheet date.

When the circumstances that previously caused inventories to be written down below cost no longer exist, and the net realizable value of the inventories exceeds their carrying amount, the amount of the write-down is reversed, limited to the amount of the original write-down. The reversed amount is recognized in the profit and loss for the period.

#### 3.12 Contract assets

##### *3.12.1 The recognition method and criteria for contract assets*

The Company presents contract assets or contract liabilities on the balance sheet according to the relationship between contractual performance obligations and customer payments. The Company's right to receive consideration following the transfer of products to customers (which is dependent on factors other than the passage of time) is presented as contract assets. Contract assets and contract liabilities under the same contract are presented on a net basis after set-off. The unconditional (namely, dependent only on the passage of time) right to receive consideration from customers owned by the Company shall be presented as amounts receivable.

##### *3.12.2 The Company's determination and accounting treatment of expected credit losses from contract assets*

For details of the Company's determination and accounting treatment of expected credit losses from contract assets, please refer to Note "3.10.6 Measuring method and accounting treatment of financial instrument impairment".



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### 3 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 3.13 Long-term equity investments

##### *3.13.1 Identification criteria for joint control and significant influence*

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. If the Company, together with other joint venturers, exercises joint control over an investee and has rights to the net assets of the investee, the investee is a joint venture of the Company.

Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies. If the Company is able to exercise significant influence over an investee, the investee is an associate of the Company.

##### *3.13.2 Determination of initial investment cost*

###### *(1) Long-term equity investments formed through business combinations*

For long-term equity investments in subsidiaries formed through business combinations under common control, the initial investment cost of the long-term equity investment is determined at the acquisition date based on the share of the book value of the shareholder's equity of the entity being merged as presented in the consolidated financial statements of the ultimate controlling party. The difference between the initial investment cost of long-term equity investment and the carrying amounts of the consideration paid is treated as an adjustment to the share premium in Capital surplus; if the share premium in Capital surplus is not sufficient to absorb the aforesaid difference, the remaining balance is adjusted against retained earnings. Due to additional investments or similar reasons, when control over a unit under common control is achieved, the difference between the initial investment cost of the long-term equity investment recognized in accordance with the above principles and the sum of the carrying amounts of the long-term equity investment before the acquisition plus the carrying amounts of the new consideration paid for the further acquisition of shares at the acquisition date is treated as an adjustment to the share premium, if the share premium in Capital surplus is not sufficient to absorb the aforesaid difference, the remaining balance is adjusted against retained earnings.

For long-term equity investments acquired through a business combination involving enterprises not under common control, the initial investment cost of the long-term equity investment acquired shall be the cost of acquisition at the acquisition date. Due to additional investments or similar reasons, when control over a unit not under common control is achieved, the initial investment cost is recognized as the aggregate of the carrying amount of the previously held equity interest and the consideration paid for the additional investment.



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### 3 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 3.13 Long-term equity investments (continued)

##### *3.13.2 Determination of initial investment cost (continued)*

(2) *Long-term equity investment acquired otherwise than through a business combination*

For long-term equity investment acquired by payment in cash, the initial investment cost shall be the purchase price actually paid.

For long-term equity investments acquired by issuing equity securities, the initial investment cost shall be the fair value of the equity securities issued.

##### *3.13.3 Subsequent measurement and recognition of related profit and loss*

(1) *Long-term equity investments accounted for using the cost method*

The Company's separate financial statements adopted cost method to account for the long-term equity investments of subsidiaries, unless the investment meets the criteria to be classified as held for sale. Except for the declared but not yet distributed cash dividends or profits included in the price actually paid or the consideration when the investment is obtained, the Company shall recognize the cash dividends or profits declared and distributed by the investee as investment income for the current period.

(2) *Long-term equity investments accounted for using the equity method*

The Company accounts for investments in associates and joint ventures using equity method. Where the initial investment cost of a long-term equity investment exceeds the investor's interest in the fair value of the investee's identifiable net assets at the acquisition date, no adjustment shall be made to the initial investment cost. Where the initial investment cost is less than the investor's interest in the fair value of the investee's identifiable net assets at the acquisition date, the difference shall be charged to profit or loss for the current period, and the cost of the long-term equity investment shall be adjusted accordingly.

The Company recognizes its share of the net profit or loss and other comprehensive income of the investee for the period as investment income and other comprehensive income for the period. Meanwhile, carrying amount of long-term equity investment is adjusted; the carrying amount of long-term equity investment is decreased in accordance with its share of the investee's declared profit or cash dividends; other changes in shareholders' equity of the investee other than net profit or loss, other comprehensive income and profit distribution (hereinafter "other changes in shareholders' equity") are correspondingly adjusted to the carrying amount of the long-term equity investment, and recognized in the equity.



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### 3 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 3.13 Long-term equity investments (continued)

##### 3.13.3 Subsequent measurement and recognition of related profit and loss (continued)

###### (2) Long-term equity investments accounted for using the equity method (continued)

When the Company recognizes the share of the net profit and loss, other comprehensive income and other changes in shareholders' equity of the investee, it is recognized after adjusting the net profit and other comprehensive income of the investee based on the fair value of the identifiable assets of the investee and in accordance with the Company's accounting policies and accounting periods when the investment is obtained.

Unrealized gains or losses on transactions between the Company and its associates and joint ventures are eliminated to the extent of the Company's equity interests in its associates and joint ventures, based on which the investment income or losses are recognized, except for transactions involving the disposal or sale of assets that constitute a business. Any losses resulting from transactions between the Company and its investees, which are attributable to asset impairment losses are recognized in full.

The Company's share of net losses from joint ventures or associates, except to the extent that the Company has incurred obligations to assume additional losses, is limited to the reduction to zero of the carrying amount of its long-term equity investments and other long-term interests that are essentially part of its net investment in the joint ventures or associates. Where net profits are subsequently made by the joint ventures or associates, the Company resumes recognizing its share of those profits after its share of the profits exceeds the share of losses previously not recognized.

###### (3) Disposal of long-term equity investments

On disposal of a long-term investment, the difference between the carrying amount of the investment and the actual consideration received is recognized in current profit or loss.

For partial disposals of long-term equity investments accounted for using the equity method, where the remaining equity interest continues to be accounted for under the equity method, the other comprehensive income originally recognized under the equity method is reclassified proportionately on the same basis as if the investee had directly disposed of the related assets or liabilities. Other changes in shareholders' equity are proportionately transferred to current period profit or loss.



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### 3 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 3.13 Long-term equity investments (continued)

##### *3.13.3 Subsequent measurement and recognition of related profit and loss (continued)*

##### *(3) Disposal of long-term equity investments (continued)*

Upon the loss of joint control or significant influence over an investee due to the disposal of equity investments or similar reasons, other comprehensive income that was originally recognized under the equity method of accounting for the equity investment is reclassified on the same basis as if the investee had directly disposed of the related assets or liabilities when the equity method of accounting is discontinued. Additionally, other changes in shareholders' equity are transferred to profit or loss in the current period upon discontinuation of the equity method accounting.

Upon the loss of control over an investee due to the disposal of part of the equity investment or similar reasons, when preparing separate financial statements, if the remaining equity interest enables joint control or significant influence over the investee, the equity method of accounting is applied retrospectively to the remaining equity interest as if it had been accounted for using the equity method from the acquisition date. For other comprehensive income recognized prior to obtaining control over the investee, it is reclassified proportionately on the same basis as if the investee had directly disposed of the related assets or liabilities. Other changes in shareholders' equity recognized due to the adoption of the equity method are proportionately transferred to profit or loss in the current period. If the remaining equity interest does not enable joint control or significant influence over the investee, it is classified as a financial asset, and the difference between its fair value and carrying amount at the date of loss of control is recognized in profit or loss for the current period. For other comprehensive income and other changes in shareholders' equity recognized prior to the acquisition of control of the investee, the entire amount is carried forward.

If the disposal of equity investments in subsidiaries through multiple transactions in a step-by-step manner until the loss of control is a package transaction, each transaction is accounted for as a disposal of an equity investment in a subsidiary with loss of control. The difference between the disposal price and the carrying amount of the long-term equity investment corresponding to the equity interest disposed of in each case before the loss of control is recognized as other comprehensive income in the individual financial statements and then transferred to profit or loss for the period in which the loss of control occurs. If the transaction is not a package transaction, each transaction is accounted for separately.



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### 3 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 3.14 Investment Properties

Investment property is property held to earn rentals or for capital appreciation, or both. It includes land use rights that are leased out, land use rights held for transfer upon capital appreciation, and buildings that are leased out (including buildings constructed or developed for the purpose of leasing, as well as buildings under construction or development that will be leased out in the future).

Subsequent expenditure relating to an investment property is capitalized to the cost of the investment property when it is probable that the associated economic benefits will flow to the enterprise and its cost can be measured reliably. Otherwise, such expenditure is recognized in profit or loss when incurred.

The Company measures its investment property using the cost model. For investment property measured using the cost model – specifically, buildings leased out – the Company applies the same depreciation policy as it does for its fixed assets. For land use rights leased out, the Company applies the same amortization policy as it does for its intangible assets.

#### 3.15 Fixed Assets

##### *3.15.1 Recognition and initial measurement of fixed assets*

Fixed assets refer to tangible assets held for the production of goods, provision of labor services, leasing or operation and management, and with a useful life of more than one fiscal year. Fixed assets are recognized when the following conditions are met at the same time:

- (1) The economic benefits related to the fixed asset are likely to flow into the enterprise;
- (2) The cost of the fixed asset can be reliably measured.

The Company's fixed assets are initially measured at cost (Consider the impact of estimated dismantling and disposal costs).

Subsequent expenditures incurred for a fixed asset are included in the cost of the fixed asset when it is probable that the associated economic benefits will flow to the Company and the related cost can be reliably measured. The carrying amount of the replaced part is derecognized. All the other subsequent expenditures are recognized in profit or loss for the period in which they are incurred.



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### 3 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 3.15 Fixed Assets (continued)

##### 3.15.2 Depreciation method

Fixed assets are depreciated on a straight-line basis. The depreciation rate is determined based on the category of the fixed asset, its estimated useful life, and the estimated residual value rate. For the fixed assets that have been provided for impairment loss, the related depreciation charge is prospectively determined based upon the adjusted carrying amounts over their remaining useful lives. If different components of a fixed asset have different useful lives or provide economic benefits in different ways, then different depreciation rates or methods are selected, and depreciation is calculated separately for each component.

Depreciation Methods, Useful Lives, Residual Rates and Annual Depreciation Rates for Fixed Assets:

<b>Category</b>	<b>Estimated useful lives (years)</b>	<b>Estimated net residual values (%)</b>	<b>Annual depreciation rates (%)</b>
Houses and buildings	10-30	5-10	3-9.5
Machinery and equipment	3-10	4-10	9-32
Office and electronic equipment	3-5	4-10	18-32
Transport equipment	3-5	4-10	18-32
Other equipment	5-10	4-10	9-19.2

##### 3.15.3 Disposal of fixed assets

When a fixed asset is disposed of, or it is expected that no economic benefit can be generated through use or disposal, the recognition of the fixed asset is terminated. The disposal income from the sale, transfer, scrapping or destruction of fixed assets after deducting its book value and relevant taxes is included in the current profit and loss.



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### 3 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 3.16 Construction in progress

Construction in progress is measured at actual cost as incurred. Actual cost comprises construction costs, installation costs, borrowing costs that are eligible for capitalization and other costs necessary to bring the fixed assets ready for their intended use. Construction in progress is transferred to fixed assets when the assets are ready for their intended use, and depreciation is charged starting from the month after the transfer. The criteria and timing for transfer of construction in progress to fixed assets in the Company are as follows:

Category	Criteria and Timing for Transfer to Fixed Assets
Houses and buildings, Fixed Asset Improvements	<ol style="list-style-type: none"> <li>(1) The main construction project and ancillary projects have been completed;</li> <li>(2) If the construction project has reached the expected usable condition but the final settlement has not been completed, it is transferred to fixed assets from the date it reaches the expected usable condition, based on the actual construction cost and recorded at the estimated value.</li> </ol>
Machinery and equipment, electronic equipment, etc., requiring installation and commissioning	<ol style="list-style-type: none"> <li>(1) The relevant equipment and other ancillary facilities have been installed;</li> <li>(2) The equipment has been debugged and can maintain normal and stable operation for a period of time;</li> <li>(3) The equipment has reached the expected usable condition.</li> </ol>

#### 3.17 Borrowing costs

##### 3.17.1 Recognition principles of capitalization of borrowing costs

Borrowing costs incurred by the Company that can be directly attributable to the acquisition, construction or production of assets that meet the capitalization criteria shall be capitalized and included in the cost of the relevant assets; other borrowing costs shall be recognized as expenses based on the amount incurred when incurred and included in the current profit and loss.

“Assets meeting capitalization criteria” refer to fixed assets, investment properties, inventories, and similar assets that require a substantially extended period of construction or production to reach their intended usable or saleable state.

##### 3.17.2 Period of capitalization of borrowing costs

The capitalization period refers to the period from the time when the capitalization of borrowing costs begins to the time when the capitalization ceases. The period when the capitalization of borrowing costs is suspended is not included.



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### 3 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 3.17 Borrowing costs (continued)

##### *3.17.2 Period of capitalization of borrowing costs (continued)*

Borrowing costs are capitalized when the following conditions are met:

- (1) Asset expenditure has been incurred, and asset expenditure includes expenditure in the form of paying cash, transferring non-cash assets or assuming interest-bearing debts for the purchase, construction or production of assets eligible for capitalization;
- (2) Borrowing costs have been incurred;
- (3) The acquisition, construction or production activities necessary to bring the asset to its intended usable or saleable state have begun.

Capitalization of borrowing costs shall cease when the qualifying asset being constructed or produced reaches its intended usable or saleable condition.

##### *3.17.3 Suspension of capitalization period*

If an asset eligible for capitalization is interrupted abnormally during the acquisition, construction or production process, and the interruption lasts for more than 3 consecutive months, the capitalization of borrowing costs shall be suspended; if the interruption is a necessary procedure for the acquired, constructed or produced assets eligible for capitalization to reach the intended usable state or saleable state, the borrowing costs shall continue to be capitalized. Borrowing costs incurred during the interruption period are recognized as current profits and losses, and the borrowing costs continue to be capitalized until the acquisition and construction of assets or the restart of production activities.

##### *3.17.4 The calculation methods for the capitalization rate and the capitalized amount of borrowing costs.*

For the specific borrowings taken out for the purpose of acquiring, constructing, or producing assets that qualify for capitalization, the amount of interest to be capitalized shall be the actual interest expense incurred during the current period less any bank interest earned from depositing the borrowed funds before being used into banks or any investment income on the temporary investment of those funds. For general borrowings utilized for purpose of acquiring, constructing, or producing assets that qualify for capitalization, the Company shall determine the amount of interest to be capitalized on such borrowings by applying a capitalization rate to the weighted average of the excess amounts of cumulative expenditures on the asset over and above the amounts of specific-purpose borrowings. The capitalization rate shall be the weighted average of the interest rates applicable to the general-purpose borrowings.



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### 3 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 3.17 Borrowing costs (continued)

##### *3.17.4 The calculation methods for the capitalization rate and the capitalized amount of borrowing costs. (continued)*

During the capitalization period, the exchange differences on the principal and interest of foreign currency specific borrowings are capitalized and included in the cost of the asset that qualifies for capitalization. Exchange differences on the principal and interest of other foreign currency borrowings, except for specific foreign currency borrowings, are recognized in profit or loss for the current period.

#### 3.18 Intangible assets

##### *3.18.1 The valuation methods for intangible assets*

- (1) The Company initially measures intangible assets at cost when they are acquired.

The cost of purchased intangible assets includes the purchase price, relevant taxes and other expenses directly attributable to making the asset achieve its intended purpose.

- (2) Subsequent measurement of intangible assets

When the Company acquires intangible assets, it analyzes and judges their useful life.

For intangible assets with a limited useful life, they are amortized over the period that brings economic benefits to the enterprise. If it is impossible to foresee the period for which intangible assets will bring economic benefits to the enterprise, it shall be regarded as intangible assets with uncertain service life. Intangible assets with indefinite useful lives are not amortized.



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### 3 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 3.18 Intangible assets (continued)

##### *3.18.2 The estimation of the useful life for intangible assets with limited useful life*

<b>Item</b>	<b>Expected useful life</b>	<b>Basis</b>	<b>Amortization method</b>
Trademark	10 years	Estimated useful life	Straight-line method
Patents	10 years	Estimated useful life	Straight-line method
Land use rights	50 years	Useful life of industrial land	Straight-line method
Software	2-5 years	Estimated useful life	Straight-line method

##### *3.18.3 The basis for determining intangible assets with indefinite useful life and the procedures for reviewing their useful lives*

For intangible assets where the period over which they are expected to generate economic benefits cannot be determined reliably, they are treated as intangible assets with indefinite useful lives.

The useful lives and amortisation methods of intangible assets with indefinite useful lives are reviewed at the end of each year.

Upon review, there were no changes in the useful lives and amortisation methods of intangible assets at the end of the current year compared with previous estimates.

##### *3.18.4 The scope of aggregation for research and development expenses.*

The Company recognises all costs directly related to research and development activities as research and development expenses, including employee compensation for personnel engaged in R&D, materials consumed, related depreciation and amortisation expenses, and other relevant expenditures.

##### *3.18.5 The specific criteria for distinguishing between the research phase and the development phase*

The Company classifies the expenses for internal research and development as research costs and development costs.

Research phase: The phase of original planned investigation and research activities to acquire and understand new scientific or technical knowledge, etc.

Development phase: The phase prior to the commencement of commercial production or use, during which research findings or other knowledge are applied to a plan or design to produce new or substantially improved materials, devices, products, or similar items.



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### 3 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 3.18 Intangible assets (continued)

##### *3.18.6 The specific conditions for capitalizing expenditures in the development phase*

Expenditure arising from the research phase is accounted for in profit or loss for the current period when incurred. Expenses incurred during the development phase that satisfy the following conditions are recognized as intangible assets, while those that do not satisfy the following conditions are accounted for in the profit or loss for the current period:

- (1) It is technically feasible that the intangible asset can be used or sold upon completion;
- (2) There is intention to complete the intangible asset for use or sale;
- (3) The intangible asset can produce economic benefits, including there is evidence that the products produced using the intangible asset has a market or the intangible asset itself has a market; if the intangible asset is for internal use, there is evidence that there is usage for the intangible asset;
- (4) There is sufficient support in terms of technology, financial resources and other resources in order to complete the development of the intangible asset, and there is capability to use or sell the intangible asset;
- (5) The expenses attributable to the development phase of the intangible asset can be measured reliably.

If it is impossible to distinguish between expenditures in the research stage and expenditures in the development stage, all R&D expenditures incurred shall be included in the current profit or loss.

#### 3.19 Impairment of long-term assets

Long-term equity investments, investment property measured under the cost model, fixed assets, construction in progress, right-of-use assets, intangible assets with finite useful lives, oil and gas assets and other long-term assets, are tested for impairment if there is any indication that the assets may be impaired at the balance sheet date. If the result of the impairment test indicates that the recoverable amount of an asset is less than its carrying amount, a provision for impairment and an impairment loss are recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less the cost of disposal and the present value of the future cash flows expected to be derived from the asset. Provision for asset impairment is determined and recognized on the individual asset basis. If it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of a group of assets to which the asset belongs is determined. A group of assets is the smallest group of assets that is able to generate independent cash inflows.



## Notes to the Financial Statements

For the year ended 31 December 2025

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### 3 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 3.19 Impairment of long-term assets (continued)

For goodwill acquired in a business combination, intangible assets with an indefinite useful life, intangible assets not yet available for use, irrespective of whether there is any indication that it may be impaired, is tested at least at the end of each year for impairment.

The Company conducts goodwill impairment tests, and the carrying amount of goodwill acquired in a business combination shall, from the acquisition date, be allocated to relevant asset group in a reasonable method; if it is difficult to apportion to the relevant asset group, it is apportioned to the relevant group of asset groups. Relevant asset group, or group of asset groups, that are expected to benefit from the synergies of the combination.

At the time of impairment testing the relevant asset group or group of asset groups containing goodwill, if there are indications of impairment for the asset group or group of asset groups related to goodwill, the asset group or group of asset groups that does not contain goodwill is first tested for impairment, the recoverable amount is calculated and compared with the relevant carrying amount, and the corresponding impairment loss is recognized. The asset group or group of asset groups containing goodwill is then tested for impairment by comparing its carrying amount with its recoverable amount, and if the recoverable amount is less than the carrying amount, the impairment loss is first deducted from the carrying amount of goodwill that is allocated to the asset group or group of asset groups, and then deducted from the carrying amounts of other assets within the asset group or group of asset groups in proportion to the carrying amounts of assets other than goodwill.

Once the above asset impairment loss is recognized, it will not be reversed for the value recovered in any subsequent periods.

#### 3.20 Long-term deferred expenses

Long-term deferred expenses include the expenditure that have been incurred but should be recognized as expenses over more than one year in the current and subsequent periods.

##### *3.20.1 Amortization method*

Long-term deferred expenses are amortized evenly over the benefit period.

##### *3.20.2 Amortization period*

Amortized over the benefit period, which is more than 1 year.



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### 3 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 3.21 Contract liabilities

The Company presents contract assets or contract liabilities on the balance sheet according to the relationship between contractual performance obligations and customer payments. The obligation to pass products to customers in connection with customer consideration received or receivable is presented as contract liabilities. Contract assets and contract liabilities under the same contract are presented on a net basis.

#### 3.22 Employee benefits

##### *3.22.1 Accounting treatment of short-term employee benefits*

In the accounting period in which employees have rendered services, the Company shall recognize the short-term employee benefits that actually occurred as liability, and charged to profit or loss for the current period or cost of relevant assets.

During the accounting period which employees rendered service, social security contributions and housing provident fund paid by the Company, as well as labor union funds and employees' education expenses extracted by requirement. Based on the required accrual basis and proportions in order to determine the appropriate amount of employee benefits, such employee benefits shall be recognized.

The Company shall recognize the amount of employee welfare that actually occurred and charged to profit or loss for the current period or cost of relevant assets. Non-monetary welfares are measured at fair value.

##### *3.22.2 Accounting treatment of post-employment benefits*

###### *(1) Defined contribution plans*

Employees of the Company participated in pension insurance and unemployment insurance schemes regulated by the local government. During the accounting period which employees rendered service, based on the required accrual basis and proportions in order to determine the amount, such employee insurance shall be recognized as liabilities and charged to profit or loss for the current period or cost of relevant assets. In addition, the Company participates in an enterprise annuity plan/supplementary pension fund approved by relevant national authorities. The Company makes contributions to the annuity plan/local social insurance authorities at a certain percentage of the total employees' salaries, and the corresponding expenses are recognised in profit or loss for the current period or included in the cost of relevant assets.



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For the year ended 31 December 2025

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### 3 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 3.22 Employee benefits (continued)

##### *3.22.2 Accounting treatment of post-employment benefits (continued)*

###### *(2) Defined benefit plans*

The Company assigns the benefit obligations generated by the defined benefit plan to the period during which employees provide services according to a formula determined by the expected cumulative benefit unit method, and includes them in the current profit and loss or the cost of related assets.

The deficit or surplus that the present value of the defined benefit obligation less the fair value of plan assets is recognized as a net defined benefit liability or asset. The Company measures a net defined benefit asset by the lower of the defined benefit surplus and the asset ceiling if there is a defined benefit surplus.

All defined benefit plan obligation including obligation expected to be settled before twelve months after the reporting period, shall be discounted which the discount rate determined by reference to active market yields at the end of the reporting period on government bonds or high-quality corporate bonds. The currency and term of the corporate bonds or government bonds shall be consistent with the currency and estimated term of the post-employment benefit obligations.

Service costs and the net interest of the net liabilities of the defined benefit plan are recognized in the current profit and loss or the cost of related assets. Re-measurement of changes in defined benefit plan net liabilities or assets is recognized in other comprehensive income, and shall not be reclassified to profit or loss in a subsequent period. The entity shall transfer those amounts recognized in other comprehensive income within retained earnings when the original defined benefit plan terminates.

When the defined benefit plan is settled, the differences between the present value of the defined benefit plan obligation and the settlement price on the settlement date shall be recognized as the settlement gain or loss.

##### *3.22.3 Termination benefits*

Where termination benefits are provided to employees, liabilities in employee remuneration are recognized and charged to current profit and loss when: the Company is not in a position to withdraw termination benefits provided under termination plans or redundancy plans, or costs or expenses relating to the restructuring exercise which involves the payment of termination benefits are recognized, whichever earlier.



## Notes to the Financial Statements

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### 3 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 3.23 Provision

The Company recognizes as provision an obligation that is related to contingent matters when all of the following criteria are fulfilled:

- (1) the obligation is a present obligation of the Company;
- (2) the obligation would probably result in an outflow of economic benefits from the Company;
- (3) the obligation could be reliably measured.

A provision is initially measured at the best estimate of the expenditure required to settle the related present obligation.

Factors surrounding a contingency, such as the risks, uncertainties and the time value of money, are taken into account as a whole in determining the best estimate of a provision. Where the effect of the time value of money is material, the best estimate is determined by discounting the related future cash outflows.

Where there is a continuous range of possible outcomes, and each point in that range is as likely as any other, the mid-point of the range is used as the best estimate. In other circumstances, the best estimate is separately treated:

- Where a contingency is referred to a single item, the best estimate is determined as the individual most likely outcome.
- Where a contingency being measured involves a large population of items, the best estimate is determined by weighting all possible outcomes by their associated probabilities.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by a third party, the reimbursement shall be recognized when it is virtually certain that reimbursement will be received. The reimbursement shall be treated as a separate asset. The amount recognized for the reimbursement shall not exceed the amount of the provision.

The Company shall review the carrying amounts of provisions on every balance sheet date. The carrying value will be adjusted to the best estimated value if there is certain evidence that the current carrying amount is not the best estimate.



## Notes to the Financial Statements

For the year ended 31 December 2025

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### 3 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 3.24 Share-based payment

The Company's share-based payment is a transaction which the Company grants equity instruments or assumes liabilities based on equity instruments in return for services rendered by employees or other parties. The Company's share-based payment can be distinguished into equity-settled share-based payments and cash-settled share-based payments.

##### *3.24.1 Equity-settled share-based payments and equity instruments*

Equity-settled share-based payments made in exchange for services rendered by employees are measured at the fair value of equity instruments granted to employees. Instruments which are vested immediately upon the grant date are charged to relevant costs or expenses at the fair value on the date of grant and the Capital surplus is credited accordingly. Instruments of which vesting is conditional upon completion of services or fulfillment of performance conditions are measured by recognizing services rendered during the period in relevant costs or expenses and crediting the Capital surplus accordingly at the fair value on the date of grant according to the best estimates conducted by the Company at each balance sheet date during the vesting period.

Where the terms of an equity-settled share-based payment are modified, as a minimum, services obtained are recognized as if the terms had not been modified. In addition, an expense is recognized for any modification which increases the total fair value of the instrument granted, or is otherwise beneficial to the employee as measured at the date of modification.

In the vesting period, where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. Where employees or other parties are permitted to choose to fulfill non-vesting conditions but have not fulfilled during the vesting period, equity-settled share-based payments are deemed cancelled. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the new awards are treated as if they were a modification of the original award.

##### *3.24.2 Cash-settled share-based payments and equity instruments*

Cash-settled share-based payments are measured at the fair value of the liabilities assumed by the Company, which is based on share or other equity instruments. Instruments which are vested immediately upon the grant date are charged to relevant costs or expenses at the fair value on the date of grant and the liability is credited accordingly. Instruments of which vesting is conditional upon completion of services or fulfillment of performance conditions are measured by recognizing services rendered during the period in relevant costs or expenses and crediting the liability accordingly at the fair value to the best estimates conducted by the Company at each balance sheet date during the vesting period. At each balance sheet date prior to the settlement of the relevant liability and at the settlement date, the fair value of the liability is reassessed and the difference is recognized in profit or loss for the current period.



## Notes to the Financial Statements

For the year ended 31 December 2025  
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### 3 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 3.24 Share-based payment (continued)

##### *3.24.2 Cash-settled share-based payments and equity instruments (continued)*

Where the Company modifies the terms and conditions of a cash-settled share-based payment arrangement so that it becomes an equity-settled share-based payment arrangement, on the modification date (whether the modification occurs during or after the vesting period), the Company measures the equity-settled share-based payment at the fair value of the equity instruments granted at the modification date, recognizes the services received as capital surplus, and derecognizes the liability recognized for the cash-settled share-based payment arrangement as at the modification date. Any difference between the two amounts is recognized in profit or loss for the current period. If the modification extends or shortens the vesting period, the Company accounts for the arrangement based on the modified vesting period.

#### 3.25 Revenue

##### *3.25.1 Accounting policies relevant to the revenue recognition and measurement*

The Company satisfies the performance obligation stipulated in the contract upon the transfer of control of the relevant goods or services to the customer, revenue is recognized. Obtaining control of the relevant commodity refers to the ability to direct the use of the goods or services, and obtain substantially all of the remaining benefits from the asset

When a contract contains multiple performance obligations, the Company allocates the transaction price to each performance obligation on a relative stand-alone selling price basis of the goods or services promised as at the commencement date of the contract.

The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties and expected refunds to customers. the Company considers the terms of the contract and its customary business practices to determine the transaction price. When determining the transaction price, the Company considers variable consideration, the existence of a significant financing component in the contract, non-cash consideration, and consideration payable to a customer. the Company determines the transaction price including variable consideration only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. When a contract includes a significant financing component, the Company determines the transaction price at an amount that corresponds to what the customer would have paid in cash for the goods or services at the time of transfer of control, and the difference between the transaction price and the consideration is amortized using the effective interest rate over the term of the contract.



## Notes to the Financial Statements

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### 3 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 3.25 Revenue (continued)

##### *3.25.1 Accounting policies relevant to the revenue recognition and measurement (continued)*

A performance obligation is satisfied over time if one of the following criteria is met. Otherwise, it is satisfied at a point in time:

- the customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs;
- the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

For performance obligations satisfied over time, the Company recognizes revenue over time by reference to the progress towards complete satisfaction of the relevant performance obligation, except when it cannot be reasonably determined. The Company considers the nature of the goods or services and applies either the output method or the input method to determine the progress toward satisfaction of the performance obligation. When the progress toward satisfaction of the performance obligation cannot be reasonably determined, but the cost incurred are expected to be compensated, the Company recognizes revenue at the amount of costs incurred, until the progress toward satisfaction of the performance obligation can be reasonably determined.

For performance obligations satisfied at a point in time, the Company recognizes revenue when the customer obtains control of the relevant goods or services. In determining whether the customer has obtained control of the goods or services, the Company considers the following indicators:

- the Company has a present right to payment for the goods or services-the customer is presently obliged to pay for the goods or services.
- the Company has transferred the legal title of the goods to the customer-the customer has a legal title to the goods.
- the Company has physically transferred the goods to customer-the customer has a physical possession of the good.
- the Company has transferred the principal risks and rewards of ownership of the goods to the customer-the customer has the significant risks and rewards of ownership of the goods.
- the customer has accepted the goods or services.



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For the year ended 31 December 2025  
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### 3 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 3.25 Revenue (continued)

##### *3.25.1 Accounting policies relevant to the revenue recognition and measurement (continued)*

The Company determines its role as principal or agent in transactions based on whether it has control over the goods or services before transferring them to the customer. If the Company has control over the goods or services prior to transfer, it is identified as the principal and recognizes revenue based on the total transaction price received or receivable; otherwise, it is classified as an agent and recognizes revenue based on the amount of commission or fee to which it expects to be entitled.

##### *3.25.2 Disclose specific methods of revenue recognition and measurement according to business type*

The points in time for the Company to recognise revenue from the sale of goods under its main sales models are as follows:

(1) *Distributor mode*

Under the distributor mode, the Company delivers goods in accordance with customer orders within the scope of annual framework agreements. Revenue is recognised upon confirmation by the distributor after acceptance.

(2) *Supermarket and Store Model*

Under the supermarket and store model, the Company delivers goods based on purchase orders issued by supermarkets and stores within the scope of annual framework agreements. The Company verifies the information published on the retailers' public platforms against delivery records and receipt confirmations. Revenue is recognised upon reconciliation and settlement between the parties within the reconciliation period agreed in the contracts.

A small portion of supermarket sales are conducted on a consignment basis. The Company delivers goods in installments pursuant to consignment agreements. The supermarkets periodically provide consignment sales statements to the Company. Revenue from sales is recognised upon issuance of invoices after the Company receives and verifies the consignment sales statements.



## Notes to the Financial Statements

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### 3 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 3.26 Contract costs

Contract costs include costs to fulfil a contract and costs to obtain a contract.

Costs incurred by our company in fulfilling a contract, which do not fall within the scope of another Standard (for example, Inventories, Fixed assets or Intangible Assets), are recognized as a contract fulfillment cost asset only if those costs meet all of the following criteria:

- The costs relate directly to a contract or to an anticipated contract;
- The costs generate or enhance resources of the Company that will be used in satisfying performance obligations in the future; and
- The costs are expected to be recovered.

Incremental costs incurred by our company in obtaining a contract that are expected to be recoverable are recognized as costs of obtaining a contract and recognized as an asset.

The asset related to contract costs is amortized on the same basis as the revenue from the sale of the goods or services to which the asset relates. However, for costs of obtaining a contract that have an amortization period not exceeding one year, our company expenses them as incurred in the income statement of the current period.

For assets related to contract costs, if the carrying amount exceeds the difference between the following two amounts, our company recognizes an impairment loss and establishes an allowance for impairment:

- The remaining amount of consideration that the Company expects to receive in exchange for the goods or services to which the asset relates;
- The estimated costs that are expected to be incurred in transferring those related goods or services.

If a subsequent change in the factors that caused the impairment in a prior period results in the aforementioned difference exceeding the carrying amount of the asset, the Company reverses the previously recognized provision for impairment and recognizes the reversal in profit or loss for the current period, provided that the carrying amount of the asset after reversal does not exceed the carrying amount that would have been determined had no impairment provision been recognized in prior periods.



## Notes to the Financial Statements

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### 3 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 3.27 Government grants

##### 3.27.1 Types

Government grants are monetary assets or non-monetary assets obtained free of charge by the Company from the government, and they are categorized into grants related to assets and grants related to income.

Grants related to assets refer to government grants received by the Company that are utilized for the construction, or acquisition in some other manner of long-term assets. Grants related to income refer to government grants other than those related to assets.

Where government grants are not explicitly specified as to their purpose in the relevant government documents, the Company classifies such grants as either asset-related or income-related based on the following criteria:

- (1) Where the government documents specify a particular project for which the grant is intended, the grant is allocated according to the relative proportion of expenditure budgeted to form assets and expenditure to be recognised as expenses for that project, and classified respectively as asset-related government grants and income-related government grants.
- (2) Where the government documents only provide a general description of the purpose without specifying a particular project, the grant is classified as income-related.

##### 3.27.2 Recognition Timing

Government grants are recognized by the Company when it is reasonably assured that the Company will comply with the conditions attached to the grants and that the grants will be received.

##### 3.27.3 Accounting treatment

Government grants related to assets may either offset the book value of the relevant assets or be recognized as deferred income. When recognized as deferred income, it is allocated to the profit or loss over the useful life of the related asset using a systematic and rational method (if associated with the Company's daily operations, it is recorded as other income; if unrelated to the Company's daily operations, it is recorded as non-operating income).

Government grants related to income that are intended to compensate the Company for related costs, expenses, or losses in future periods are recognized as deferred income. This deferred income is recognized in profit or loss during the periods in which the related costs, expenses, or losses are recognized (if related to the Company's daily operations, it is included in other income; if unrelated to the Company's daily operations, it is included in non-operating income) or used to offset the related costs, expenses, or losses.



## Notes to the Financial Statements

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### 3 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 3.27 Government grants (continued)

##### 3.27.3 Accounting treatment (continued)

The accounting treatment for policy-based preferential interest subsidies obtained by our company is differentiated according to the following two scenarios:

- (1) When the finance department allocates the interest subsidy funds to the lending bank, which then provides loans to our company at a preferential policy interest rate, our company records the actual amount received from the loan as the book value of the borrowing. We calculate the related borrowing costs based on the principal of the loan and this preferential policy interest rate.
- (2) When the finance department directly allocates the interest subsidy funds to our company, we offset the corresponding interest subsidies against the related borrowing costs.

#### 3.28 Deferred tax assets/deferred tax liabilities

The income tax expenses include current income tax and deferred income tax. The Company recognizes current and deferred income taxes in profit or loss for the current period, except for income taxes arising from business combinations and transactions or events directly attributable to shareholders' equity (including other comprehensive income).

Deferred tax assets and deferred tax liabilities are calculated and recognized based on the differences between the tax base and its carrying amount (temporary differences).

For deductible temporary differences, a deferred tax asset shall be recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized. For deductible losses and tax credits that can be carried forward to future years, deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the deductible losses and tax credits can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences, except in special circumstances.

Special circumstances in which deferred tax assets or deferred tax liabilities are not recognized include:

- Initial recognition of goodwill;
- Transactions or events that are neither business combinations nor, when they occur, affect accounting profit and taxable profit (or deductible losses), and for which the initial recognition of assets and liabilities does not result in the creation of equivalent taxable temporary differences and deductible temporary differences.



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### 3 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 3.28 Deferred tax assets/deferred tax liabilities (continued)

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, except where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

At the balance sheet date, deferred tax assets and liabilities are measured at the tax rates, according to tax laws, that are expected to apply in the year in which the asset is realized, or the liability is settled.

At the balance sheet date, the carrying amount of deferred tax assets is reviewed and reduced if it is no longer probable that sufficient taxable profits will be available in the future to allow the benefit of deferred tax assets to be utilized. Such reduction in amount is reversed when it becomes probable that sufficient taxable profits will be available.

When there is a legal right to settle on a net basis and there is an intention to settle on a net basis or to acquire assets and settle liabilities simultaneously, current income tax assets and current income tax liabilities are presented on a net basis after offsetting.

Deferred tax assets and deferred tax liabilities are offset and presented as a net amount if all of the following conditions are met:

- The taxable entity has the legal right to set off current tax assets current tax liabilities;
- The deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, provided that the taxable entity concerned intends either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

#### 3.29 Lease

A contract is a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. At the inception of a contract, the Company assesses whether the contract is, or contains, a lease. If one party to the contract conveys a right to control the use of one or more identified assets for a period of time in exchange for consideration, such contract is, or contains, a lease.



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### 3 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 3.29 Lease (continued)

For a contract that contains multiple separate leases at the same time, the Company separates the contract and accounts for each individual lease separately. If a contract contains both lease and non-lease components, the lessee and lessor separate the lease and non-lease components.

##### 3.29.1 The Company as lessee

###### (1) *Right-of-use assets*

Except for short-term leases and leases of low-value assets, the Company recognizes right-of-use assets at the commencement date of the lease. Right-of-use assets are initially measured at cost, which includes the following:

- The amount of the initial measurement of the lease liability;
- Any lease payments made at or before the commencement date, less any lease incentives received (if any);
- Any initial direct costs incurred by the Company; and
- An estimate of costs to be incurred by the Company in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

The Company subsequently depreciates right-of-use assets using the straight-line method. Right-of-use assets in which the Company is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated over the remaining useful life of the leased assets; otherwise, right-of-use assets are depreciated over the shorter of lease term and the remaining useful life of the leased assets.

The Company determines whether a right-of-use asset is impaired and makes accounting treatments in accordance with relevant notes in “3.19 Impairment of long-term assets”, and account for the identified impairment loss.

###### (2) *Lease liabilities*

At the lease commencement date, the Company recognizes a lease liability for leases other than short-term leases and leases of low-value assets. Lease liabilities are initially measured at the present value of payment that are not paid. Lease payments include:



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### 3 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 3.29 Lease (continued)

##### 3.29.1 The Company as lessee (continued)

###### (2) Lease liabilities (continued)

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable (if any);
- Variable lease payments that depend on an index or a rate
- Amounts expected to be payable by the lessee under residual value guarantees;
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option;
- Payments required to exercise the termination option, if the lease term reflects that the Company will exercise the termination option.

The Company adopts the inherent interest rate of the lease as the discount rate. Where the inherent interest rate of the lease cannot be ascertained, the incremental loan interest rate of the lessee is adopted as the discount rate.

Interest expenses on lease liabilities over the respective periods of the lease term are computed based on fixed cyclical interest rates and charged to current profit or loss, or relevant asset cost.

Variable lease payments not included in lease liabilities are charged to current profit or loss, or relevant asset cost, as and when incurred.

Subsequent to the commencement date of a lease, in case of any of the following circumstances, the Company remeasures lease liabilities and makes a corresponding adjustment to the related right-of-use assets, if the carrying amount of the right-of-use asset is reduced to zero, and there is a further reduction in the measurement of the lease liability, the Company shall recognize the difference amount of the remeasurement in profit or loss:



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### 3 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 3.29 Lease (continued)

##### 3.29.1 The Company as lessee (continued)

###### (2) Lease liabilities (continued)

- When there is a change in the valuation of an option to purchase, an option to renew or an option to terminate a lease, or when the actual exercise of the aforementioned options is inconsistent with the original valuation, the Company remeasures the lease liability based on the present value of the lease payments after the change and the revised discount rate;
- When there is a change in the substantive fixed payments, a change in the amount expected to be payable for the residual value of the guarantee, or a change in the index or rate used to determine the lease payments, the Company re-measures the lease liability at the present value calculated using the change lease payments and the original discount rate. However, if the change in lease payments results from a change in the floating rate, the present value is calculated using the revised discount rate.

###### (3) Short-term lease and low-value asset lease

For short-term leases and low-value asset leases, the Company elects not to recognize right-of-use assets and lease liabilities, which are instead charged to relevant asset cost or current profit or loss over the respective periods during the lease term on a straight-line basis. A short-term lease is a lease that at the commencement date, has a lease term of 12 months or less and does not contain any purchase options. A lease of a low-value asset, is a lease that the single underlying asset, when is new, is of low value. The Company treats a lease of a leased asset as a lease of low-value assets if the asset's value when new does not exceed RMB40,000. Where the Company subleases or expects to sublease a leased asset, the original lease is not a low value asset lease.

###### (4) Lease modifications

The Company accounts for a lease modification as a separate lease if both:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope which is adjusted based on circumstances of such contract.



## Notes to the Financial Statements

For the year ended 31 December 2025  
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### 3 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 3.29 Lease (continued)

##### 3.29.1 The Company as lessee (continued)

###### (4) Lease modifications (continued)

For a lease modification that is not accounted for as a separate lease, the Company reallocates the revised contract consideration, re-determines the lease term and re-measures the lease liabilities at the present value of the revised lease payments discounted using the revised discount rate.

If the scope of the lease is narrowed or the lease term is shortened as a result of the lease modification, the Company reduces the carrying amount of the right-of-use assets accordingly, and record the relevant gains or losses of partial or complete termination of the lease into the current profit and loss. In case of re-measurement of lease liabilities due to other lease modifications, the Company adjusts the carrying amount of the right-of-use assets accordingly.

##### 3.29.2 The Company as lessor

At the inception of a lease, the Company classifies leases as finance leases or operating leases. A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of the underlying asset, regardless of whether legal title is eventually transferred. An operating lease is a lease other than a finance lease. When the Company acts as an intermediate lessor in a sublease, it classifies the sublease with reference to the right-of-use asset arising from the original lease.

###### (1) Accounting for operating leases

Lease payments receivable under operating leases are recognized as rental income on a straight-line basis over the lease term. Initial direct costs incurred in connection with an operating lease are capitalized and amortized into profit or loss over the lease term on the same basis as the rental income. Variable lease payments not included in the lease payments receivable are recognized in profit or loss when incurred. When a modification is made to an operating lease, the Company accounts for the modification as a new lease from the effective date of the modification. Prepaid or receivable lease payments relating to the original lease are treated as lease payments for the new lease.



## Notes to the Financial Statements

For the year ended 31 December 2025

(All amounts in RMB unless otherwise stated)

### 3 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 3.29 Lease (continued)

##### *3.29.2 The Company as lessor (continued)*

##### *(2) Accounting for finance leases*

At the inception of a finance lease, the Company recognizes lease receivables and derecognizes the underlying leased asset. Upon initial measurement of lease receivables, the net investment in the lease is recorded as the carrying amount of lease receivables. The net investment in the lease is the aggregate of the present value of the unguaranteed residual value and the lease payments receivable, discounted at the interest rate implicit in the lease. The Company recognizes interest income over the lease term using a constant periodic rate. Derecognition and impairment of lease receivables are accounted for in accordance with the accounting policies set out in Note “3.10 Financial Instruments”. Variable lease payments not included in the measurement of the net investment in the lease are recognized in profit or loss when incurred. A modification to a finance lease is accounted for as a separate lease if both of the following conditions are met:

- The modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- The consideration for the increase in scope is commensurate with the standalone price for the additional scope adjusted for the terms and conditions of the contract.

Where a modification to a finance lease is not accounted for as a separate lease, the Company accounts for the modified lease as follows:

- If the lease would have been classified as an operating lease had the modification been effective at the lease inception date, the Company accounts for it as a new lease from the effective date of the modification, using the net investment in the lease immediately before the modification as the carrying amount of the underlying asset; and
- If the lease would have been classified as a finance lease had the modification been effective at the lease inception date, the Company accounts for the modification in accordance with the policies on the modification or renegotiation of contracts set out in Note “3.10 Financial Instruments”.

##### *3.29.3 Sale and leaseback transaction*

The Company assesses whether the transfer of assets in sale and leaseback transaction constitutes a sale in accordance with the principles described in “3.25 Revenue” of the notes.



## Notes to the Financial Statements

For the year ended 31 December 2025  
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### 3 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 3.29 Lease (continued)

##### 3.29.3 Sale and leaseback transaction (continued)

(1) *As a lessee*

Where the transfer of assets in a sale and leaseback transaction is a sale, the Company, as the lessee, measures the right to use assets resulting from the sale and leaseback according to the portion of the book value of the original asset related to the right to use the leaseback, and recognizes the relevant gains or losses only in respect of the rights transferred to the lessor.

Subsequent measurement of the right-of-use asset and lease liability, as well as lease modifications after the lease commencement date, are disclosed in detail in Note “3.29.1. the Company as the lessee.” In the subsequent measurement of lease liabilities arising from sale and leaseback transactions, the Company determines lease payments or modified lease payments in a manner that does not result in the recognition of gains or losses related to the right-of-use obtained in the leaseback transaction.

Where the transfer of assets in a sale and leaseback transaction is not a sale, the Company, as the lessee, continues to recognize the transferred assets and at the same time recognizes a financial liability equal to the transfer income. The accounting treatment of financial liabilities is detailed in the note “3.10 Financial Instruments”.

(2) *As a lessor*

Where the transfer of assets in a sale and leaseback transaction constitutes a sale, the Company, as a lessor, accounts for the purchase of assets and accounts for the lease of assets in accordance with the accounting policies set out in the preceding section “3.29.2. the Company as a lessor”.

Where the transfer of assets in a sale and leaseback transaction does not constitute a sale, the Company, as a lessor, does not recognize the transferred assets but recognizes a financial asset equal to the transfer proceeds. The accounting treatment for financial assets is detailed in Note “3.10 Financial Instruments”.



## Notes to the Financial Statements

For the year ended 31 December 2025

(All amounts in RMB unless otherwise stated)

### 3 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 3.30 Segment Reporting

The Company determines operating segments based on its internal organizational structure, management requirements and internal reporting system. The Company identifies reportable segments and discloses segment information on the basis of operating segments.

An operating segment is a component of the Company that meets all of the following criteria: (1) it engages in business activities from which it may earn revenues and incur expenses; (2) its operating results are regularly reviewed by the Company's management to make decisions about resources to be allocated to the segment and assess its performance; (3) discrete financial information about its financial position, operating results and cash flows is available. Two or more operating segments may be aggregated into a single operating segment if they have similar economic characteristics and meet certain specified criteria.

The Company operates as whole with a unified internal organizational structure, management evaluation system and internal reporting system. Management allocates resource and assesses performance by regularly reviewing the group-level financial information. The Company does not have any separately managed operating segments and therefore has only one operating segment.

#### 3.31 Significant accounting estimates and judgments

When preparing the financial statements, management is required to make judgments, estimates, and assumptions that affect the reported amounts of income, expenses, assets, and liabilities, as well as the related disclosures. Uncertainties surrounding these assumptions and estimates could result in outcomes that may necessitate a significant adjustment to the carrying amounts of the affected assets or liabilities in the future.

##### *3.31.1 Estimation Uncertainty*

At the balance sheet date, the key assumptions and uncertainties concerning accounting estimates that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

(1) *Impairment of Goodwill*

The Company tests annually whether goodwill has suffered any impairment. When performing impairment tests for goodwill, management needs to estimate the future cash flows of the asset group or group of asset groups and select an appropriate discount rate to calculate the present value of these cash flows. Details of the Company's goodwill impairment are set out in Note 5.16.



## Notes to the Financial Statements

For the year ended 31 December 2025  
(All amounts in RMB unless otherwise stated)

### 3 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 3.31 Significant accounting estimates and judgments (continued)

##### 3.31.1 Estimation Uncertainty (continued)

###### (2) *Expected Credit Loss for Accounts Receivable*

Based on reasonable and supportable information that includes past events, current conditions, and forecasts of future economic conditions, the Company measures expected credit loss for a financial asset at an amount equal to the probability-weighted present value of the difference between the contractual cash flows and the cash flows that the Company expects to receive, using the risk of default as the weight. Details of the Company's expected credit losses on accounts receivable are set out in Note 5.4.

###### (3) *Provisions of Inventories*

At the balance sheet date, inventories are measured at the lower of cost and net realizable value. When the cost of inventories exceeds their net realizable value, a provision for write-down of inventories is recognized. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated selling expenses and related taxes. Details of the Company's inventory provisions are set out in Note 5.8.

###### (4) *Variable Consideration*

The Company recognizes revenue when the customer obtains control of the related goods or services. Some sales contracts provide customers with annual rebates, which give rise to variable consideration. The Company determines the transaction price based on the contract terms and its past customary business practices. When determining the transaction price, the Company considers the impact of variable consideration and recognizes the portion expected to be rebated in the future as a liability. Details are set out in Note 5.30.

##### 3.31.2 Judgement

In the process of applying the Company's accounting policies, apart from those involving estimations, management has made the following judgments that have the most significant effect on the amounts recognized in the financial statements:



## Notes to the Financial Statements

For the year ended 31 December 2025

(All amounts in RMB unless otherwise stated)

### 3 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 3.31 Significant accounting estimates and judgments (continued)

##### 3.31.2 Judgement (continued)

When estimating whether sufficient future taxable profits will be available to utilize deductible temporary differences, the Group recognizes deferred tax assets only to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilized. The recognition and measurement are based on the tax rates that are expected to apply in the period when the asset is realized. The Group is required to apply judgment to estimate the timing and amount of future taxable profits, and to make reasonable estimates and judgments regarding the future applicable income tax rates based on current tax policies and other relevant regulations, in order to determine the amount of deferred tax assets to be recognized. If the actual timing or amount of profits generated in future periods, or the actual applicable income tax rate, differs from management's estimates, such differences will impact the carrying amount of deferred tax assets. Detailed information on deferred tax is set out in Note 5.18.

#### 3.32 Methods for determining materiality standard and the basis for selection

In preparing and presenting these financial statements, the Company applies the materiality principle and assesses the materiality of disclosures based on the nature and amount of items in accordance with actual circumstances. The disclosures involving materiality judgments, the methods for determining materiality thresholds, and the bases for such judgments in the notes to these financial statements are as follows:

Item	Materiality criteria
Significant receivables subject to individual impairment provisioning	RMB 3,000,000 or above (including 3,000,000)
Significant receivables for which the amount of bad debt provision reversed, recovered, or written off during the period	RMB 3,000,000 or above (including 3,000,000)
Significant R&D projects	RMB 10,000,000 or above (including 10,000,000)
Significant construction in progress	≥ 0.5% of total assets
Significant non-wholly – owned subsidiary	Any one of the subsidiary's total assets, net assets, revenue, or net profit accounts for ≥ 5% of the corresponding consolidated figure.
Significant joint ventures and associates	Investment income (loss) recognized from a single investee under the equity method accounts for ≥ 1% of consolidated net profit.
Significant accounts payable	≥ 0.5% of total assets



## Notes to the Financial Statements

For the year ended 31 December 2025  
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### 3 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 3.33 Significant changes in accounting policies and accounting estimates

##### 3.33.1 Significant changes in accounting policies

There were no significant changes accounting policies for the year ended 31 December 2025.

##### 3.33.2 Significant changes in accounting estimates

There were no significant changes in the Company's accounting estimates for the year ended 31 December 2025.

### 4 TAXATION

#### 4.1 Main taxes and rates

Category	Tax base	Tax Rate
Value-added Tax ("VAT")	Tax payable is calculated using the taxable amount of sales of goods or rendering of services multiplied by the applicable tax rate less deductible VAT input of the current period.	13%, 9%, 6%, 5%
City maintenance and construction tax	The payment amount of VAT and consumption tax	7%, 5%, 1%
Enterprise income tax	Taxable income	25%, 20%, 15%



## Notes to the Financial Statements

For the year ended 31 December 2025

(All amounts in RMB unless otherwise stated)

### 4 TAXATION (CONTINUED)

#### 4.1 Main taxes and rates (continued)

Entities subject to different enterprise income tax rates:

Taxable entities	Enterprise income tax rate
Hong Kong Anjoy Foods Limited Xiamen Anjoy E-commerce Co., Ltd. Jiangxi Liuwu Foods Co., Ltd. Honghu Xinhongye Aquatic Co., Ltd. Jiangsu Dingguan Food Co., Ltd. Ding Yifeng Food (Taicang) Co., Ltd. Lecker (Taicang) Bakery Co., Ltd. Lecker Castle (Taicang) Bakery Co., Ltd. Lecker Bakery (Lianyungang) Co., Ltd.	20%
Sichuan Anjoy Foods Co., Ltd.	15%
Hubei Anrun Foods Co., Ltd. Honghu Xinhongye Food Co., Ltd. Honghu Hongye Ecological Agriculture Co., Ltd. Hubei New Liuwu Foodstuff Group Co., Ltd. Qianjiang New Liuwu Food Technology Co., Ltd. Hubei Songlin Biological Feed Co., Ltd. Jiangxi Liuwu Foods Co., Ltd.	Income derived from primary processing of agricultural products is exempt from enterprise income tax.

#### 4.2 Preferential tax treatments

- 1) In accordance with the Announcement on Further Supporting the Development of Small and Micro Enterprises and Individual Industrial and Commercial Households issued by the State Taxation Administration (Announcement No. 12 of 2023 of the Ministry of Finance and the State Taxation Administration), the policy of calculating taxable income at a reduced rate of 25% and paying enterprise income tax at a tax rate of 20% for small low-profit enterprises is extended to December 31, 2027. During the reporting period, the Company's subsidiaries Hong Kong Anjoy Foods Limited, Xiamen Anjoy E-Commerce Co., Ltd., Ding Yifeng Food (Taicang) Co., Ltd., and the Company's grand-subsiidiaries Jiangxi Liuwu Foods Co., Ltd., Honghu Xinhongye Aquatic Co., Ltd., Jiangsu Dingguan Food Co., Ltd., Lecker (Taicang) Bakery Co., Ltd., Lecker Castle (Taicang) Bakery Co., Ltd. and Lecker Bakery (Lianyungang) Co., Ltd. enjoyed preferential enterprise income tax treatment for small low-profit enterprises.
- 2) The principal business of the Company's subsidiary Sichuan Anjoy Foods Co., Ltd. falls within the encouraged industries specified in the Catalogue of Encouraged Industries in the Western Region (2025 Version), and its enterprise income tax is levied at a reduced rate of 15%.

## Notes to the Financial Statements

For the year ended 31 December 2025  
(All amounts in RMB unless otherwise stated)

### 4 TAXATION (CONTINUED)

#### 4.2 Preferential tax treatments (continued)

- 3) In accordance with the Regulation on the Implementation of the Enterprise Income Tax Law of the People's Republic of China, income derived from primary processing of agricultural products by the Company's subsidiaries Hubei Anrun Foods Co., Ltd., Honghu Xinhongye Food Co., Ltd., Hubei New Liuwu Foodstuff Group Co., Ltd., and the Company's grand-subidiaries Honghu Hongye Ecological Agriculture Co., Ltd., Qianjiang New Liuwu Food Technology Co., Ltd., Hubei Songlin Biological Feed Co., Ltd. and Jiangxi Liuwu Foods Co., Ltd. is exempt from enterprise income tax.
- 4) In accordance with the Notice on Exemption of Value-Added Tax on Feed Products (Caishui [2001] No. 121) issued by the Ministry of Finance and the State Taxation Administration, sales of feed products such as fish meal and shrimp meal by the Company's grand-subidiaries Honghu Hongye Ecological Agriculture Co., Ltd. and Hubei Songlin Biological Feed Co., Ltd. are exempt from value-added tax.

### 5 NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

#### 5.1 Cash at bank and on hand

Item	31 December 2025	31 December 2024
Cash on hand	50,397.97	18,508.01
Digital currency		
Cash at bank	4,934,614,647.42	2,756,745,112.47
Other monetary funds	45,614,871.33	22,383,700.02
Cash deposited at the financial company		
Total	4,980,279,916.72	2,779,147,320.50
Including: Total amount deposited overseas	38,421,353.11	28,237,246.80
Amounts deposited overseas with restriction to remit to China		



## Notes to the Financial Statements

For the year ended 31 December 2025

(All amounts in RMB unless otherwise stated)

### 5 NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 5.1 Cash at bank and on hand (continued)

Breakdown of restricted cash, including pledged, charged, frozen, subject to withdrawal restrictions due to centralized cash management, and deposited outside Mainland China with restrictions on remittance, are as follows:

Item	31 December 2025	31 December 2024
Certificates of deposit and time deposits not available on demand	<b>91,423,125.00</b>	533,510,831.77
Bank acceptance bill deposits	<b>39,995,189.98</b>	17,314,828.94
Performance deposits	<b>1,026,110.33</b>	
Frozen funds	<b>280,000.00</b>	
Total	<b>132,724,425.31</b>	550,825,660.71

The certificates of deposit and time deposits not available on demand represent time deposits of RMB90,000,000.00 with an original term of over three months but within one year and its accrued interest of RMB1,423,125.00, which are not pledged.

#### 5.2 Financial assets held for trading

Item	31 December 2025	31 December 2024
Financial assets at fair value through profit or loss	<b>3,639,173,341.26</b>	3,321,232,760.25
Including: Private fund products	<b>1,999,066,821.23</b>	
Wealth management products	<b>1,640,106,520.03</b>	3,274,117,399.64
Contingent consideration		47,115,360.61
Total	<b>3,639,173,341.26</b>	3,321,232,760.25



## Notes to the Financial Statements

For the year ended 31 December 2025  
(All amounts in RMB unless otherwise stated)

### 5 NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 5.3 Notes receivable

##### 5.3.1 Classification of notes receivable

Item	31 December 2025	31 December 2024
Bank acceptance notes	1,982,731.99	
Less: Provision for bad debts	15,373.04	
<b>Total</b>	<b>1,967,358.95</b>	

##### 5.3.2 Disclosure of notes receivable by method of bad debt provisions

Category	31 December 2025				Net book value	31 December 2024			
	Gross carrying amount		Bad debt provisions			Gross carrying amount		Bad debt provisions	
	Amount	Proportion (%)	Amount	Proportion of provision (%)		Amount	Proportion (%)	Amount	Proportion of provision (%)
Notes receivable with bad debt provisions based on an individual basis									
Notes receivable with bad debt provisions based on collective credit risk characteristics	1,982,731.99	100.00	15,373.04	0.78	1,967,358.95				
Including:									
Bank acceptance bills with higher credit ratings	1,675,271.11	84.49			1,675,271.11				
Bank acceptance bills with lower credit ratings	307,460.88	15.51	15,373.04	5.00	292,087.84				
<b>Total</b>	<b>1,982,731.99</b>	<b>100.00</b>	<b>15,373.04</b>		<b>1,967,358.95</b>				

Notes receivable with bad debt provisions based on collective credit risk characteristics:

Notes receivable for which bad debt measured on a collective credit risk basis according to credit risk characteristics



## Notes to the Financial Statements

For the year ended 31 December 2025

(All amounts in RMB unless otherwise stated)

### 5 NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 5.3 Notes receivable (continued)

##### 5.3.2 Disclosure of notes receivable by method of bad debt provisions (continued)

Category	31 December 2025		
	Notes receivable	Bad debt provisions	Proportion of provision (%)
Not overdue	307,460.88	15,373.04	5.00

##### 5.3.3 Provision, reversal or recovery of provision for bad debts in the current period

Category	31	Movement in the current year			31	
	December 2024	Accrual	Recovery or reversal	Write-off	Other changes	December 2025
Notes receivable with bad debt provisions based on a collective credit risk basis		15,373.04				15,373.04
Total		15,373.04				15,373.04

5.3.4 No notes receivable pledged by the company at the end of the year.

5.3.5 Notes receivable endorsed or discounted but unmatured by the Company at the end of the year

Item	Amount derecognized at period-end	Amount not derecognized at period-end
Bank acceptance bills		307,460.88
Total		307,460.88

5.3.6 No notes receivable actually written off during the current period.



## Notes to the Financial Statements

For the year ended 31 December 2025  
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### 5 NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 5.4 Accounts receivable

##### 5.4.1 Aging analysis from the data when they were recognized

Aging	31 December 2025	31 December 2024
Within 1 year	702,433,699.69	651,578,707.37
1 to 2 years	9,046,947.57	10,250,621.29
2 to 3 years	2,902,322.89	7,531,647.71
Over 3 years	3,379,264.77	2,551,648.96
Subtotal	717,762,234.92	671,912,625.33
Less: Bad debt provisions	46,317,436.38	45,785,790.94
Total	671,444,798.54	626,126,834.39

##### 5.4.2 Disclosure by method of bad debt provisions

Category	31 December 2025				31 December 2024				
	Gross carrying amount		Bad debt provisions		Gross carrying amount		Bad debt provisions		Net book value
	Amount	Proportion (%)	Amount	Proportion of provision (%)	Amount	Proportion (%)	Amount	Proportion of provision (%)	
Accounts receivable with bad debt provisions based on an individual basis	3,051,339.02	0.43	3,051,339.02	100.00	9,698,306.65	1.44	9,698,306.65	100.00	
Accounts receivable with bad debt provisions based on a collective credit risk basis	714,710,895.90	99.57	43,266,097.36	6.05	671,444,798.54	98.56	36,087,484.29	5.45	626,126,834.39
Total	717,762,234.92	100.00	46,317,436.38		671,444,798.54	100.00	45,785,790.94		626,126,834.39

There are no significant accounts receivable with bad debt provisions based on an individual basis as at the end of the year.



## Notes to the Financial Statements

For the year ended 31 December 2025

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### 5 NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 5.4 Accounts receivable (continued)

##### 5.4.2 Disclosure by method of bad debt provisions (continued)

Bad debts provision based on a collective credit risk characteristics:

Collective credit risk basis items: accounts receivable for which bad debt provided on a collective credit risk characteristics basis

Category	31 December 2025		
	Accounts receivable	Bad debt provisions	Proportion of provision (%)
Not overdue	654,098,913.20	32,704,945.88	5.00
Overdue within 9 months	51,571,532.47	5,157,153.26	10.00
Overdue 9 to 21 months	7,272,904.11	3,636,452.10	50.00
Overdue more than 21 months	1,767,546.12	1,767,546.12	100.00
Total	714,710,895.90	43,266,097.36	

Recognition criteria and explanation for bad debt provisions based on a collective credit risk basis: The Company combines the accounts receivable based on similar credit risk characteristics (aging) and estimates the proportion of provision for bad debt provision of the accounts receivable based on all reasonable and evidence-based information, including forward-looking information.

## Notes to the Financial Statements

For the year ended 31 December 2025  
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### 5 NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 5.4 Accounts receivable (continued)

##### 5.4.3 Provision, reversal or recovery of provision for bad debts in the current period

Category	31	Movement in the current year				31
	December 2024	Accrual	Recovery or reversal	Write-off	Other changes	December 2025
Accounts receivable with bad debt provisions based on an individual basis	9,698,306.65		28,362.05	6,618,605.58		<b>3,051,339.02</b>
Accounts receivable with bad debt provisions based on a collective credit risk basis	36,087,484.29	4,644,769.93		210,738.95	2,744,582.09	<b>43,266,097.36</b>
<b>Total</b>	<b>45,785,790.94</b>	<b>4,644,769.93</b>	<b>28,362.05</b>	<b>6,829,344.53</b>	<b>2,744,582.09</b>	<b>46,317,436.38</b>

There are no accounts receivable with the significant amount of bad debt provision accrued, recovered or reversed during this period.

##### 5.4.4 The actual write-off of accounts receivable

Item	Amount of write-off
Actual write-off of accounts receivable	5,846,600.49

Details of significant write-off of Accounts receivable:

Name	Nature	Amount of write-off	Reasons for write-off	Procedures for write-off	Whether the payment due to related party transactions
Changshu Missfresh E-commerce Co., Ltd.	Payment for goods	5,354,900.63	The counterparty has no enforceable assets	Court judgment and Internal approval	No



## Notes to the Financial Statements

For the year ended 31 December 2025

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### 5 NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 5.4 Accounts receivable (continued)

##### 5.4.5 Top five accounts receivable balance and contract assets by debtor

Company	Accounts receivable at 31 December 2025	Contract assets at 31 December 2025	Accounts receivable and contract assets at 31 December 2025	Proportion (%) of the total ending balance of accounts receivable and contract assets	Provision for bad debts of accounts receivable and impairment loss provision of contract assets
NO.1	67,044,353.95		67,044,353.95	9.34	3,409,107.14
NO.2	37,424,149.24		37,424,149.24	5.21	2,252,454.79
NO.3	32,526,443.40		32,526,443.40	4.53	1,648,870.69
NO.4	25,880,558.28		25,880,558.28	3.61	1,620,169.41
NO.5	25,871,910.01		25,871,910.01	3.60	1,355,126.53
Total	188,747,414.88		188,747,414.88	26.30	10,285,728.56

#### 5.5 Receivables financing

##### 5.5.1 Classification of Receivables financing

Item	31 December 2025	31 December 2024
Bank acceptance bills		
Digital debt certificate	<b>1,280,353.16</b>	
Less: Provision for bad debts	<b>64,017.66</b>	
Total	<b>1,216,335.50</b>	



## Notes to the Financial Statements

For the year ended 31 December 2025  
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### 5 NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 5.5 Receivables financing (continued)

##### 5.5.2 Changes in Receivables financing and fair value of them

Item	31 December 2024	Increase during the period	Derecognition in current period	Other changes	31 December 2025	Accumulated provision for losses recognized in other comprehensive income (OCI)
Bank acceptance bills		30,903,412.16	30,903,412.16			
Digital debt certificate		35,858,042.68	34,577,689.52		1,280,353.16	
Total		66,761,454.84	65,481,101.68		1,280,353.16	

5.5.3 At the end of the year, the pledged Receivables financing of the company: RMB1,216,335.50.

5.5.4 Notes receivable financing endorsed or discounted but unmatured by the Company at the end of the year

Item	Amount derecognized at period-end	Amount not derecognized at period-end
Bank acceptance bills	8,006,561.66	
Digital debt certificate	6,499,659.87	1,280,353.16
Total	14,506,221.53	1,280,353.16



## Notes to the Financial Statements

For the year ended 31 December 2025

(All amounts in RMB unless otherwise stated)

### 5 NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 5.5 Receivables financing (continued)

##### 5.5.5 Provision for impairment of Receivables financing

###### (1) Disclosure of Receivables financing by methods of bad debt provision

Category	31 December 2025					31 December 2024				
	Gross carrying amount		Bad debt provisions			Gross carrying amount		Bad debt provisions		
	Amount	Proportion (%)	Amount	Proportion of provision (%)	Net book value	Amount	Proportion (%)	Amount	Proportion of provision (%)	Net book value
Receivables financing with bad debt provisions based on an individual basis										
Receivables financing with bad debt provisions based on a collective credit risk basis	1,280,353.16	100.00	64,017.66	5.00	1,216,335.50					
<b>Total</b>	<b>1,280,353.16</b>	<b>100.00</b>	<b>64,017.66</b>		<b>1,216,335.50</b>					

Receivables financing with bad debt provisions based on collective credit risk characteristics:

Receivables financing for which bad debt measured on a collective credit risk basis according to credit risk characteristics:

Name	31 December 2025		
	Receivables financing	Bad debt provisions	Proportion of provision (%)
Not overdue	1,280,353.16	64,017.66	5.00



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For the year ended 31 December 2025  
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### 5 NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 5.5 Receivables financing (continued)

##### 5.5.5 Provision for impairment of Receivables financing (continued)

(2) Provision, reversal or recovery of provision for bad debts in the current period

Category	31	Movement in the current year			31	
	December 2024	Accrual	Recovery or Reversal	Write-off	Other changes	December 2025
Receivables financing with bad debt provisions based on a collective credit risk basis		64,017.66				<b>64,017.66</b>
Total		64,017.66				<b>64,017.66</b>

#### 5.6 Prepayments

##### 5.6.1 Prepayments by aging

Aging	31 December 2025		31 December 2024	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	<b>94,560,336.62</b>	<b>99.48</b>	64,641,665.22	99.62
1 to 2 years	<b>253,593.65</b>	<b>0.27</b>	249,670.05	0.38
2 to 3 years	<b>234,499.88</b>	<b>0.25</b>		
Over 3 years				
Total	<b>95,048,430.15</b>	<b>100.00</b>	64,891,335.27	100.00



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For the year ended 31 December 2025

(All amounts in RMB unless otherwise stated)

### 5 NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 5.6 Prepayments (continued)

##### 5.6.2 Top five advances by suppliers at the end of the year

Supplier	31 December 2025	Proportion (%) of the total closing balance of advances
NO.1	5,487,865.01	5.77
NO.2	4,999,999.99	5.26
NO.3	3,986,662.44	4.19
NO.4	3,829,951.32	4.03
NO.5	3,167,509.39	3.33
Total	21,471,988.15	22.58

#### 5.7 Other receivables

Item	31 December 2025	31 December 2024
Interests receivable		
Dividends receivable		
Other receivables	23,172,952.63	19,918,161.43
Total	23,172,952.63	19,918,161.43

##### 5.7.1 Other receivables

###### (1) Aging of other receivables

Aging	31 December 2025	31 December 2024
Within 1 year	20,991,028.05	14,114,474.92
1 to 2 years	1,376,744.83	5,141,837.92
2 to 3 years	1,974,513.95	1,664,535.34
Over 3 years	2,096,962.79	2,522,364.09
Subtotal	26,439,249.62	23,443,212.27
Less: Bad debt provisions	3,266,296.99	3,525,050.84
Total	23,172,952.63	19,918,161.43



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For the year ended 31 December 2025  
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### 5 NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 5.7 Other receivables (continued)

##### 5.7.1 Other receivables (continued)

(2) Disclosure of other receivables by method of bad debt provisions

Category	31 December 2025				Net book value	31 December 2024				Net book value
	Gross carrying amount		Bad debt provisions			Gross carrying amount		Bad debt provisions		
	Amount	Proportion (%)	Amount	Proportion of provision (%)		Amount	Proportion (%)	Amount	Proportion of provision (%)	
Other receivables with bad debt provisions based on an individual basis	549,952.78	2.08	549,952.78	100.00	2,458,266.78	10.49	1,519,109.78	61.80	939,157.00	
Other receivables with bad debt provisions based on a collective credit risk basis	25,889,296.84	97.92	2,716,344.21	10.49	23,172,952.63	89.51	2,005,941.06	9.56	18,979,004.43	
<b>Total</b>	<b>26,439,249.62</b>	<b>100.00</b>	<b>3,266,296.99</b>	<b>10.49</b>	<b>23,172,952.63</b>	<b>100.00</b>	<b>3,525,050.84</b>	<b>9.56</b>	<b>19,918,161.43</b>	

No significant other receivables with bad debt provisions based on an individual basis in the current period.

Other receivables with bad debt provisions based on collective credit risk characteristics:

Other receivables for which bad debt measured on a collective credit risk basis according to credit risk characteristics:

Category	31 December 2025		
	Other receivables	Bad debt provisions	Proportion of provision (%)
Other receivables with bad debt provisions based on a collective credit risk basis	25,889,296.84	2,716,344.21	10.49
<b>Total</b>	<b>25,889,296.84</b>	<b>2,716,344.21</b>	<b>10.49</b>

Recognition criteria and explanation for bad debt provisions based on a collective credit risk basis: The company combines the other receivables based on similar credit risk characteristics (aging), and estimates the proportion of provision for bad debt provision of the other receivables based on all reasonable and evidence-based information, including forward-looking information.



## Notes to the Financial Statements

For the year ended 31 December 2025

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### 5 NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 5.7 Other receivables (continued)

##### 5.7.1 Other receivables (continued)

##### (3) Bad debt provisions

Bad debt provisions	Stage 1 Expected credit losses over the next 12 months	Stage 2 Expected credit losses over the entire duration (no credit impairment occurred)	Stage 3 Expected credit loss over the entire duration (credit impairment occurred)	Total
31 December 2024	2,005,941.06	1,519,109.78		3,525,050.84
Prior year-end balance in the current period				
– Transfer to Stage 2				
– Transfer to Stage 3		-549,952.78	549,952.78	
– Transfer back to Stage 2				
– Transfer back to Stage 1				
Accrual in the current period	328,389.61			328,389.61
Reversal in the current period		939,157.00		939,157.00
Write-off against the allowance in the current period				
Write off as uncollectible in the current period	200.00	30,000.00		30,200.00
Other changes	382,213.54			382,213.54
31 December 2025	<b>2,716,344.21</b>		<b>549,952.78</b>	<b>3,266,296.99</b>



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For the year ended 31 December 2025  
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### 5 NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 5.7 Other receivables (continued)

##### 5.7.1 Other receivables (continued)

(4) *Accrual, reversal or recovery of bad debt provisions in the current period*

Category	31	Movement in the current period				31
	December 2024	Accrual	Recovery or reversal	Write-off	Other changes	December 2025
Other receivables with bad debt provisions based on an individual basis	1,519,109.78		939,157.00	30,000.00		<b>549,952.78</b>
Other receivables with bad debt provisions based on a collective credit risk basis	2,005,941.06	328,389.61		200.00	382,213.54	<b>2,716,344.21</b>
<b>Total</b>	<b>3,525,050.84</b>	<b>328,389.61</b>	<b>939,157.00</b>	<b>30,200.00</b>	<b>382,213.54</b>	<b>3,266,296.99</b>

There is no other receivables with significant amount of bad debt provisions reversed or during this period.

(5) *The actual write-off of other receivables*

Item	Amount of write-off
Actual write-off of other receivables	30,200.00

The company has no significant write-offs of other receivables during this period.



## Notes to the Financial Statements

For the year ended 31 December 2025

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### 5 NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 5.7 Other receivables (continued)

##### 5.7.1 Other receivables (continued)

###### (6) Classification by nature

Nature	31 December 2025	31 December 2024
Inter-company balances	8,701,458.68	6,175,268.94
Deposits and Intentions	8,896,858.80	8,877,835.83
Staff advances	1,088,458.06	1,276,319.94
Advance payments on behalf of others	7,021,853.78	6,275,340.31
Others	730,620.30	838,447.25
Total	26,439,249.62	23,443,212.27

###### (7) Top five other receivables by the debtor at the end of the year

Company	Nature	Ending balance	Aging	Proportion in total ending other receivables (%)	Ending balance of bad debt provisions
Qianjiang State Taxation Administration	Export tax rebates	3,197,044.89	within one year	12.09	319,704.49
Beijing Juliang Engine Information Technology Co., Ltd.	Deposits, earnest money and Inter-company balances	2,016,923.96	within one year	7.63	175,846.20
HM Revenue and Customs	VAT refund	1,148,463.95	within one year	4.34	57,423.17
Hubei Zhouheiya Management Co., Ltd.	Deposits, earnest money	1,000,000.00	within one year: 500,000.00 2-3 years: 500,000	3.78	200,000.00
Hangzhou Alimama Software Services Co., Ltd.	Inter-company balances	985,283.30	within one year	3.73	49,264.17
Total		8,347,716.10		31.57	802,238.03



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For the year ended 31 December 2025  
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### 5 NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 5.8 Inventories

##### 5.8.1 Inventories by classification

Item	31 December 2025			31 December 2024		
	Gross carrying amount	Provisions of inventories/ Impairment provisions of contract fulfilment costs	Net book value	Gross carrying amount	Provisions of inventories/ Impairment provision of contract fulfilment costs	Net book value
Raw materials	846,928,548.34	981,605.23	845,946,943.11	981,734,432.86	23,508.78	981,710,924.08
Consumables	83,657,714.37	433,263.03	83,224,451.34	78,869,330.27	195,761.88	78,673,568.39
Work in progress	6,068,411.78		6,068,411.78	4,480,203.07		4,480,203.07
Semi-finished goods	188,277,480.86		188,277,480.86	254,667,863.05		254,667,863.05
Finished goods	1,522,891,445.93	23,382,938.02	1,499,508,507.91	1,116,364,520.22	16,625,005.82	1,099,739,514.40
Goods shipped but not recognized as revenue	1,034,355,947.32	10,064,835.03	1,024,291,112.29	869,742,085.05	4,376,601.29	865,365,483.76
<b>Total</b>	<b>3,682,179,548.60</b>	<b>34,862,641.31</b>	<b>3,647,316,907.29</b>	<b>3,305,858,434.52</b>	<b>21,220,877.77</b>	<b>3,284,637,556.75</b>

##### 5.8.2 Provisions of inventories and impairment provisions of contract fulfilment costs

Item	31	Increase in current period		Decrease in current period		31
	December	Accruals	Others	Reversal or Write-off	Others	
Raw materials	23,508.78	968,818.46	12,786.77	23,508.78		981,605.23
Consumables	195,761.88	433,263.03		195,761.88		433,263.03
Finished goods	16,625,005.82	20,893,094.89	241,358.56	14,376,521.25		23,382,938.02
Goods shipped but not recognized as revenue	4,376,601.29	9,933,160.05	131,674.98	4,376,601.29		10,064,835.03
<b>Total</b>	<b>21,220,877.77</b>	<b>32,228,336.43</b>	<b>385,820.31</b>	<b>18,972,393.20</b>		<b>34,862,641.31</b>

5.8.3 The carrying amount of the Company's inventories as at the end of the year does not include any capitalized borrowing costs.

5.8.4 The Company has no amortization of contract fulfilment costs during the year.



## Notes to the Financial Statements

For the year ended 31 December 2025

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### 5 NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 5.9 Other current assets

Item	31 December 2025	31 December 2024
Excess value-added tax credits	<b>111,440,842.88</b>	194,541,258.92
Input value-added tax to be deducted	<b>1,585,737.57</b>	4,203,121.08
Input value-added tax to be certified	<b>20,068,330.22</b>	18,842,774.70
Prepaid enterprise income tax		270,467.33
Prepaid value-added tax	<b>32,899,044.12</b>	30,833,835.16
Prepaid surtaxes		3,622,694.28
Listing fees		2,303,539.23
Total	<b>165,993,954.79</b>	254,617,690.70

## 5 NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 5.10 Long-term equity investments

#### 5.10.1 Information on long-term equity investments

Company	31 December 2024	Prior year-end balance of Impairment provision	Movement in the year ended 31 December 2025						31 December 2025	Ending balance of Impairment provision
			Increase in investment	decrease in investment	Share of net profit/(loss) under equity method	Share of other comprehensive income	Share in other changes in equity	Profit distribution/ Cash dividends declared		
Associates										
Bethai Heyuan Foods Co., Ltd	13,764,499.33				6,265,067.46			4,461,502.50		15,568,064.29
Total	13,764,499.33				6,265,067.46			4,461,502.50		15,568,064.29

## Notes to the Financial Statements

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## Notes to the Financial Statements

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### 5 NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 5.11 Investment properties

##### 5.11.1 Investment properties measured under the cost model

Item	Houses and buildings	Land use rights	Total
1 Cost			
(1) 31 December 2024			
(2) Increase in the current period	23,026,372.60	8,553,161.50	31,579,534.10
– Purchase			
– Transferred from Inventories\ Fixed assets\Construction in progress	759,155.24		759,155.24
– Increase from business combinations	22,267,217.36	8,553,161.50	30,820,378.86
(3) Decrease in the current period			
– Disposal			
(4) 31 December 2025	23,026,372.60	8,553,161.50	31,579,534.10
2 Accumulation of depreciation and amortization			
(1) 31 December 2024			
(2) Increase in the current period	605,478.77	106,068.11	711,546.88
– Provision/Amortization	605,478.77	106,068.11	711,546.88
(3) Decrease in the current period			
– Disposal			
(4) 31 December 2025	605,478.77	106,068.11	711,546.88
3 Impairment Provision			
(1) 31 December 2024			
(2) Increase in the current period			
– Provision			
(3) Decrease in the current period			
– Disposal			
(4) 31 December 2025			
4 Net book value			
(1) 31 December 2025	22,420,893.83	8,447,093.39	30,867,987.22
(2) 31 December 2024			



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For the year ended 31 December 2025  
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### 5 NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 5.11 Investment properties (continued)

##### 5.11.2 Details of Investment properties with title certificate pending

Item	Net book value	Reasons for title certificate pending
Jiangsu Dingguan Plant, Office Building, Dormitory, Ancillary Buildings and Land	12,512,060.23	The transfer payment for the building and land has not yet been settled in full; the property ownership transfer procedure will be processed upon full payment.

5.11.3 No provision for investment properties impairment has been recognized during the period.

#### 5.12 Fixed assets

##### 5.12.1 Fixed assets and disposal of fixed assets

Item	31 December 2025	31 December 2024
Fixed assets	5,197,433,283.85	5,117,835,293.69
Disposal of Fixed assets		
Total	5,197,433,283.85	5,117,835,293.69



## Notes to the Financial Statements

For the year ended 31 December 2025

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### 5 NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 5.12 Fixed assets (continued)

##### 5.12.2 Information on fixed assets

Item	Houses and buildings	Machinery and equipment	Transport equipment	Office and Electronic Equipment	Other Equipment	Total
1 Cost						
(1) 31 December 2024	3,752,007,019.08	3,024,365,113.33	51,824,303.81	117,327,350.17	95,124,349.74	7,040,648,136.13
(2) Increase in the current period	159,767,436.21	415,854,145.58	11,506,050.62	16,980,488.25	3,762,907.63	607,871,028.29
– Purchase	216,074.47	242,148,833.59	6,812,141.82	12,078,554.47	3,664,902.20	264,920,506.55
– Transferred from construction in progress	107,152,305.14	89,346,270.98			98,005.43	196,596,581.55
– Increase from business combinations	52,399,056.60	84,359,041.01	4,693,908.80	4,901,933.78		146,353,940.19
(3) Decrease in the current period		29,435,156.20	3,143,786.18	3,830,940.45	161,452.62	36,571,335.45
– Disposal or Retirement		29,435,156.20	3,143,786.18	3,830,940.45	161,452.62	36,571,335.45
(4) 31 December 2025	3,911,774,455.29	3,410,784,102.71	60,186,568.25	130,476,897.97	98,725,804.75	7,611,947,828.97
2 Accumulated depreciation						
(1) 31 December 2024	693,238,275.38	1,056,860,158.43	36,184,405.67	75,671,366.60	60,595,985.47	1,922,550,191.55
(2) Increase in the current period	181,996,326.69	294,141,639.10	7,406,988.33	19,821,848.73	9,937,937.01	513,304,739.86
– Provision	181,996,326.69	294,141,639.10	7,406,988.33	19,821,848.73	9,937,937.01	513,304,739.86
(3) Decrease in the current period		16,858,805.84	2,924,806.11	1,676,114.81	143,310.42	21,603,037.18
– Disposal or Retirement		16,858,805.84	2,924,806.11	1,676,114.81	143,310.42	21,603,037.18
(4) 31 December 2025	875,234,602.07	1,334,142,991.69	40,666,587.89	93,817,100.52	70,390,612.06	2,414,251,894.23
3 Impairment Provision						
(1) 31 December 2024		262,650.89				262,650.89
(2) Increase in the current period						
– Provision						
(3) Decrease in the current period						
– Disposal or Retirement						
(4) 31 December 2025		262,650.89				262,650.89
4 Net book value						
(1) 31 December 2025	3,036,539,853.22	2,076,378,460.13	19,519,980.36	36,659,797.45	28,335,192.69	5,197,433,283.85
(2) 31 December 2024	3,058,768,743.70	1,967,242,304.01	15,639,898.14	41,655,983.57	34,528,364.27	5,117,835,293.69

5.12.3 No temporarily idle fixed assets.



## Notes to the Financial Statements

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### 5 NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 5.12 Fixed assets (continued)

##### 5.12.4 Details of fixed Assets leased out under operating leases

Item	31 December 2025
Machinery and Equipment	202,846.86

##### 5.12.5 Details of Fixed Assets with title certificate pending

Item	Net book value	Reasons for title certificate pending
Phase III Building of Taizhou Anjoy	145,164,271.69	The property ownership certificate will be acquired collectively after the completion of the Phase III 100,000 tons Quick-frozen prepared food production workshop
The substation of Liaoning Anjoy	705,128.35	The property ownership certificate will be acquired collectively upon the completion of the dry warehouse under the Annual 140,000 tons Quick-frozen food project
Jiangsu Dingguan Building	13,056,383.73	The payment for the transfer of house and land use rights has not been fully settled. The property title transfer procedures shall be completed upon full payment

#### 5.13 Construction in progress

##### 5.13.1 Construction in progress and Construction Materials

Item	31 December 2025			31 December 2024		
	Gross carrying amount	Impairment provision	Net book value	Gross carrying amount	Impairment provision	Net book value
Construction in progress	323,589,579.31		323,589,579.31	198,249,204.78		198,249,204.78
Construction materials				204,572.57		204,572.57
Total	323,589,579.31		323,589,579.31	198,453,777.35		198,453,777.35



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### 5 NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 5.13 Construction in progress (continued)

##### 5.13.2 Details of construction in progress

Item	31 December 2025			31 December 2024		
	Gross carrying amount	Impairment Provision	Net book value	Gross carrying amount	Impairment Provision	Net book value
Construction projects	286,467,670.99		286,467,670.99	155,646,142.04		155,646,142.04
Installation projects	26,703,671.96		26,703,671.96	40,003,836.86		40,003,836.86
Information technology projects	10,418,236.36		10,418,236.36	2,599,225.88		2,599,225.88
Total	323,589,579.31		323,589,579.31	198,249,204.78		198,249,204.78

## 5 NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 5.13 Construction in progress (continued)

5.13.3 Movement in material construction in progress projects during the period

Item	Budget	Amount as at 31 December 2024	Increase	Amount transferred to fixed assets	Other decrease	Amount as at 31 December 2025	Percentage of accumulated project expenditure to budget (%)	Project progress	Cumulative amount of capitalized interest	Including: Amount of capitalized interest	Capitalized interest rate (%)	Source of Funds
Taizhou Phase III 100,000-tons Quick-frozen Food Expansion Project	309,226,000.00	43,685,612.97	8,892,406.69	46,487,360.20		<b>6,090,659.46</b>	61.26	Partially completed and partially under construction				Fundraising
Southwest Phase I 207,889,400.00 100,000-tons Prepared Food Production Line Construction Project	78,430,992.05	104,091,746.21				<b>182,522,738.26</b>	87.79	Under Renovation				Partially from Fundraising, Partially Self-funded
Henan Phase III 140,000-440,000,000.00 tons Quick-frozen Food Expansion Project	11,348,733.61	24,981,887.41		30,519,775.28		<b>5,810,845.74</b>	54.35	Partially completed and partially under construction				Fundraising
Guangdong Anjoy: 433,228,894.66 133,000-tons Quick-frozen Food New Construction Project			17,007,873.41	16,706,525.63		<b>301,347.78</b>	78.20	Phase I has been completed and put into commercial operation				Partially from Fundraising, Partially Self-funded
Anjoy Foods Xiamen No. 3 Factory: 140,000-tons Quick-frozen Food Production Lines Construction Project	517,408,256.88	16,547,664.76	44,945,083.88			<b>61,492,748.64</b>	11.88	Infrastructure under construction				Partially from Fundraising, Partially Self-funded
Dingyifeng: New Baked Bread Construction Project	157,316,500.00		2,178,050.64			<b>2,178,050.64</b>	1.38	Preliminary project preparation				Partially from Fundraising, Partially Self-funded
<b>Total</b>		150,013,003.39	202,097,048.24	93,713,661.11		<b>258,896,390.52</b>						

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### 5 NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 5.13 Construction in progress (continued)

5.13.4 No provision for construction in progress impairment has been recognized during the period.

#### 5.14 Right-of-use assets

##### 5.14.1 Details of right-of-use assets

Item	Buildings	Equipment	Land use rights	Total
1. Cost				
(1) 31 December 2024	43,598,385.30	2,472,719.68	295,100.00	46,366,204.98
(2) Increase in the current period	20,186,640.73			20,186,640.73
– New leases	1,667,676.61			1,667,676.61
– Increase from business combinations	21,560,522.95			21,560,522.95
– Modification adjustments	-3,041,558.83			-3,041,558.83
(3) Decrease in the current period	228,859.47			228,859.47
– Transferred to fixed assets				
– Disposal	228,859.47			228,859.47
(4) 31 December 2025	63,556,166.56	2,472,719.68	295,100.00	66,323,986.24
2. Accumulated depreciation				
(1) 31 December 2024	3,283,422.75	576,860.55	22,132.44	3,882,415.74
(2) Increase in the current period	5,958,716.61	880,020.72	14,754.96	6,853,492.29
– Provision	5,958,716.61	880,020.72	14,754.96	6,853,492.29
(3) Decrease in the current period	133,763.34			133,763.34
– Transferred to fixed assets				
– Disposal	133,763.34			133,763.34
(4) 31 December 2025	9,108,376.02	1,456,881.27	36,887.40	10,602,144.69
3. Impairment provision				
(1) 31 December 2024				
(2) Increase in the current period				
– Provision				
(3) Decrease in the current period				
– Transferred to fixed assets				
– Disposal				
(4) 31 December 2025				
4. Net book value				
(1) 31 December 2025	54,447,790.54	1,015,838.41	258,212.60	55,721,841.55
(2) 31 December 2024	40,314,962.55	1,895,859.13	272,967.56	42,483,789.24



## Notes to the Financial Statements

For the year ended 31 December 2025  
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### 5 NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 5.14 Right-of-use assets (continued)

5.14.2 No impairment test was performed on right-of-use assets during the period.

#### 5.15 Intangible assets

##### 5.15.1 Details of intangible assets

Item	Land use rights	Patent rights	Software	Trademarks	Total
1. Cost					
(1) 31 December 2024	472,435,531.68	8,210,673.58	26,618,259.10	357,901,353.82	865,165,818.18
(2) Increase in the current period	29,622,620.60	3,000,000.00	4,015,626.32	170,993,853.34	207,632,100.26
– Purchase			2,757,548.82		2,757,548.82
– Internal development					
– Increase from business combinations	29,622,620.60	3,000,000.00	1,258,077.50	170,993,853.34	204,874,551.44
(3) Decrease in the current period			139,150.95		139,150.95
– Disposal					
– Expired and derecognized			139,150.95		139,150.95
(4) 31 December 2025	502,058,152.28	11,210,673.58	30,494,734.47	528,895,207.16	1,072,658,767.49
2. Accumulated amortization					
(1) 31 December 2024	52,451,446.77	2,391,231.34	16,581,810.54	104,758,698.36	176,183,187.01
(2) Increase in the current period	10,252,581.01	951,877.08	4,154,488.50	44,265,331.56	59,624,278.15
– Provision	10,252,581.01	951,877.08	4,154,488.50	44,265,331.56	59,624,278.15
(3) Decrease in the current period			139,150.95		139,150.95
– Disposal					
– Expired and derecognized			139,150.95		139,150.95
(4) 31 December 2025	62,704,027.78	3,343,108.42	20,597,148.09	149,024,029.92	235,668,314.21
3. Impairment provision					
(1) 31 December 2024					
(2) Increase in the current period					
– Provision					
(3) Decrease in the current period					
– Disposal					
– Expired and derecognized					
(4) 31 December 2025					
4. Net book value					
(1) 31 December 2025	439,354,124.50	7,867,565.16	9,897,586.38	379,871,177.24	836,990,453.28
(2) 31 December 2024	419,984,084.91	5,819,442.24	10,036,448.56	253,142,655.46	688,982,631.17

The proportion of intangible assets generated from the Company's internal research and development to the balance of intangible assets as at the end of the year was 0.00%.



## Notes to the Financial Statements

For the year ended 31 December 2025

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### 5 NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 5.15 Intangible assets (continued)

5.15.2 Details of land use rights with title certificate pending

Item	Net book value	Reasons for title certificate pending
The land of Jiangsu Dingguan	5,704,683.22	The payment for the transfer of land and building rights has not been fully settled. The property title transfer will be processed upon full payment
Total	5,704,683.22	

5.15.3 No impairment test on intangible assets was performed during the period.

#### 5.16 Goodwill

5.16.1 Movement in goodwill

Name of investee or matter giving rise to goodwill	31 December 2024	Increase in the current period	Decrease in the current period	31 December 2025
Gross carrying amount				
Wuxi Anjoy Foods Marketing Co., Ltd.	1,059,552.59			1,059,552.59
Honghu Xinhongye Food Co., Ltd.	441,351,750.40			441,351,750.40
Oriental Food Express Limited	19,956,729.16			19,956,729.16
Hubei New Liuwu Foodstuff Group Co., Ltd.	344,131,979.83			344,131,979.83
Jiangsu Ding Wei Tai Food Co., Ltd.		197,691,689.94		197,691,689.94
<b>Subtotal</b>	<b>806,500,011.98</b>	<b>197,691,689.94</b>		<b>1,004,191,701.92</b>
Impairment				
Wuxi Anjoy Foods Marketing Co., Ltd.				
Honghu Xinhongye Food Co., Ltd.	20,255,602.86	14,870,907.84		35,126,510.70
Oriental Food Express Limited		17,408,846.61		17,408,846.61
Hubei New Liuwu Foodstuff Group Co., Ltd.	47,115,360.61	149,358,024.07		196,473,384.68
Jiangsu Ding Wei Tai Food Co., Ltd.				
<b>Subtotal</b>	<b>67,370,963.47</b>	<b>181,637,778.52</b>		<b>249,008,741.99</b>
<b>Net book value</b>	<b>739,129,048.51</b>	<b>16,053,911.42</b>		<b>755,182,959.93</b>



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For the year ended 31 December 2025  
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### 5 NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 5.16 Goodwill (continued)

5.16.2 The composition of the asset group or combination of asset groups to which the goodwill belongs, and the relevant information of the operating segment it belongs to

Name	The composition and basis of the asset group or asset group combination	Operating segments and basis of determination	Whether it is consistent with previous years
Wuxi Anjoy Foods Marketing Co., Ltd. cash-generating unit (CGU)	Non-current assets associated with goodwill of Wuxi Anjoy Foods Marketing Co., Ltd.	Cash inflows are independent of the cash inflows from other assets or groups of assets.	Yes
Honghu Xinhongye Food Co., Ltd. CGU	Operating long-term assets of Honghu Xinhongye Food Co., Ltd. and its subsidiaries	Cash inflows are independent of the cash inflows from other assets or groups of assets.	Yes
Hubei New Liuwu Foodstuff Group Co., Ltd. CGU	Operating long-term assets of Hubei New Liuwu Foodstuff Group Co., Ltd. and its subsidiaries	Cash inflows are independent of the cash inflows from other assets or groups of assets.	Yes
Oriental Food Express Limited CGU	Principal operating assets of Oriental Food Express Limited and its subsidiaries	Cash inflows are independent of the cash inflows from other assets or groups of assets.	Yes
Jiangsu Ding Wei Tai Food Co., Ltd. Prepared Foods CGU	Principal operating assets of Jiangsu Ding Wei Tai Food Co., Ltd. and its prepared food subsidiaries	Cash inflows are independent of the cash inflows from other assets or groups of assets.	N/A
Jiangsu Ding Wei Tai Food Co., Ltd. Baked Foods CGU	The principal operating assets of Lekal (Taicang) Bakery Co., Ltd. and its subsidiaries	Cash inflows are independent of the cash inflows from other assets or groups of assets.	N/A



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For the year ended 31 December 2025

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### 5 NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 5.16 Goodwill (continued)

##### *5.16.3 The specific method for determining the recoverable amounts*

The recoverable amount is determined as present value of estimated future cash flows:

1. In June 2009, the Company acquired 90% of the equity of Wuxi Anjoy Food Marketing Co., Ltd. This business combination was accounted for as a business combination not under common control, with the consideration amounting to RMB1.35 million. The Company's share of the fair value of the acquiree's identifiable net assets at the acquisition date was RMB0.29 million, and the difference of RMB1.06 million was recognized as goodwill. At the end of the reporting period, management performed an impairment test on the goodwill allocated to the Wuxi Anjoy Food Marketing Co., Ltd. CGU. The forecast period covers 2026 to 2030. The projected revenue growth rates for the forecast period are 7.00%, 5.00%, 5.00%, 5.00%, and 4.00%, respectively. Key assumptions in the terminal period were determined based on the data projected for 2030. Based on the results of the impairment test, there is no goodwill impairment for the Wuxi Anjoy Food Marketing Co., Ltd. CGU.
2. The recoverable amounts of the Honghu Xinhongye Food Co., Ltd. CGU, Hubei New Liuwu Foodstuff Group Co., Ltd. CGU, Oriental Food Express Limited CGU, Jiangsu Ding Wei Tai Food Co., Ltd. Prepared Foods CGU and Jiangsu Ding Wei Tai Food Co., Ltd. Baked Foods CGU are primarily based on the valuation results of the appraisers.

## 5 NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 5.16 Goodwill (continued)

#### 5.16.3 The specific method for determining the recoverable amounts (continued)

Item	Book value	Recoverable amount	Goodwill impairment provision attributable to the Company's shareholders	The length of the forecast period	Key assumptions in the forecast period	Basis for determining the key parameters	
						during the forecast period	the terminal period
Hongshu Xinhongyue Food Co., Ltd. CGU	799,523,230.93	783,000,000.00	14,870,907.84	5 years	Revenue growth rates for 2026-2030: 0.74%, 2.48%, 2.54%, 2.60% and 2.66% respectively; EBIT margins for 2026-2030: 3.65%, 5.01%, 6.48%, 6.51% and 6.55% respectively.	Based on the Company's predictions of future revenues, costs and expenses	Upon entering the terminal period in 2031, the revenue growth rate will be 0% and the pre-tax profit margin will be 6.55%.
Hubei New Liuwu Foodstuff Group Co., Ltd. CGU	990,368,605.82	777,000,000.00	149,358,024.07	5 years	Revenue growth rates for 2026-2030: 5.77%, 3.14%, 3.20%, 3.26% and 3.31% respectively; EBIT margins for 2026-2030: 3.80%, 5.78%, 8.12%, 8.18% and 8.27% respectively.	Based on the Company's predictions of future revenues, costs and expenses	Upon entering the terminal period in 2031, the revenue growth rate will be 0% and the pre-tax profit margin will be 8.27%.
Oriental Food Express Limited CGU	40,997,191.36	16,122,400.00	17,408,846.61	5 years	Revenue growth rates for 2026-2030: 6.18%, 6%, 6%, 6% and 6% respectively; EBIT margins for 2026-2030: 1.58%, 2.78%, 4.16%, 4.01% and 4.05% respectively.	Based on the Company's predictions of future revenues, costs and expenses	Upon entering the terminal period in 2031, the revenue growth rate will be 0% and the pre-tax profit margin will be 4.05%.
Jiangsu Ding Wei Tai Food Co., Ltd. Prepared Foods CGU	481,483,300.56	515,000,000.00	No impairment	5 years	Revenue growth rates for 2026-2030: 5.36%, 4.84%, 4.53%, 4.55% and 4.57% respectively; the EBIT margins for 2026-2030: 14.12%, 14.02%, 13.94%, 13.83% and 13.67% respectively.	Based on the Company's predictions of future revenues, costs and expenses	Upon entering the terminal period in 2031, the revenue growth rate will be 0% and the pre-tax profit margin will be 13.67%.
Jiangsu Ding Wei Tai Food Co., Ltd. Baked Foods CGU	199,901,955.46	216,000,000.00	No impairment	5 years	Revenue growth rates for 2026-2030: 44.89%, 15%, 15%, 10% and 10% respectively; the EBIT margins for 2026-2030: 8.83%, 9.36%, 9.86%, 10.13% and 10.40% respectively.	Based on the Company's predictions of future revenues, costs and expenses	Upon entering the terminal period in 2031, the revenue growth rate will be 0% and the pre-tax profit margin will be 10.40%.
Total	2,512,274,284.13	2,307,122,400.00	181,637,778.52				

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## Notes to the Financial Statements

For the year ended 31 December 2025

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### 5 NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 5.16 Goodwill (continued)

##### 5.16.4 Completion status of performance commitments

Item	Completion of Performance Commitments						Impairment loss on goodwill	
	Year ended 31 December 2025			Year ended 31 December 2024			Current year	Prior year
	Committed performance	Actual performance	Completion rate	Committed performance	Actual performance	Completion rate		
Hubei New Liuwu Foodstuff Group Co., Ltd.		N/A		90,000,000.00	80,880,652.40	89.87%	149,358,024.07	11,022,481.53
Jiangsu Ding Wei Tai Food Co., Ltd.	62,656,666.67	82,030,930.88	130.92%		N/A		0.00	N/A

The equity transfer agreement between the Company and the original shareholders of Jiangsu Ding Wei Tai Food Co., Ltd. (hereinafter referred to as the “Target Company”) stipulates that Shanghai Haddock Run Food Co., Ltd. and Lianyungang Lecker Consulting Management Partnership Enterprise (Limited Partnership), as the performance guarantors, make the following performance commitments for the performance assessment years (i.e., 2025, 2026, and 2027): During each performance assessment year, the annual standardized net profit of the Target Company shall not be less than RMB55.70 million. Based on the audited standardized net profit for 2024 (which shall not be less than RMB55.70 million), the compound annual growth rate for each year shall not be less than (inclusive of) 6%. Furthermore, the sum of the standardized net profits for the performance assessment years shall not be less than (inclusive of) RMB187.97 million.

The performance commitment for the current period is based on the average of the profits committed over the performance assessment years.

#### 5.17 Long-term deferred expenses

Item	31 December 2024	Increase in the current period	Amortization amount in the current Period	Other reduction amount	31 December 2025
Renovation and decoration Expenses	47,621,778.94	83,856,841.26	20,928,143.01		110,550,477.19
Royalty fees	484,854.07	445,628.31	273,537.56		656,944.82
Others	190,279.30	1,143,454.15	340,042.84		993,690.61
Total	48,296,912.31	85,445,923.72	21,541,723.41		112,201,112.62



## Notes to the Financial Statements

For the year ended 31 December 2025  
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### 5 NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 5.18 Deferred tax assets and deferred tax liabilities

##### 5.18.1 Gross deferred tax assets

Item	31 December 2025		31 December 2024	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Provision for asset impairments	17,312,426.95	3,689,275.17	10,339,157.91	2,365,536.08
Unrealized profits on inter-company transactions	209,053,974.00	52,263,493.47	223,249,077.82	55,812,269.44
Deductible tax losses	29,961,814.64	6,687,318.41	30,794,948.38	6,013,653.29
Credit impairment loss	36,053,927.15	8,832,440.22	40,761,331.75	10,076,748.68
Accrued expense	14,634,925.03	3,658,731.27	13,671,347.61	3,417,836.90
Deferred income	196,348,694.36	46,382,300.08	153,507,063.13	36,231,588.21
Depreciation and amortization of non-current assets			1,242,717.80	310,679.45
Estimated liabilities	261,627,520.36	65,406,880.11	239,955,645.24	59,988,911.33
Lease liabilities	55,841,908.08	13,778,935.65	33,832,725.23	8,068,057.80
Changes in fair value of financial assets	60,621,090.56	15,155,272.64		
<b>Total</b>	<b>881,456,281.13</b>	<b>215,854,647.02</b>	747,354,014.87	182,285,281.18



## Notes to the Financial Statements

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### 5 NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 5.18 Deferred tax assets and deferred tax liabilities (continued)

##### 5.18.2 Gross deferred tax liabilities

Item	31 December 2025		31 December 2024	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
One-off tax deduction for fixed assets	654,686,374.29	155,379,835.00	657,314,688.54	154,565,787.73
Interest capitalization for convertible bonds	16,114,176.90	4,028,544.04	17,230,563.06	4,307,640.64
Changes in fair value of financial assets	2,418,745.99	604,686.50	174,331,498.40	43,519,845.24
Interest income	1,208,747.37	302,186.84	8,868,944.86	2,217,236.22
Right-of-use assets	50,884,656.71	12,531,806.78	33,625,390.99	8,004,298.78
Value increases arising from asset revaluation of business combination not under common control	438,670,585.10	109,667,646.05	271,779,737.45	67,944,934.23
Unrealized profit on inter-company transactions			436,599.79	109,149.95
Other receivables			270,982.68	67,745.67
<b>Total</b>	<b>1,163,983,286.36</b>	<b>282,514,705.21</b>	1,163,858,405.77	280,736,638.46

##### 5.18.3 Net amounts of deferred tax assets and liabilities after offsetting

Item	31 December 2025		31 December 2024	
	Amount of offsetting	Balance after set-off	Amount of offsetting	Balance after set-off
Deferred tax asset	48,463,745.84	167,390,901.18	25,255,194.36	157,030,086.82
Deferred tax liabilities	48,463,745.84	234,050,959.37	25,255,194.36	255,481,444.10



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### 5 NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 5.18 Deferred tax assets and deferred tax liabilities (continued)

##### 5.18.4 Details of unrecognized deferred tax assets

Item	31 December 2025	31 December 2024
Deductible temporary differences	5,224.00	
Deductible tax losses	35,267,379.00	18,207,775.75
Total	35,272,603.00	18,207,775.75

##### 5.18.5 Expiry of deductible tax losses for which deferred tax assets have not been recognized

Year	31 December 2025	31 December 2024	Notes
2030	10,197,815.74		
2029	12,626,459.67	7,515,653.51	
2028	9,950,703.44	7,170,721.35	
2027	2,141,688.13	2,036,859.61	
2026	350,712.02	350,712.02	
2025		1,133,829.26	
Total	35,267,379.00	18,207,775.75	

#### 5.19 Other non-current assets

Item	31 December 2025			31 December 2024		
	Gross carrying amount	Impairment provision	Net book value	Gross carrying amount	Impairment provision	Net book value
Prepayments for plant and equipment	45,886,576.33		45,886,576.33	18,500,716.41		18,500,716.41
Others	238,493.00		238,493.00	50,000.00		50,000.00
Total	46,125,069.33		46,125,069.33	18,550,716.41		18,550,716.41



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### 5 NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 5.20 Assets subject to restrictions in ownership or use right

Item	31 December 2025				31 December 2024			
	Gross carrying amount	Net book value	Restricted type	Restricted status	Gross carrying amount	Net book value	Restricted type	Restricted status
Cash at bank and on hand	132,724,425.31	132,724,425.31	As described in Note (5.1) Cash at bank and on hand	Cash	550,825,660.71	550,825,660.71	As described in Note (5.1) Cash at bank and on hand	Cash
Fixed assets	144,382,799.74	122,617,220.71	Mortgaged	Secured borrowings	155,728,074.76	125,068,376.43	Pledged	Secured borrowings
Intangible assets	19,573,295.51	18,253,005.91	Mortgaged	Secured borrowings	48,291,952.13	43,547,105.63	Pledged	Secured borrowings
Receivables financing	1,280,353.16	1,216,335.50	Pledged	Receivables Factoring				
<b>Total</b>	<b>297,960,873.72</b>	<b>274,810,987.43</b>			<b>754,845,687.60</b>	<b>719,441,142.77</b>		

#### 5.21 Short-term borrowings

##### 5.21.1 Classification of short-term borrowings

Item	31 December 2025	31 December 2024
Secured and guaranteed bank loans	100,000,000.00	70,000,000.00
Pledged bank loans	105,307,460.88	
Guaranteed bank loans	664,500,000.00	20,000,000.00
Credit bank loans	20,200,000.00	21,000,000.00
Interest	597,426.91	115,011.11
<b>Total</b>	<b>890,604,887.79</b>	<b>111,115,011.11</b>



## Notes to the Financial Statements

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(All amounts in RMB unless otherwise stated)

### 5 NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 5.21 Short-term borrowings (continued)

##### 5.21.1 Classification of short-term borrowings (continued)

Notes: As at 31 December 2025 and 31 December 2024, the short-term borrowings held by the Company were all bank loans due within one year.

- (1) The secured and guaranteed bank loan represents borrowings from banks by the subsidiary, Hubei New Liuwu Foodstuff Group Co., Ltd. (hereinafter referred to as “New liuwu”), with an outstanding balance of RMB100,000,000.00 as at the end of the period. New liuwu has provided mortgage guarantee with six properties and the related land use rights located at No. 1, Pingyuan Yuan Road, Zongkou Administrative District, Qianjiang City (property certificate numbers: E (2023) Qianjiang Real Estate Right Certificate No. 0003933, E (2023) Qianjiang Real Estate Right Certificate No. 0003934, E (2023) Qianjiang Real Estate Right Certificate No. 0003935, E (2023) Qianjiang Real Estate Right Certificate No. 0004104, E (2023) Qianjiang Real Estate Right Certificate No. 0024885 and E (2023) Qianjiang Real Estate Right Certificate No. 0024897) owned by itself. In addition, Mr. Liu Zhonghu, the non-controlling shareholder and legal representative of New liuwu, has provided a joint liability guarantee.
- (2) Pledged bank loans represent amounts obtained by the Company from discounting notes receivable with banks.
- (3) The guaranteed bank loans include borrowings from banks by New liuwu totaling RMB342,500,000.00, of which RMB22,500,000.00 is guaranteed by Mr. Liu Zhonghu, the legal representative of New liuwu, on a joint liability basis; RMB220,000,000.00 is jointly guaranteed by the Company and Mr. Liu Zhonghu on a joint liability basis; RMB100,000,000.00 is guaranteed by the Company on a joint liability basis, with a counter-guarantee provided by Mr. Liu Zhonghu to the Company.

The guaranteed bank loans include borrowings from banks by the subsidiary, Honghu Xinhongye Food Co., Ltd. (hereinafter referred to as “Xinhongye”), totaling RMB247,000,000.00, of which RMB98,000,000.00 is guaranteed by the Company on a joint liability basis, with a counter-guarantee provided to the Company by Mr. Xiao Huabing, a non-controlling shareholder and legal representative of Xinhongye; RMB149,000,000.00 is jointly guaranteed by the Company and Mr. Xiao Huabing on a joint liability basis.

The guaranteed bank loans include borrowings from banks by the subsidiary, Jiangsu Ding Wei Tai Food Co., Ltd. (hereinafter referred to as “Ding Wei Tai”), totaling RMB75,000,000.00, of which RMB25,000,000.00 is guaranteed on a joint liability basis by its subsidiary, Lecker (Lianyungang) Seafoods Co., Ltd.; RMB50,000,000.00 is guaranteed on a joint liability basis by its non-controlling shareholder, Shanghai Haddock Run Food Co., Ltd., and its subsidiary, Lecker (Lianyungang) Seafoods Co., Ltd.

5.21.2 The company had no overdue short-term borrowings outstanding.



## Notes to the Financial Statements

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### 5 NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 5.22 Financial liabilities held for trading

Item	31 December 2025	31 December 2024
Financial liabilities held for trading Including: Contingent consideration		6,902,000.00
		6,902,000.00
Total		6,902,000.00

#### 5.23 Notes payable

Type	31 December 2025	31 December 2024
Bank acceptance bills	167,899,413.21	233,945,292.26
Finance company acceptance bills		
Commercial acceptance bills		
Total	167,899,413.21	233,945,292.26

The total amount of notes payable due but unpaid at the end of the FY 2025 was RMB0.

#### 5.24 Accounts payable

##### 5.24.1 Aging analysis from the data when they were recognized

Item	31 December 2025	31 December 2024
Within 1 year	1,462,519,590.14	1,505,188,835.42
Over 1 year	35,733,097.97	115,125,495.49
Total	1,498,252,688.11	1,620,314,330.91

The accounts payable with an aging of over one year primarily represent warranty deposits for construction projects and equipment, as well as outstanding balances for construction and equipment purchases. As at 31 December 2025 and 31 December 2024, the amounts of such warranty deposits and outstanding balances were RMB31,370,750.63 and RMB109,783,073.04, respectively.

5.24.2 The Company had no significant accounts payable overdue or with aging over one year.



## Notes to the Financial Statements

For the year ended 31 December 2025  
(All amounts in RMB unless otherwise stated)

### 5 NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 5.25 Contract liabilities

##### 5.25.1 Details of contract liabilities

Item	31 December 2025	31 December 2024
Advances received from customers for product sales	573,510,094.73	260,137,977.27
Total	573,510,094.73	260,137,977.27

5.25.2 There are no significant contract liabilities overdue or with aging over one year at the end of the year.

##### 5.25.3 The amounts and reasons for significant changes in carrying amount during the reporting period

Item	Amount of change	Reasons for change
Advances received from customers for product sales	313,372,117.46	Mainly due to the increase in consideration received in advance for the transfer of goods during the period.
Total	313,372,117.46	

#### 5.26 Employee benefits payable

##### 5.26.1 Breakdown of employee benefits payable

Item	31 December 2024	Increase in the current period	Decrease in the current period	31 December 2025
Short-term employee benefits	245,262,376.93	1,628,345,066.44	1,657,625,168.71	215,982,274.66
Post-employment benefits – defined contribution plans	257,252.36	142,522,314.14	142,197,627.80	581,938.70
Termination benefits		3,099,002.94	3,099,002.94	
Other benefits due within one year				
Total	245,519,629.29	1,773,966,383.52	1,802,921,799.45	216,564,213.36



## Notes to the Financial Statements

For the year ended 31 December 2025

(All amounts in RMB unless otherwise stated)

### 5 NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 5.26 Employee benefits payable (continued)

##### 5.26.2 Breakdown of short-term employee benefits

Item	31 December 2024	Increase in the current period	Decrease in the current period	31 December 2025
(1) Salaries, bonuses, allowances and subsidies	243,365,739.54	1,424,093,320.02	1,453,159,802.90	<b>214,299,256.66</b>
(2) Welfare expenses for the employees	187,639.60	85,729,524.55	85,917,164.15	
(3) Social security contributions	490,167.72	76,484,493.29	76,550,519.13	<b>424,141.88</b>
Including: Medical insurance	6,182.22	61,141,162.80	61,131,944.95	<b>15,400.07</b>
Work injury insurance		6,062,598.04	6,061,968.29	<b>629.75</b>
Maternity insurance		3,429,884.79	3,429,677.51	<b>207.28</b>
Comprehensive Insurance	483,985.50	5,850,847.66	5,926,928.38	<b>407,904.78</b>
(4) Housing funds	154,860.00	35,497,633.75	35,460,346.80	<b>192,146.95</b>
(5) Labor union funds and employee education funds	1,063,970.07	6,540,094.83	6,537,335.73	<b>1,066,729.17</b>
(6) Short-term paid absences				
(7) Short-term profit-sharing plan				
<b>Total</b>	<b>245,262,376.93</b>	<b>1,628,345,066.44</b>	<b>1,657,625,168.71</b>	<b>215,982,274.66</b>

##### 5.26.3 Breakdown of defined contribution plan

Item	31 December 2024	Increase in the current period	Decrease in the current period	31 December 2025
Basic pensions insurance	257,252.36	137,937,587.56	137,613,919.76	<b>580,920.16</b>
Unemployment insurance		4,584,726.58	4,583,708.04	<b>1,018.54</b>
Contributions to enterprise annuities				
<b>Total</b>	<b>257,252.36</b>	<b>142,522,314.14</b>	<b>142,197,627.80</b>	<b>581,938.70</b>

The Company and its subsidiaries participate in pension and unemployment benefit plans established by government authorities in accordance with regulations. Under these plans, the Company calculates and contributes monthly to the plans based on the benchmarks and contribution rates prescribed by the state. The corresponding contributions are recognized in profit or loss or included in the cost of relevant assets as incurred. Apart from the monthly contributions mentioned above, the Company has no further payment obligations, and the contributions paid are not allowed to be used or withdrawn by the Company.



## Notes to the Financial Statements

For the year ended 31 December 2025  
(All amounts in RMB unless otherwise stated)

### 5 NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 5.27 Taxes payable

Tax Item	31 December 2025	31 December 2024
Enterprise income tax	265,581,171.26	175,158,752.04
Value-added Tax	45,998,575.17	45,877,811.16
Other taxes	20,840,257.02	19,284,160.19
Total	332,420,003.45	240,320,723.39

#### 5.28 Other payables

Item	31 December 2025	31 December 2024
Interests payable		
Dividends payable		277,526,665.40
Other payables	197,517,164.81	360,659,743.98
Total	197,517,164.81	638,186,409.38

##### 5.28.1 Dividends payable

Item	31 December 2025	31 December 2024
Dividends of Ordinary share		277,526,665.40
Total		277,526,665.40



## Notes to the Financial Statements

For the year ended 31 December 2025

(All amounts in RMB unless otherwise stated)

### 5 NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 5.28 Other payables (continued)

##### 5.28.2 Other payables

(1) Disclosure of other payables by nature

Item	31 December 2025	31 December 2024
Accrued expenses	85,243,436.85	78,690,242.25
Deposits	41,860,163.83	280,321,297.90
Inter-company balances	69,502,442.35	662,193.13
Funds held on behalf of others	449,740.84	172,353.08
Others	461,380.94	813,657.62
Total	197,517,164.81	360,659,743.98

(2) There are no material other payables overdue or with aging over one year at the end of period.

#### 5.29 Non-current liabilities due within one year

Item	31 December 2025	31 December 2024
Long-term borrowings due within one year		980,262.00
Long-term payables due within one year	15,055,550.48	
Lease liabilities due within one year	15,398,397.80	6,476,556.03
Total	30,453,948.28	7,456,818.03

#### 5.30 Other current liabilities

Item	31 December 2025	31 December 2024
VAT output pending for transfer	74,510,070.67	34,025,305.82
Provisions	300,086,068.75	280,843,292.25
Others	1,280,353.16	
Total	375,876,492.58	314,868,598.07



## Notes to the Financial Statements

For the year ended 31 December 2025  
(All amounts in RMB unless otherwise stated)

### 5 NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 5.31 Long-term borrowings

Item	31 December 2025	31 December 2024
Credit bank loans		490,131.00
Total		490,131.00

  

Item	31 December 2025	31 December 2024
Long-term borrowings		1,470,393.00
Less: Long-term borrowings due within one year (As described in Note (5.29))		980,262.00
Long-term borrowings due after one year		490,131.00
Including: Due over one year but within two years (inclusive)		490,131.00
Due over two years but within five years (inclusive)		
Due over five years		

#### 5.32 Lease liabilities

Item	31 December 2025	31 December 2024
Buildings leases	48,132,540.47	35,272,289.51
Equipment leases	23,825.46	922,540.42
Total	48,156,365.93	36,194,829.93

  

Item	31 December 2025	31 December 2024
Lease liabilities	63,554,763.73	42,671,385.96
Less: Lease liabilities due within one year (As described in Note (5.29))	15,398,397.80	6,476,556.03
Lease liabilities due over one year	48,156,365.93	36,194,829.93
Including: Due over one year but within two years (inclusive)	5,437,567.45	4,808,757.16
Due over two years but within five years (inclusive)	14,092,699.28	5,552,675.99
Due over five years	28,626,099.20	25,833,396.78



## Notes to the Financial Statements

For the year ended 31 December 2025

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### 5 NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 5.33 Long-term payables

Item	31 December 2025	31 December 2024
Long-term payables	<b>123,313,819.05</b>	
Special purpose payables		
Total	<b>123,313,819.05</b>	

##### 5.33.1 Long-term payables

Item	31 December 2025	31 December 2024
Long-term payables for purchase of property and land on installment	<b>7,090,828.31</b>	
Forward obligation to acquire non-controlling interests	<b>116,222,990.74</b>	
Total	<b>123,313,819.05</b>	

The Company entered into an equity transfer agreement with the original shareholders of Jiangsu Ding Wei Tai Food Co., Ltd. (hereinafter referred to as the "Target Company"). Pursuant to the agreement, if the Target Company achieves the performance commitments for the performance assessment years, with respect to the remaining 30% equity interest after the completion of this acquisition, the relevant parties agree that the Company or its designated third party will acquire additional 20% of the equity interest in the Target Company held by the controlling shareholder and the employee share ownership platform. The consideration shall be calculated based on a valuation of the Target Company equal to 12 times the average of the standardized net profits for each performance assessment year plus RMB75 million (with a floor valuation of the acquisition valuation in the initial transaction). The Company has recognized the forward acquiring obligation in respect of the 20% equity interest in the Target Company based on the valuation applied in the initial acquisition.



## Notes to the Financial Statements

For the year ended 31 December 2025  
(All amounts in RMB unless otherwise stated)

### 5 NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 5.33 Long-term payables (continued)

##### 5.33.1 Long-term payables (continued)

Item	31 December 2025	31 December 2024
Long-term payables	<b>138,369,369.53</b>	
Less: Long-term payables due within one year (As described in Note (5.29))	<b>15,055,550.48</b>	
Long-term payables due over one year	<b>123,313,819.05</b>	
Including: Due over one year but within two years (inclusive)	<b>7,090,828.31</b>	
Due over two years but within five years (inclusive)	<b>116,222,990.74</b>	
Due over five years		

#### 5.34 Long-term employee benefits payable

##### 5.34.1 Breakdown of long-term employee benefits payable

Item	31 December 2025	31 December 2024
Other long-term benefits – Employee bonus and welfare fund	<b>2,146,477.45</b>	2,146,477.45
Performance bonus	<b>1,549,941.14</b>	
Total	<b>3,696,418.59</b>	2,146,477.45

Notes: The long-term employee benefits payables mainly represent the excess performance bonuses accrued by Jiangsu Ding Wei Tai Food Co., Ltd. (“the Target Company”) based on its profit performance.

Pursuant to the equity transfer agreement entered into between the Company and the original shareholders of the Target Company, if the Target Company achieves the performance commitments as stipulated in the agreement for the performance assessment years, the management team of the Target Company will be entitled to a performance bonus equal to 8% of the excess of the total regular net profit over the performance target (i.e. total regular net profit for the performance assessment years less RMB187,970,000).



## Notes to the Financial Statements

For the year ended 31 December 2025

(All amounts in RMB unless otherwise stated)

### 5 NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 5.35 Deferred income

Item	31 December 2024	Increase in the current period	Decrease in the current period	31 December 2025	Recognition reason
Government grants related to income	1,616,713.86	1,203,200.00	282,459.74	<b>2,537,454.12</b>	Government grants received that have not yet been recognized in profit or loss.
Government grants related to assets	130,069,294.32	72,276,521.10	34,096,641.34	<b>168,249,174.08</b>	Government grants related to assets received are amortized over the beneficial periods
<b>Total</b>	<b>131,686,008.18</b>	<b>73,479,721.10</b>	<b>34,379,101.08</b>	<b>170,786,628.20</b>	

#### 5.36 Share capital

Item	31 December 2024	Movement in the current period (increase+/decrease-)					31 December 2025
		Issuance of new shares	Stock dividend	Conversion of reserves into shares	Others	Subtotal	
Total shares	293,294,232.00	39,994,700.00				39,994,700.00	<b>333,288,932.00</b>

Other Explanations, including changes during the current period and explanations of the reasons for changes:

In July 2025, the Company's shares were listed and traded on the Main Board of the Stock Exchange of Hong Kong Limited (SEHK). A total of 39,994,700 shares were issued at a price of HK\$60 per share, of which RMB39,994,700.00 was credited to Share Capital and RMB2,053,289,479.74 was credited to Capital surplus (Capital Premium).

## Notes to the Financial Statements

For the year ended 31 December 2025  
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### 5 NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 5.37 Capital surplus

Item	31 December 2024	Increase in the current period	Decrease in the current period	31 December 2025
Capital premium (Share premium)	7,957,130,036.08	2,053,289,479.74	137,349,454.43	<b>9,873,070,061.39</b>
Other capital surplus	186,718,143.34		5,784,814.24	<b>180,933,329.10</b>
Total	8,143,848,179.42	2,053,289,479.74	143,134,268.67	<b>10,054,003,390.49</b>

Other Explanations, including changes during the current period and explanations of the reasons for changes:

- (1) For the increase in capital premium (share premium) during the current period, see Note (5.36) Share Capital.
- (2) During the current period, the Company has obtained 4.4915% of the equity interest in Hubei New Liuwu Foodstuff Group Co., Ltd. (hereinafter referred to as "New Liuwu Food") transferred by Liu Zhonghu as consideration for the settlement of the performance compensation and goodwill impairment compensation payable by him and Liu Jing. Therefore, the Company's investment cost in New Liuwu Food increased by RMB47,115,360.61, and the share of net assets of New Liuwu Food corresponding to the obtained equity interest was RMB25,988,896.92. The difference between the two amounts was offset against Capital surplus – Capital Premium (Share Premium) in the amount of RMB21,126,463.69.
- (3) Pursuant to the equity transfer agreement entered into between the Company and the original shareholders of Jiangsu Ding Wei Tai Food Co., Ltd. (the "Target Company"), if the Target Company achieves the performance commitments for the performance assessment years, the relevant parties to the transaction agree that the Company or its designated third party will acquire additional 20% of the equity interest in the Target Company held by the controlling shareholder and the employee share ownership platform at a valuation equal to 12 times the average of the standardized net profits of the Target Company for each performance assessment year plus RMB75 million (and not lower than the valuation of the current acquisition). The Company has recognized the forward acquiring obligation in respect of the 20% equity interest in the Target Company based on the valuation of the initial acquisition, and simultaneously reduced Capital Surplus – Capital Premium (Share Premium) by RMB116,222,990.74.
- (4) The Company has recognized the share-based payment expense to be amortized in the current period in respect of the second vesting period under the "2023 Share Option Incentive Scheme". Meanwhile, as the Company did not meet the corresponding performance targets for the third vesting period, the share options relating to the third vesting period became non-exercisable. Accordingly, the share-based payment expense previously recognized in respect of the third vesting period was reversed. The net effect of the above two items amounted to RMB -5,784,814.24, representing a decrease of RMB5,784,814.24 in "Capital Surplus – Other Capital Surplus".



## Notes to the Financial Statements

For the year ended 31 December 2025

(All amounts in RMB unless otherwise stated)

### 5 NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 5.38 Treasury shares

Item	31 December 2024	Increase in the current period	Decrease in the current period	31 December 2025
Share repurchase for equity incentive	108,593,033.82			108,593,033.82
Total	108,593,033.82			108,593,033.82

#### 5.39 Other comprehensive income

Item	31 December 2024	Current period amount				31 December 2025
		Amount before income tax in the period	Less: amount included in other comprehensive income in prior period and transfers to current profit or loss	Less: income tax expenses	Amount after tax attributable to the Company	
1. Other comprehensive income that will not to be not reclassified into profit or loss						
2. Other comprehensive income that will be reclassified into profit or loss	1,638,108.55	720,758.84		504,429.56	216,329.28	2,142,538.11
Translation differences arising on translation of foreign currency financial statements	1,638,108.55	720,758.84		504,429.56	216,329.28	2,142,538.11
Total of other comprehensive income	1,638,108.55	720,758.84		504,429.56	216,329.28	2,142,538.11

#### 5.40 Surplus reserve

Item	31 December 2024	Increase in the current period	Decrease in the current period	31 December 2025
Statutory surplus reserve	147,905,530.22	19,997,350.00		167,902,880.22
Total	147,905,530.22	19,997,350.00		167,902,880.22

Note on Reserves, including movement during the current period and reasons:

Accrue statutory surplus reserve in accordance with legal requirements.



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For the year ended 31 December 2025  
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### 5 NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 5.41 Retained earnings

Item	Year ended 31 December 2025	Year ended 31 December 2024
Ending balance of retained earnings at end of prior year before adjustments	<b>4,474,436,194.16</b>	4,188,923,041.11
Total adjustments to the opening balance of retained earnings (Increase "+", Decrease "-")		
Opening balance of retained earnings after adjustments	<b>4,474,436,194.16</b>	4,188,923,041.11
Add: net profits attributable to the Company's shareholders in the period	<b>1,359,237,139.62</b>	1,484,831,242.06
Less: appropriation to statutory surplus reserve	<b>19,997,350.00</b>	
Appropriation to discretionary surplus reserve		
Appropriation to general risk reserve		
Dividend distribution to ordinary shareholders	<b>769,797,791.13</b>	1,199,318,089.01
Transfer from ordinary dividend to share capital		
Ending balance of retained earnings at end of the period	<b>5,043,878,192.65</b>	4,474,436,194.16

1. Details of Adjustments to opening retained earnings:

- 1) Retrospective adjustments arising from the Accounting Standards for Business Enterprises and relevant new regulations: Effect on opening retained earnings: RMB0.
- 2) Change in accounting policies: Effect on opening retained earnings: RMB0.
- 3) Correction of material prior period accounting errors: effect on opening retained earnings: RMB0.
- 4) Change in scope of consolidation arising from business combination under common control: Effect on opening retained earnings: RMB0.
- 5) Total other adjustments: Effect on closing retained earnings: RMB0.
- 6) Dividend Distribution Statement for the Current Period.



## Notes to the Financial Statements

For the year ended 31 December 2025

(All amounts in RMB unless otherwise stated)

### 5 NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 5.41 Retained earnings (continued)

##### 2. Dividend distribution explanation

- 1) At the 2024 Annual General Meeting of Shareholders held on 21 May 2025, the resolution on the 2024 Profit Distribution Plan was approved. Pursuant to such resolution, a cash dividend of RMB1.015 (tax inclusive) per share was declared to all shareholders, calculated based on the total share capital recorded on the equity distribution record date, after deducting the shares held in the Company's special repurchase account. The Company's total share capital amounted to 293,294,232 shares. After deducting 1,160,900 shares held in the repurchase special securities account, the number of shares eligible for distribution was 292,133,332 shares, resulting in an aggregate cash dividend of RMB296,515,337.54 (tax inclusive).
- 2) In accordance with the authorization for the 2025 interim cash dividend as set out in the aforesaid resolution on the 2024 Profit Distribution Plan, the 21st meeting of the Fifth Board of Directors was held on 25 August 2025, at which the Proposal on the 2025 Interim Profit Distribution Plan was considered and approved. A cash dividend of RMB1.425 (tax inclusive) per share was declared. The cash dividend was denominated and declared in RMB and was paid in RMB to A-shareholders and in Hong Kong dollars (HKD) to H-shareholders. An aggregate cash dividend of RMB473,282,453.59 (tax inclusive) was distributed accordingly.

As such, a total of RMB769,797,791.13 (tax inclusive) (2024: RMB1,199,318,089.01, tax inclusive) cash dividends were distributed during 2025.

#### 5.42 Operating income and operating costs

##### 5.42.1 Breakdown of operating income and operating costs

Item	Year ended 31 December 2025		Year ended 31 December 2024	
	Revenue	Cost of sales	Revenue	Cost of sales
Main operations	16,176,975,631.60	12,693,649,806.82	15,103,318,104.27	11,595,490,556.01
Other operations	15,637,401.99	1,199,799.28	23,333,570.09	7,003,753.31
Total	16,192,613,033.59	12,694,849,606.10	15,126,651,674.36	11,602,494,309.32



## Notes to the Financial Statements

For the year ended 31 December 2025  
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### 5 NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 5.42 Operating income and operating costs (continued)

##### 5.42.2 Disaggregated of operating income and operating costs

Categories of contract	Total	
	Operating income	Operating costs
By product category		
Quick-frozen flavored and processed products	8,449,865,557.36	6,053,985,045.69
Quick-frozen prepared dishes	4,820,803,095.66	4,363,414,128.68
Quick-frozen flour and rice products	2,400,464,813.95	1,851,094,389.94
Bakery products	67,955,134.88	58,807,806.26
Other products	437,887,029.75	366,348,436.25
By operating region		
Eastern China	6,814,622,441.13	5,238,288,270.52
Northern China	2,418,859,923.76	1,856,531,355.40
Central China	2,032,084,899.99	1,647,738,516.95
Southern China	1,527,317,431.37	1,235,870,476.70
Northeastern China	1,341,440,275.65	1,024,723,869.67
Southwestern China	958,457,709.31	796,708,456.94
Northwestern China	897,427,149.97	728,941,640.89
Overseas	186,765,800.42	164,847,219.75
By sales channel		
Distributors	12,926,539,951.28	10,212,360,961.04
Targeted Enterprise	1,192,127,713.32	1,050,720,005.76
New retail and E-commerce	1,178,674,550.62	845,175,909.56
Supermarket	879,633,416.38	585,392,930.46
Others	15,637,401.99	1,199,799.28
<b>Total</b>	<b>16,192,613,033.59</b>	<b>12,694,849,606.10</b>



## Notes to the Financial Statements

For the year ended 31 December 2025

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### 5 NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 5.43 Taxes and surcharges

Item	Year ended 31 December 2025	Year ended 31 December 2024
City maintenance and construction tax	<b>37,511,470.66</b>	41,607,318.71
Educational surcharge	<b>28,935,321.90</b>	32,113,961.60
Property tax	<b>30,390,912.39</b>	25,954,612.49
Land use tax	<b>10,661,206.22</b>	10,421,970.72
Stamp duty	<b>18,825,807.59</b>	17,303,942.53
Others	<b>1,365,738.45</b>	519,002.61
Total	<b>127,690,457.21</b>	127,920,808.66

#### 5.44 Selling expenses

Item	Year ended 31 December 2025	Year ended 31 December 2024
Office expenses	<b>5,448,553.44</b>	5,456,448.83
Travel expenses	<b>45,633,297.67</b>	44,993,020.71
Advertising expenses	<b>170,399,529.92</b>	203,816,547.27
Conference expenses	<b>4,945,676.54</b>	6,567,823.28
Outsourcing service expenses	<b>15,813,286.93</b>	28,073,633.43
Logistics expenses	<b>136,708,054.91</b>	131,731,549.35
Sales promotion and entry fees	<b>223,194,330.89</b>	193,938,429.51
Depreciation and amortization of Long-term assets	<b>4,245,694.78</b>	4,367,967.14
Employee salaries, social insurance, benefits, etc.	<b>356,447,066.65</b>	364,187,665.48
Others	<b>2,895,961.34</b>	3,074,741.57
Total	<b>965,731,453.07</b>	986,207,826.57



## Notes to the Financial Statements

For the year ended 31 December 2025  
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### 5 NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 5.45 General and administration expenses

Item	Year ended 31 December 2025	Year ended 31 December 2024
Office and administrative expenses	<b>22,429,618.93</b>	21,312,313.42
Travel expenses	<b>4,001,050.67</b>	3,030,567.02
Losses from inventory damage and scrap	<b>2,917,700.65</b>	4,888,410.12
Depreciation and amortization of long-term assets	<b>98,263,831.44</b>	75,916,535.55
Consulting expenses	<b>23,917,580.24</b>	22,103,072.83
Annual report audit expense	<b>2,594,339.62</b>	1,839,622.64
Business entertainment expenses	<b>8,043,313.29</b>	8,445,295.73
Transporting expenses	<b>3,740,258.99</b>	4,080,071.76
Repairs and consumables	<b>11,306,268.66</b>	13,253,815.78
Share-based payment expenses	<b>-5,784,814.24</b>	100,808,314.66
Employee salaries, social insurance, benefits	<b>242,629,326.27</b>	247,360,460.76
Others	<b>1,874,351.80</b>	1,475,293.92
Total	<b>415,932,826.32</b>	504,513,774.19

#### 5.46 Research and development expenses

Item	Year ended 31 December 2025	Year ended 31 December 2024
Employee benefits	<b>43,935,308.94</b>	48,399,630.38
Materials costs	<b>33,042,067.11</b>	35,657,595.18
Depreciation and amortization expenses	<b>8,842,071.92</b>	8,482,535.67
Other expenses	<b>6,247,468.24</b>	4,673,911.72
Total	<b>92,066,916.21</b>	97,213,672.95



## Notes to the Financial Statements

For the year ended 31 December 2025

(All amounts in RMB unless otherwise stated)

### 5 NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 5.47 Financial expenses

Item	Year ended 31 December 2025	Year ended 31 December 2024
Interest expenses	<b>17,449,346.99</b>	1,540,461.26
Including: Interest expenses on lease liabilities	<b>1,633,546.11</b>	398,922.68
Less: Interest income	<b>57,126,326.73</b>	73,873,023.58
Exchange gains and losses	<b>40,237,413.85</b>	480,740.12
Others	<b>801,460.65</b>	642,172.71
Total	<b>1,361,894.76</b>	-71,209,649.49

#### 5.48 Other income

Item	Year ended 31 December 2025	Year ended 31 December 2024
Government grants	<b>53,180,560.23</b>	40,410,027.31
Withholding service fee for individual income tax	<b>840,837.08</b>	2,444,230.58
Direct tax reductions	<b>3,095,900.00</b>	2,023,124.40
Total	<b>57,117,297.31</b>	44,877,382.29

#### 5.49 Investment income

Item	Year ended 31 December 2025	Year ended 31 December 2024
Investment incomes from long-term equity investments recognized under equity method	<b>6,265,067.46</b>	3,710,430.00
Investment incomes from disposal of long-term equity investments	<b>2,531,741.87</b>	
Investment incomes from disposal of financial assets held for trading	<b>47,090,879.05</b>	26,029,255.39
Gain on debt restructuring		694,175.50
Others	<b>-76,024.32</b>	359,856.43
Total	<b>55,811,664.06</b>	30,793,717.32



## Notes to the Financial Statements

For the year ended 31 December 2025  
(All amounts in RMB unless otherwise stated)

### 5 NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 5.50 Gains from changes in fair values

Source of gains from changes in fair value	Year ended 31 December 2025	Year ended 31 December 2024
Financial assets held for trading	<b>8,021,187.39</b>	62,232,760.25
Total	<b>8,021,187.39</b>	62,232,760.25

#### 5.51 Credit impairment losses

Item	Year ended 31 December 2025	Year ended 31 December 2024
Bad debt provision on notes receivable	<b>15,373.04</b>	
Bad debt provision on accounts receivable	<b>3,605,225.67</b>	6,630,968.13
Bad debt provision on receivables financing	<b>64,017.66</b>	
Bad debt provision on other receivables	<b>-614,111.40</b>	694,768.03
Total	<b>3,070,504.97</b>	7,325,736.16

#### 5.52 Asset impairment losses

Item	Year ended 31 December 2025	Year ended 31 December 2024
Decline in the value of inventories and impairment of contract fulfillment costs	<b>32,157,526.84</b>	20,926,716.01
Impairment of goodwill	<b>181,637,778.52</b>	31,278,084.39
Total	<b>213,795,305.36</b>	52,204,800.40



## Notes to the Financial Statements

For the year ended 31 December 2025

(All amounts in RMB unless otherwise stated)

### 5 NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 5.53 Gains from assets disposal

Item	Year ended 31 December 2025	Year ended 31 December 2024	Amount included in non-recurring profit or loss in the period
Gains from disposal of fixed assets	<b>-1,461,639.90</b>	-3,410,582.11	-1,461,639.90
Gains from disposal of right-of-use assets	<b>5,912.21</b>	-64,277.17	5,912.21
<b>Total</b>	<b>-1,455,727.69</b>	-3,474,859.28	-1,455,727.69

The Company did not engage in any transfer of buildings or land use rights during the reporting period.

#### 5.54 Non-operating income

Item	Year ended 31 December 2025	Year ended 31 December 2024	Amount included in non-recurring profit or loss in the period
Government grants	<b>36,064,777.53</b>	34,386,204.11	36,064,777.53
Gains from disposal of fixed assets	<b>114,046.44</b>	78,606.13	114,046.44
Others	<b>2,042,289.64</b>	3,290,548.59	2,042,289.64
<b>Total</b>	<b>38,221,113.61</b>	37,755,358.83	38,221,113.61

#### 5.55 Non-operating expenses

Item	Year ended 31 December 2025	Year ended 31 December 2024	Amount included in non-recurring profit or loss in the period
Donations	<b>331,000.00</b>	267,054.00	331,000.00
Loss from damage and scrapping of non-current assets	<b>1,036,951.89</b>	2,088,484.82	1,036,951.89
Others	<b>1,092,396.57</b>	1,533,556.91	1,092,396.57
<b>Total</b>	<b>2,460,348.46</b>	3,889,095.73	2,460,348.46



## Notes to the Financial Statements

For the year ended 31 December 2025  
(All amounts in RMB unless otherwise stated)

### 5 NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 5.56 Income tax expenses

##### 5.56.1 Statement of income tax

Item	Year ended 31 December 2025	Year ended 31 December 2024
Current income tax	<b>535,238,858.67</b>	470,706,567.39
Deferred income tax	<b>-71,392,532.41</b>	3,950,503.75
<b>Total</b>	<b>463,846,326.26</b>	474,657,071.14

##### 5.56.2 Reconciliation from accounting profit to income tax expense

Item	Year ended 31 December 2025
Profit before tax	<b>1,833,369,255.81</b>
Income tax expenses calculated at the statutory/applicable tax rates	<b>458,342,313.95</b>
Impact of different tax rates applied to certain subsidiaries	<b>-17,933,934.87</b>
Adjustment for current income tax of prior periods	<b>2,397,411.43</b>
Income not subject to tax	<b>-13,944,464.54</b>
Costs, expenses and losses not deductible for tax purpose	<b>48,188,147.14</b>
Utilization of previously unrecognized tax losses	<b>-150,034.20</b>
Deductible temporary differences or deductible tax losses which no deferred tax assets was recognized in current period	<b>570,910.34</b>
Tax credit of research and development expenses, salaries of disabled employees, etc.	<b>-13,607,385.82</b>
Other preferential tax policies on income tax	<b>-16,637.17</b>
<b>Income tax expenses</b>	<b>463,846,326.26</b>



## Notes to the Financial Statements

For the year ended 31 December 2025

(All amounts in RMB unless otherwise stated)

### 5 NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 5.57 Earnings per share

##### 5.57.1 Basic earnings per share

Basic earnings per share is calculated by dividing the consolidated net profit attributable to ordinary shareholders of the Company by weighted average number of issued ordinary shares of the Company.

Item	Year ended 31 December 2025	Year ended 31 December 2024
Net profit attributable to shareholders of the Company ("–" net loss)	<b>1,359,237,139.62</b>	1,484,831,242.06
Weighted average number of issued ordinary shares of the Company	<b>308,797,790.33</b>	292,259,648.67
Basic earnings per share	<b>4.40</b>	5.08
Including: basic earnings per share from continuing operations	<b>4.40</b>	5.08
Basic earnings per share from discontinued operations		

##### 5.57.2 Diluted earnings per share

Diluted earnings per share is calculated by dividing the diluted consolidated net profit attributable to ordinary shareholders of the Company by the diluted weighted average number of ordinary shares outstanding, which is consistent with basic earnings per share.

#### 5.58 Cash flow statement items

##### 5.58.1 Cash relating to operating activities

(1) Cash received relating to other operating activities:

Item	Year ended 31 December 2025	Year ended 31 December 2024
Government grants	<b>143,627,584.96</b>	125,905,999.30
Financial expenses-Interest income	<b>54,565,509.66</b>	64,322,969.87
Receipt of deposit	<b>70,676,269.98</b>	24,092,523.40
Decrease in restricted cash	<b>2,368,732.17</b>	21,715,652.68
Other	<b>4,493,333.73</b>	13,185,553.33
Total	<b>275,731,430.50</b>	249,222,698.58



## Notes to the Financial Statements

For the year ended 31 December 2025  
(All amounts in RMB unless otherwise stated)

### 5 NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 5.58 Cash flow statement items (continued)

##### 5.58.1 Cash relating to operating activities (continued)

###### (2) Cash paid relating to other operating activities

Item	Year ended 31 December 2025	Year ended 31 December 2024
Selling expenses	<b>507,535,677.91</b>	580,732,687.62
General and administration expenses	<b>155,502,724.46</b>	161,804,663.76
Deposits	<b>98,392,878.96</b>	29,589,982.73
Payments of current accounts with other enterprises	<b>407,549.05</b>	7,124,788.32
Others	<b>4,728,224.36</b>	5,828,649.53
Increase in restricted cash	<b>26,354,692.21</b>	3,904,691.34
<b>Total</b>	<b>792,921,746.95</b>	788,985,463.30

##### 5.58.2 Cash relating to investment activities

###### (1) Cash received relating to material investing activities

Item	Year ended 31 December 2025	Year ended 31 December 2024
Recovery of cash management funds	<b>17,293,986,419.34</b>	9,262,475,313.93
<b>Total</b>	<b>17,293,986,419.34</b>	9,262,475,313.93

###### (2) Cash paid relating to material investing activities

Item	Year ended 31 December 2025	Year ended 31 December 2024
Payment for cash management arrangements	<b>17,228,386,376.06</b>	11,606,526,000.00
Capital expenditure on long-term assets	<b>873,464,939.66</b>	901,279,791.42
<b>Total</b>	<b>18,101,851,315.72</b>	12,507,805,791.42



## Notes to the Financial Statements

For the year ended 31 December 2025

(All amounts in RMB unless otherwise stated)

### 5 NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 5.58 Cash flow statement items (continued)

##### 5.58.3 Cash relating to financing activities

###### (1) Cash received relating to other financing activities

Item	Year ended 31 December 2025	Year ended 31 December 2024
Others		154,380.45
<b>Total</b>		<b>154,380.45</b>

###### (2) Cash paid relating to other financing activities

Item	Year ended 31 December 2025	Year ended 31 December 2024
Shares repurchase		62,879,243.53
Cash payments for the principal and interest of lease liabilities	<b>3,234,999.81</b>	3,247,744.07
IPO expenses	<b>91,688,896.77</b>	2,441,751.59
Others	<b>406,978.63</b>	620,103.78
<b>Total</b>	<b>95,330,875.21</b>	<b>69,188,842.97</b>

###### (3) Changes in liabilities arising from financing activities

Item	31 December 2024	Increase in the period		Decrease in the period		31 December 2025
		Cash changes	Non-cash changes	Cash changes	Non-cash changes	
Short-term Borrowing	111,115,011.11	1,340,307,460.88	186,875,022.80	747,692,607.00		<b>890,604,887.79</b>
Long-term Borrowing	1,470,393.00		73,738.94	1,544,131.94		
Lease Liabilities	42,671,385.96		24,118,377.58	3,234,999.81		<b>63,554,763.73</b>
Other payables – Amounts due from non-controlling shareholders		88,670,000.00	215,610,236.92	235,281,022.64		<b>68,999,214.28</b>
<b>Total</b>	<b>155,256,790.07</b>	<b>1,428,977,460.88</b>	<b>426,677,376.24</b>	<b>987,752,761.39</b>		<b>1,023,158,865.80</b>



## Notes to the Financial Statements

For the year ended 31 December 2025  
(All amounts in RMB unless otherwise stated)

### 5 NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 5.59 Supplementary information to the statement of cash flows

##### 5.59.1 Supplementary information to the statement of cash flows

Supplementary information	Year ended 31 December 2025	Year ended 31 December 2024
1. Net profit adjusted to cash flows from operating activities		
Net profit	<b>1,369,522,929.55</b>	1,513,618,588.14
Add: Credit impairment losses	<b>3,070,504.97</b>	7,325,736.16
Asset impairment losses	<b>213,795,305.36</b>	52,204,800.40
Depreciation of investment properties	<b>711,546.88</b>	
Depreciation of fixed assets	<b>513,304,739.86</b>	438,718,889.27
Depletion of oil and gas assets		
Depreciation of right-of-use assets	<b>6,853,492.29</b>	4,423,197.79
Amortization of intangible assets	<b>58,475,529.91</b>	48,565,921.91
Amortization of long-term deferred expenses	<b>21,541,723.41</b>	13,559,973.41
Losses on disposal of fixed assets, intangible assets and other long-term assets (“-” for gains)	<b>1,455,727.69</b>	3,474,859.28
Losses from retirement of fixed assets (“-” for gains)	<b>922,905.45</b>	2,009,878.69
Losses from changes in fair value (“-” for gains)	<b>-8,021,187.39</b>	-62,232,760.25
Finance expenses (“-” for incomes)	<b>57,332,964.90</b>	-656,383.52
Investment losses (“-” for gains)	<b>-55,811,664.06</b>	-30,793,717.32
Decreases in deferred tax assets (“-” for increases)	<b>-23,876,494.11</b>	-12,207,375.19
Increases in deferred tax liabilities (“-” for decreases)	<b>-47,516,038.30</b>	16,157,878.94
Decreases in inventories (“-” for increases)	<b>-280,681,411.46</b>	261,140,608.39
Decreases in operating receivables (“-” for increase)	<b>68,647,599.22</b>	-118,935,849.49
Increases in operating payables (“-” for decrease)	<b>422,779,618.66</b>	-133,337,893.04
Others	<b>-5,784,814.24</b>	100,808,314.66
Net cash flows from operating activities	<b>2,316,722,978.59</b>	2,103,844,668.23
2. Net change in cash and cash equivalents		
Ending balance of cash	<b>4,847,555,491.41</b>	2,228,321,659.79
Less: Beginning balance of cash	<b>2,228,321,659.79</b>	4,527,450,610.12
Add: Ending balance of cash equivalents		
Less: Beginning balance of cash equivalents		
Net increase in cash and cash equivalents	<b>2,619,233,831.62</b>	-2,299,128,950.33



## Notes to the Financial Statements

For the year ended 31 December 2025

(All amounts in RMB unless otherwise stated)

### 5 NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 5.59 Supplementary information to the statement of cash flows (continued)

##### 5.59.2 Net cash paid for acquisition of subsidiaries in the period

	<b>Amount</b>
Cash or cash equivalents paid in the period for business combination occurred in the period	494,743,569.00
Including: Jiangsu Ding Wei Tai Food Co., Ltd.	444,500,000.00
Dingyifeng Food (Taicang) Co., Ltd.	50,243,569.00
Less: cash and cash equivalents held by the subsidiaries at the acquisition date	86,706,932.71
Including: Jiangsu Ding Wei Tai Food Co., Ltd.	77,166,204.95
Dingyifeng Food (Taicang) Co., Ltd.	9,540,727.76
Add: cash and cash equivalents paid in the period for the business combination occurred in previous periods	
Net cash paid for acquisition of subsidiaries	408,036,636.29

##### 5.59.3 Net cash received from disposal of subsidiaries in the period

	<b>Amount</b>
Cash or cash equivalents received in the period from disposal of subsidiaries occurred in the period	
Including: Lecker Industry Co., Ltd.	
Less: cash and cash equivalents held by the subsidiaries at the disposal date	131,338.38
Including: Lecker Industry Co., Ltd.	131,338.38
Add: cash and cash equivalents received in the period from the disposal of subsidiaries occurred in previous periods	
Net cash received from disposal of subsidiaries	-131,338.38

Note: The Company transferred its sub-subsidiary, Lecker Industry Co., Ltd., at the end of November 2025, and the proceeds from the equity transfer had not been received as at the end of this reporting period. The proceeds from the equity transfer of JPY 9.9 million were collected on 16 January, 2026.



## Notes to the Financial Statements

For the year ended 31 December 2025  
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### 5 NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 5.59 Supplementary information to the statement of cash flows (continued)

##### 5.59.4 Composition of cash and cash equivalents

Item	31 December 2025	31 December 2024
1. Cash	<b>4,847,555,491.41</b>	2,228,321,659.79
Including: cash on hand	<b>50,397.97</b>	18,508.01
Digital currency available for payment readily		
Cash at bank available for payment readily	<b>4,842,911,522.42</b>	2,223,234,280.70
Other cash and cash equivalents available for payment readily	<b>4,593,571.02</b>	5,068,871.08
Central bank deposits available for payment		
Interbank deposits		
Interbank lending funds		
2. Cash equivalents		
Including: bond investments due within three months		
3. Ending balance of cash and cash equivalents	<b>4,847,555,491.41</b>	2,228,321,659.79
Including: cash and cash equivalents held but not available for use by the Company or other subsidiaries within the group		

The Company does not have any cash and cash equivalents that are restricted in use but are still presented as such.



## Notes to the Financial Statements

For the year ended 31 December 2025

(All amounts in RMB unless otherwise stated)

### 5 NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 5.59 Supplementary information to the statement of cash flows (continued)

##### 5.59.4 Composition of cash and cash equivalents (continued)

*Cash at bank and on hand not classified as cash and cash equivalents*

Item	31 December 2025	31 December 2024	Reasons for exclusion from cash and cash equivalents
Certificates of deposit and time deposits not available on demand	<b>91,423,125.00</b>	533,510,831.77	Not readily available for payment
Bank acceptance bill deposits	<b>39,995,189.98</b>	17,314,828.94	Not readily available for payment
Performance deposits	<b>1,026,110.33</b>		Not readily available for payment
Frozen funds	<b>280,000.00</b>		Not readily available for payment
<b>Total</b>	<b>132,724,425.31</b>	550,825,660.71	

5.59.5 The Company has no supplier finance arrangements.

5.59.6 The Company does not have any significant activities that do not involve current cash flows but affect the financial position or may affect future cash flows, nor any related financial effects.



## Notes to the Financial Statements

For the year ended 31 December 2025  
(All amounts in RMB unless otherwise stated)

### 5 NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 5.60 Monetary items in foreign currencies

##### 5.60.1 Monetary items in foreign currencies

Item	Original currency as at 31 December 2025	Exchange rate	RMB equivalent as at 31 December 2025
<b>Cash at bank and on hand</b>			2,132,678,518.65
USD	301,670,043.16	7.03	2,120,386,152.11
EUR	224,327.84	8.33	1,868,329.28
HKD	1,771,458.81	0.90	1,600,017.02
GBP	935,282.92	9.43	8,824,020.24
<b>Accounts receivable</b>			20,390,863.77
USD	320,991.86	7.03	2,256,187.59
GBP	1,890,473.70	9.43	17,835,863.17
JPY	6,670,380.00	0.04	298,813.01
<b>Other receivable</b>			1,849,008.61
GBP	148,974.87	9.43	1,405,518.31
JPY	9,900,000.00	0.04	443,490.30
<b>Accounts payable</b>			6,010,358.06
GBP	637,054.89	9.43	6,010,358.06
<b>Employee benefits payable</b>		9.43	2,862,202.34
GBP	303,372.94	9.43	2,862,202.34
<b>Other payables</b>			1,391,201.36
HKD	512,692.78	0.90	463,074.37
GBP	98,374.81	9.43	928,126.99
<b>Non-current liabilities due within one year</b>		9.43	1,120,811.42
GBP	118,797.98	9.43	1,120,811.42
<b>Lease liabilities</b>		9.43	5,329,571.86
GBP	564,896.43	9.43	5,329,571.86

5.60.2 The Company has no material overseas operating entities.



## Notes to the Financial Statements

For the year ended 31 December 2025

(All amounts in RMB unless otherwise stated)

### 5 NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 5.61 Lease

##### 5.61.1 As Lessee

Item	Year ended 31 December 2025	Year ended 31 December 2024
Interest expenses on lease liabilities	<b>1,633,546.11</b>	398,922.68
Short-term lease expenses (simplified approach) charged to cost of assets or current profit or loss	<b>16,975,720.44</b>	15,458,968.33
Lease expenses for low-value assets under simplified approach (excluding short-term leases of low-value assets)		
Variable lease payments not included in the measurement of lease liabilities, recognized in cost of relevant assets or profit or loss for the period		
Including: arising from sale and leaseback transactions		
Income from subleasing right-of-use assets	<b>21,520,559.27</b>	26,114,507.45
The total cash outflows related to lease	<b>21,520,559.27</b>	26,114,507.45
Gain or loss arising from sale and leaseback transactions		
Cash inflows from sale and leaseback transactions		4,128,901.56
Cash outflows from sale and leaseback transactions	<b>200,000.00</b>	

The Company has no expected future cash outflows for leases that have been committed but not yet commenced.

##### 5.61.2 As Lessor

###### (1) Operating Leases

	Year ended 31 December 2025	Year ended 31 December 2024
Income of operating leases	<b>617,781.48</b>	
Including: Income relating to variable lease payments that are not included in the measurement of lease receivables		



## Notes to the Financial Statements

For the year ended 31 December 2025  
(All amounts in RMB unless otherwise stated)

### 5 NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 5.61 Lease (continued)

##### 5.61.2 As Lessor (continued)

##### (1) Operating Leases (continued)

The undiscounted lease payments to be received after the balance sheet date are as follows:

Remaining lease term	Year ended 31 December 2025	Year ended 31 December 2024
Within 1 year	<b>1,538,446.32</b>	
1 to 2 years	<b>1,538,446.32</b>	
2 to 3 years	<b>1,288,446.32</b>	
3 to 4 years	<b>343,388.98</b>	
4 to 5 years		
Over 5 years		
Total	<b>4,708,727.94</b>	



## Notes to the Financial Statements

For the year ended 31 December 2025

(All amounts in RMB unless otherwise stated)

### 6 RESEARCH AND DEVELOPMENT EXPENDITURES

#### 6.1 Research and development expenditures

Item	Year ended 31 December 2025	Year ended 31 December 2024
Employee benefits	<b>43,935,308.94</b>	48,399,630.38
Materials costs	<b>33,042,067.11</b>	35,657,595.18
Depreciation and amortization expenses	<b>8,842,071.92</b>	8,482,535.67
Other expenses	<b>6,247,468.24</b>	4,673,911.72
Total	<b>92,066,916.21</b>	97,213,672.95
Including: Expensed research and development expenditures	<b>92,066,916.21</b>	97,213,672.95
Capitalized research and development expenditures		

The data resource research and development expenditure expensed by the Company during the period is RMB0 (previous period: RMB0). The data resource research and development expenditure capitalized by the Company during the period is RMB0 (previous period: RMB0).

**6.2** The Company has no material purchased research and development projects in progress.

### 7 CHANGES IN SCOPE OF CONSOLIDATION

#### 7.1 Business combination not under common control

*7.1.1 Business combination not under common control occurred in the current period*

Name of acquiree	Time of equity acquisition	Cost of equity acquisition	Proportion of equity acquisition (%)	Method of equity acquisition	Acquisition date	Basis for determination of the acquisition date	Income of the acquiree from the acquisition date to the end of the period	Net profit of the acquiree from the acquisition date to the end of the period	Cash flow of the acquiree from the acquisition date to the end of the period
							date of the period	period	of the period
Jiangsu Ding Wei Tai Food Co., Ltd.	2025/7/21	444,500,000.00	70.00	Cash	2025/7/10	Payment of Cash	330,698,857.67	37,626,288.40	-21,939,996.40



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For the year ended 31 December 2025  
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### 7 CHANGES IN SCOPE OF CONSOLIDATION (CONTINUED)

#### 7.1 Business combination not under common control (continued)

##### 7.1.2 Combination cost and goodwill

	<b>Jiangsu Ding Wei Tai Food Co., Ltd.</b>
Cost of combination	
– Cash paid	444,500,000.00
– Fair value of non-cash assets paid	
– Fair value of debt issued or assumed	
– Fair value of equity securities issued	
– Fair value of contingent consideration	
– Fair value of equity held prior to the acquisition date on the acquisition date	
– Others	
Total cost of combination	444,500,000.00
Less: Fair value of the identifiable net assets obtained	246,808,310.06
Goodwill/Excess of the Company's share of the fair value of identifiable net assets acquired over the cost of the business combination	197,691,689.94

##### 7.1.3 The identifiable assets and liabilities of the acquiree at the acquisition date

	<b>Jiangsu Ding Wei Tai Food Co., Ltd.</b>	
	<b>Fair value at the acquisition date</b>	<b>Net carrying amount at the acquisition date</b>
Assets:	773,029,749.79	600,529,010.27
Cash at bank and on hand	157,179,382.95	157,179,382.95
Accounts receivable	51,297,591.80	51,297,591.80
Inventories	113,595,360.81	113,595,360.81
Fixed assets	134,667,633.83	99,088,493.72
Intangible assets	189,662,795.25	13,078,920.30
Other assets	126,626,985.15	166,289,260.69
Liabilities:	416,578,933.96	366,432,207.07
Borrowings	170,099,861.07	170,099,861.07
Accounts payable	42,006,813.27	42,006,813.27
Other payables	84,340,029.08	84,340,029.08
Deferred tax liabilities	54,105,487.07	77,920.60
<b>Other liabilities</b>	66,026,743.47	69,907,583.05
Net assets:	356,450,815.83	234,096,803.20
Less: Non-controlling Interests	3,867,515.77	3,668,570.07
Net assets acquired	352,583,300.06	230,428,233.13



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For the year ended 31 December 2025

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### 7 CHANGES IN SCOPE OF CONSOLIDATION (CONTINUED)

#### 7.2 Other changes in scope of consolidation for other reasons

1. During the current period, the Company acquired 100% of the equity interests in Dingyifeng Food (Taicang) Co., Ltd. Dingyifeng Food (Taicang) Co., Ltd. has no actual operating activities and only owns properties and land use rights.
2. During the current period, the Company established Hong Kong Anjoy Marketing CO., Limited and Henan Anzhai Food Co., Ltd..
3. In November 2025, the Company disposed of its equity interests in Lecker Industry Co., Ltd. After the disposal, Lecker Industry Co., Ltd. is no longer included in the Company's scope of consolidation.
4. During the current period, the Company completed the liquidation and deregistration of Good News International Trading Limited. The Company has ceased to include Good News International Trading Limited in its of consolidated financial statement from the completion date of liquidation and deregistration.

## 8 INTERESTS IN OTHER ENTITIES

### 8.1 Interests in subsidiaries

#### 8.1.1 Structure of the enterprise group

Subsidiaries	Subsidiaries Registered capital of business	Principal place of business	Place of registration	Business nature	Shareholding (%)		Acquisition method	Type of Legal Entity
					Direct	Indirect		
Wuxi Huashun Minsheng Foods Co., Ltd.	RMB 500 million	Wuxi, Jiangsu, China	Wuxi, Jiangsu, China	Food processing and production	96.84	3.16	Business Combination	Limited Liability Company
Wuxi Anjoy Foods Marketing Co., Ltd.	RMB 312 million	Wuxi, Jiangsu, China	Wuxi, Jiangsu, China	Wholesale and retail of food	100.00		Business combination	Limited Liability Company
Taizhou Anjoy Foods Co., Ltd.	RMB 965 million	Taizhou, Jiangsu, China	Taizhou, Jiangsu, China	Food processing and production	100.00		Establishment	Limited Liability Company
Hong Kong Anjoy Foods Limited	USD 4 million	Hong Kong, China	Hong Kong, China	Sales of Quick-frozen food and investment in supporting industries	100.00		Establishment	Limited Liability Company
Liaoning Anjoy Foods Co., Ltd.	RMB 635 million	Anshan, Liaoning, China	Anshan, Liaoning, China	Food processing and production	100.00		Establishment	Limited Liability Company
Sichuan Anjoy Foods Co., Ltd.	RMB 810 million	Ziyang, Sichuan, China	Ziyang, Sichuan, China	Food processing and production	100.00		Establishment	Limited Liability Company
Hubei Anjoy Foods Co., Ltd.	RMB 500 million	Qianjiang, Hubei, China	Qianjiang, Hubei, China	Food processing and production	100.00		Establishment	Limited Liability Company
Henan Anjoy Foods Co., Ltd.	RMB 930 million	Anyang, Henan, China	Anyang, Henan, China	Food processing and production	100.00		Establishment	Limited Liability Company
Guangdong Anjoy Foods Co., Ltd.	RMB 766 million	Foshan, Guangdong, China	Foshan, Guangdong, China	Food processing and production	100.00		Establishment	Limited Liability Company
Xiamen Anjoy Frozen Mr. Frozen Supply Chain Co., Ltd.	RMB 50 million	Xiamen, Fujian, China	Xiamen, Fujian, China	Wholesale and Retail of Food	100.00		Establishment	Limited Liability Company
Hubei Anrun Foods Co., Ltd.	RMB 20 million	Qianjiang, Hubei, China	Qianjiang, Hubei, China	Food processing and production	100.00		Establishment	Limited Liability Company
Shandong Anjoy Foods Co., Ltd.	RMB 655 million	Laoling, Shandong, China	Laoling, Shandong, China	Food processing and production	100.00		Establishment	Limited Liability Company
Honghu Xinhongye Food Co., Ltd.	RMB 80 million	Honghu, Hubei, China	Honghu, Hubei, China	Food processing and production	90.00		Business combination	Limited Liability Company
Honghu Xinhongye Aquatic Co., Ltd.	RMB 2 million	Honghu, Hubei, China	Honghu, Hubei, China	Food processing and production		90.00	Business combination	Limited Liability Company
Honghu Hongye Eco-agriculture Co., Ltd.	RMB 2 million	Honghu, Hubei, China	Honghu, Hubei, China	Feed Processing and Production		90.00	Business combination	Limited Liability Company
Oriental Food Express Limited	GBP 1,416	United Kingdom	United Kingdom	Food Production and Wholesale	69.9859		Business combination	Limited Liability Company
Good News International Trading Europe B.V.	EUR 1,000	Netherlands	Netherlands	Wholesale and Retail of Food		69.9859	Business combination	-
Honghu Anjoy Foods Co., Ltd.	RMB 520 million	Honghu, Hubei, China	Honghu, Hubei, China	Food processing and production	90.00		Establishment	Limited Liability Company
Hubei New Liuwu Foodstuff Group Co., Ltd.	RMB 260 million	Qianjiang, Hubei, China	Qianjiang, Hubei, China	Food processing and production	74.4915		Business combination	Limited Liability Company
Qianjiang New Liuwu Food Technology Co., Ltd.	RMB 80 million	Qianjiang, Hubei, China	Qianjiang, Hubei, China	Food processing and production		74.4915	Business combination	Limited Liability Company
Hubei Songjin Biological Feed Co., Ltd.	RMB 5 million	Qianjiang, Hubei, China	Qianjiang, Hubei, China	Feed Processing and Production		74.4915	Business combination	Limited Liability Company

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## Notes to the Financial Statements

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### 8 INTERESTS IN OTHER ENTITIES (CONTINUED)

#### 8.1 Interests in subsidiaries (continued)

##### 8.1.1 Structure of the enterprise group (continued)

Subsidiaries	Subsidiaries Principal place Registered capital of business	Place of registration	Business nature	Shareholding (%)		Acquisition method	Type of Legal Entity
				Direct	Indirect		
Jiangxi Liuwu Foods Co., Ltd.	RMB 20 million Jiujiang, Jiangxi, China	Jiujiang, Jiangxi, China	Food processing and production	100.00	74.4915	Establishment	Limited Liability Company
Xiamen Anjoy E-commerce Co., Ltd.	RMB 10 million Xiamen, Fujian, China	Xiamen, Fujian, China	Wholesale and Retail of Food	100.00		Establishment	Limited Liability Company
Xiamen Anjoy Food Industry Co., Ltd.	RMB 610 million Xiamen, Fujian, China	Xiamen, Fujian, China	Food processing and production	100.00		Establishment	Limited Liability Company
Hong Kong Anjoy Marketing CO., Limited	HKD 10 million Hong Kong, China	Hong Kong, China	Sales of Quick-frozen Food		100.00	Establishment	Limited Liability Company
Henan Anzhai Food Co., Ltd.	RMB 50 million Anyang, Henan, China	Anyang, Henan, China	Food processing and production	100.00		Establishment	Limited Liability Company
Ding Yifeng Food (Taicang) Co., Ltd.	RMB 410 million Suzhou, Jiangsu, China	Suzhou, Jiangsu, China	Food processing and production	100.00		Business combination	Limited Liability Company
Jiangsu Ding Wei Tai Food Co., Ltd.	RMB 57.848608 million Lianyungang, Jiangsu, China	Lianyungang, Jiangsu, China	Food processing and production	70.00		Business combination	Limited Liability Company
Lecker (Lianyungang) Seafoods Co., Ltd.	RMB 100 million Lianyungang, Jiangsu, China	Lianyungang, Jiangsu, China	Food processing and production		70.00	Business combination	Limited Liability Company
Jiangsu Dingguan Food Co., Ltd.	RMB 16.666667 million Lianyungang, Jiangsu, China	Lianyungang, Jiangsu, China	Food processing and production		70.00	Business combination	Limited Liability Company
Lecker (Taicang) Bakery Co., Ltd.	RMB 86 million Suzhou, Jiangsu, China	Suzhou, Jiangsu, China	Sale of food products		67.4913	Business combination	Limited Liability Company
Lecker Food (Taicang) Co., Ltd.	RMB 88.086419 million Suzhou, Jiangsu, China	Suzhou, Jiangsu, China	Food processing and production		67.4913	Business combination	Limited Liability Company
Lecker Bakery (Lianyungang) Co., Ltd.	RMB 20 million Lianyungang, Jiangsu, China	Lianyungang, Jiangsu, China	Food processing and production		67.4913	Business combination	Limited Liability Company
Lecker Castle (Taicang) Bakery Co., Ltd.	RMB 2 million Suzhou, Jiangsu, China	Suzhou, Jiangsu, China	Sale of food products		67.4913	Business combination	Limited Liability Company



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For the year ended 31 December 2025  
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### 8 INTERESTS IN OTHER ENTITIES (CONTINUED)

#### 8.1 Interests in subsidiaries (continued)

##### 8.1.1 Structure of the enterprise group (continued)

Mr. Liu Zhonghu transferred 4.4915% of the equity interest in Hubei New Liuwu Foodstuff Group Co., Ltd. held by him as consideration for the settlement of the performance compensation and goodwill impairment compensation payable by him and Mr. Liu Jing. Accordingly, the equity interest held by the Company in Hubei New Liuwu Foodstuff Group Co., Ltd and its subsidiaries increased from 70% at the end of the previous period to 74.4915%.

The above-mentioned registered capital is as of December 31, 2025. In March 2026, the company increased its investment in its wholly-owned subsidiary, Henan Anjoy, by RMB120 million. The company has completed the industrial and commercial registration procedures and obtained the renewed “Business License” issued by the local market supervision and administration bureau. As of the reporting date, the registered capital of Henan Anjoy is RMB1,050 million.

##### 8.1.2 Significant non-wholly owned subsidiaries

<b>Subsidiaries</b>	<b>Shareholding proportion of non-controlling shareholders</b>	<b>Total profit or loss attributable to non-controlling shareholders for the period</b>	<b>Dividends declared to non-controlling shareholders for the period</b>	<b>Non-controlling interests as at end of the period</b>
Honghu Xinhongye Food Co., Ltd.	10.00%	3,478,262.12	1,000,000.00	76,251,987.78
Hubei New Liuwu Foodstuff Group Co., Ltd.	25.5085%	-3,025,675.16		148,466,310.56





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### 8 INTERESTS IN OTHER ENTITIES (CONTINUED)

#### 8.2 Transactions resulting in changes in the Company's shareholder's equity in a subsidiary while the Company retains control of the subsidiary

##### 8.2.1 Explanation of changes in the share of shareholders' equity in subsidiaries

Mr. Liu Zhonghu transferred 4.4915% of the equity interest in Hubei New Liuwu Foodstuff Group Co., Ltd. (held by him as consideration for the settlement of the performance compensation and goodwill impairment compensation payable by him and Mr. Liu Jing. Accordingly, the equity interest held by the Company in Hubei New Liuwu Foodstuff Group Co., Ltd. and its subsidiaries increased from 70% at the end of the previous period to 74.4915%.

##### 8.2.2 The effect of the transaction on non-controlling interests and the equity attributable to the shareholders of the Company

	<b>Hubei New Liuwu Foodstuff Group Co., Ltd.</b>
Acquisition cost	
– Cash paid	
– Fair value of non-cash assets	47,115,360.61
Total of acquisition cost/disposal consideration	47,115,360.61
Less: the Net asset calculated by the acquisition or disposal proportion of the subsidiaries	25,988,896.92
Difference	21,126,463.69
Including: adjustment of Capital reserve	21,126,463.69
adjustment of Surplus reserve	
adjustment of Retained earnings	



## Notes to the Financial Statements

For the year ended 31 December 2025

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### 8 INTERESTS IN OTHER ENTITIES (CONTINUED)

#### 8.3 Interests in joint ventures or associates

8.3.1 The Company has no significant joint ventures or associates.

8.3.2 Summarized financial information for insignificant joint ventures and associates

	31 December 2025/Year ended 31 December 2025	31 December 2024/Year ended 31 December 2024
Associates:		
Total carrying amounts of investments	15,568,064.29	13,764,499.33
The sum of the following items in proportion to shareholding		
– Net profit	6,265,067.46	3,710,430.00
– Other comprehensive income		
– Total comprehensive income	6,265,067.46	3,710,430.00

### 9 GOVERNMENT GRANTS

#### 9.1 Government grants recognized in current profit or loss

Type	Year ended 31 December 2025	Year ended 31 December 2024
Income-related	70,430,323.60	64,199,945.62
Asset-related	29,330,734.11	25,317,507.26
Total	99,761,057.71	89,517,452.88

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### 9 GOVERNMENT GRANTS (CONTINUED)

#### 9.2 Liabilities items related to government grants

Liabilities presentation item	31 December 2024	Additional government grants during the period	Amounts recognized to non-operating income during the period	Amounts recognized to other income during the period	Amounts recognized to gains from assets disposal during the period	Other changes	31 December 2025	Asset related/ Income related
Deferred income	1,616,713.86	1,203,200.00		282,459.74			<b>2,537,454.12</b>	Income-related government grants
Deferred income	130,069,294.32	72,276,521.10		21,077,514.16	85,477.46	12,933,649.72	<b>168,249,174.08</b>	Asset-related government grants
<b>Total</b>	<b>131,686,008.18</b>	<b>73,479,721.10</b>		<b>21,359,973.90</b>	<b>85,477.46</b>	<b>12,933,649.72</b>	<b>170,786,628.20</b>	

9.3 The company has no repaid government grants.

### 10 RISKS RELATED TO FINANCIAL INSTRUMENTS

#### 10.1 Various risks arising from financial instruments

The Company faces various financial risks in its operations: credit risk, market risk and liquidity risk. The Company's management is fully responsible for determining the risk management objectives and policies and bears ultimate responsibility therefor. The management reviews the effectiveness of implemented procedures and the reasonableness of risk management objectives and policies through monthly work reports submitted by functional departments. The Company's internal auditors also audit risk management policies and procedures and report relevant findings to the Audit Committee.

##### 10.1.1 Credit risk

Credit risk refers to the risk that the Company may incur financial losses as a result of a counterparty failing to perform its contractual obligations. The Company is mainly exposed to credit risk from customers arising from credit sales. Prior to entering into new contracts, the Company assesses the credit risk of new customers. The Company has set credit limits for major customers, which represent the maximum amounts available without additional approval.

The Company ensures that its overall credit risk remains within a controllable range through irregular monitoring of credit ratings of existing customers, as well as monthly reviews of the ageing analysis of accounts receivable and the ageing analysis of goods delivered. When monitoring customer credit risk, customers are grouped according to their credit characteristics. Customers classified as "high-risk" are placed on a restricted customer list, and the Company may only grant credit to such customers in future periods with additional approval; otherwise, advance payment is required.



## Notes to the Financial Statements

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### 10 RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

#### 10.1 Various risks arising from financial instruments (continued)

##### 10.1.2 Liquidity risk

Liquidity risk refers to the risk that the Company will encounter cash shortages in fulfilling its obligations to settle by delivery of cash or other financial assets.

The Company's policy is to maintain sufficient cash to meet its maturing debts. Liquidity risk is centrally controlled by the finance department of the Company. The finance department monitors cash balances, readily realizable financial assets and rolling cash flow projections for the forthcoming 12 months to ensure that the Company has sufficient funds to meet its maturing debts under all reasonable forecasts.

Financial liabilities are presented at undiscounted contractual cash flows by maturity date of the Company as follows:

Item	31 December 2025				Total undiscounted contract amount	Carrying amount
	Within 1 year	1-2 years	2-3 years	Over 3 years		
Short-term borrowings	897,799,558.90				897,799,558.90	890,604,887.79
Notes payable	167,899,413.21				167,899,413.21	167,899,413.21
Accounts payable	1,498,252,688.11				1,498,252,688.11	1,498,252,688.11
Other payables	197,517,164.81				197,517,164.81	197,517,164.81
Other current liabilities	375,876,492.58				375,876,492.58	375,876,492.58
Lease liability	17,190,679.73	7,023,895.05	5,975,479.75	46,706,227.84	76,896,282.37	63,554,763.73
Long-term payables	15,553,139.16	7,290,442.24	127,000,000.00		149,843,581.40	138,369,369.53
<b>Total</b>	<b>3,170,089,136.50</b>	<b>14,314,337.29</b>	<b>132,975,479.75</b>	<b>46,706,227.84</b>	<b>3,364,085,181.38</b>	<b>3,332,074,779.76</b>

Item	31 December 2024				Total undiscounted contract amount	Carrying amount
	Within 1 year	1-2 years	2-3 years	Over 3 years		
Short-term borrowings	111,115,011.11				111,115,011.11	111,115,011.11
Financial liabilities held for trading	6,902,000.00				6,902,000.00	6,902,000.00
Notes payable	233,945,292.26				233,945,292.26	233,945,292.26
Accounts payable	1,581,399,426.90	27,804,830.18	11,110,073.83		1,620,314,330.91	1,620,314,330.91
Other payables	636,531,409.38	1,640,000.00		15,000.00	638,186,409.38	638,186,409.38
Other current liabilities	314,868,598.07				314,868,598.07	314,868,598.07
Lease liability	7,744,666.51	4,850,350.14	2,251,284.00	40,026,338.16	54,872,638.81	42,671,385.96
Long-term borrowings	980,262.00	490,131.00			1,470,393.00	1,470,393.00
<b>Total</b>	<b>2,893,486,666.23</b>	<b>34,785,311.32</b>	<b>13,361,357.83</b>	<b>40,041,338.16</b>	<b>2,981,674,673.54</b>	<b>2,969,473,420.69</b>



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### 10 RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

#### 10.1 Various risks arising from financial instruments (continued)

##### 10.1.3 Market risk

Market risk of financial instruments refers to the risk from the fluctuations in the fair value or future cash flows of financial instruments due to variations in market prices, including exchange rate risk, interest rate risk, and other price risks.

##### (1) Interest rate risk

Interest rate risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates.

The Company was exposed to insignificant interest rate risk during the reporting period, which mainly arose from bank borrowings.

The Company maintains sound relationships with banks and reasonably structures its credit lines, credit types and credit tenors to ensure sufficient bank credit facilities, secure favorable interest rates and meet its various financing needs.

Although such a policy cannot fully protect the Company from the risk of paying interest rates exceeding prevailing market rates or eliminate the cash flow risk associated with volatile interest payments, the management considers that the policy achieves a reasonable balance among these risks and has effectively reduced the Company's overall interest rate risk exposure.

##### (2) Exchange rate risk

Exchange rate risk refers to the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in foreign exchange rates.

The Company continuously monitors the scale of foreign currency transactions, foreign currency assets and liabilities to minimize its exposure to foreign exchange risks. Furthermore, the Company may enter into forward foreign exchange contracts or currency swap contracts in order to hedge against currency risk. The Company has not entered into any forward foreign exchange contracts or currency swap contracts during the current or the prior period.

The exchange rate risk faced by the Company primarily arises from financial assets denominated in US dollars held by entities with a functional currency of RMB, and financial assets and financial liabilities denominated in foreign currency held by entities with a functional currency of GBP. The amounts of foreign currency-denominated financial assets and financial liabilities held by entities with a functional currency of RMB converted into RMB are as follows:



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### 10 RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

#### 10.1 Various risks arising from financial instruments (continued)

##### 10.1.3 Market risk (continued)

##### (2) Exchange rate risk (continued)

Item	31 December 2025			31 December 2024		
	USD	Others	Total	USD	Others	Total
Cash at bank and on hand	2,120,035,504.35	1,600,017.02	2,121,635,521.37	2,978,473.36	1,663,790.34	4,645,000.45
Accounts receivable	2,256,187.59	298,813.01	2,555,000.60	2,726,998.23		2,726,998.23
Other receivables		443,490.30	443,490.30	113,145.42		113,145.42
<b>Total of financial assets</b>	<b>2,122,291,691.94</b>	<b>2,342,320.33</b>	<b>2,124,634,012.27</b>	5,818,617.01	1,663,790.34	7,482,407.35
Other payables		592,693.04	592,693.04			
<b>Total of financial liabilities</b>		<b>592,693.04</b>	<b>592,693.04</b>			

As at 31 December 2025, holding all other variables constant, a 5% appreciation or depreciation of RMB against USD would increase or decrease the Company's profit for the year by RMB79,585,938.45 (31 December 2024: RMB218,198.14).

The amounts of foreign currency-denominated financial assets and financial liabilities held by entities with a functional currency of GBP are not material in amount and therefore have not been separately presented. For details, please refer to Note 5.60.

### 11 DISCLOSURE OF FAIR VALUE

The input value used in the fair value measurement is divided into three levels:

Level 1 input value is the unadjusted quotation in the active market for the same assets or liabilities that can be obtained on the measurement date.

Level 2 input value is the direct or indirect observable input value of related assets or liabilities except for the first level input value.

Level 3 input value is the unobservable input of related assets or liabilities.

The level of the fair value measurement shall be decided according to the minimum level of input value that is significant to the overall fair value measurement.



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### 11 DISCLOSURE OF FAIR VALUE (CONTINUED)

#### 11.1 Ending fair value of assets and liabilities measured at fair value

Item	31 December 2025			Total
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	
<b>I. Continuous fair value measurement</b>				
◆ Financial assets held for trading	2,685,390,159.72	953,783,181.54		3,639,173,341.26
1. Financial assets measured at fair value through current profit or loss	2,685,390,159.72	953,783,181.54		3,639,173,341.26
(1) Debt instrument investments				
(2) Equity instrument investments				
(3) Private fund products	1,999,066,821.23			1,999,066,821.23
(4) Wealth management products	686,323,338.49	953,783,181.54		1,640,106,520.03
2. Designated financial assets measured at fair value through profit or loss				
(1) Debt instrument investments				
(2) Others				
◆ Receivables financing		1,216,335.50		1,216,335.50
◆ Other debt investments				
◆ Other equity instrument investments				
◆ Other Non-current financial assets				
1. Financial assets measured at fair value through profit or loss				
(1) Debt instrument investments				
(2) Equity instrument investments				
(3) Derivative financial assets				
(4) Others				
2. Designated financial assets measured at fair value through profit or loss				
(1) Debt instrument investments				
(2) Others				

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### 11 DISCLOSURE OF FAIR VALUE (CONTINUED)

#### 11.1 Ending fair value of assets and liabilities measured at fair value (continued)

Item	31 December 2025			Total
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	
<b>Total assets measured at fair value on a continuing basis</b>	<b>2,685,390,159.72</b>	<b>954,999,517.04</b>		<b>3,640,389,676.76</b>
◆ Financial liabilities held for trading				
1. Financial liabilities held for trading				
(1) Issued trading bonds				
(2) Derivative financial liabilities				
(3) Others				
2. Designated financial liabilities measured at fair value through profit or loss				
<b>Total liabilities measured at fair value on a continuing basis</b>				
<b>II. Discontinuing fair value measurement</b>				
◆ Assets held for sale				
<b>Total assets measured at fair value on a discontinuing basis</b>				
◆ Liabilities held for sale				
<b>Total liabilities measured at fair value on a discontinuing basis</b>				

#### 11.2 Basis for determination of market price of items measured at the Level 1 fair value on a continuing and discontinuing basis

Quotations of the assets are available at the balance sheet date.

#### 11.3 Continuing and discontinuing Level 2 fair value measurement items, qualitative and quantitative information on the valuation techniques and significant parameters used

Item	Fair value at		
	31 December 2025	Valuation technique	Key Parameters
Financial assets held for trading – wealth management products	953,783,181.54	Discounted cash flow method	Expected rate of return, discount rate



## Notes to the Financial Statements

For the year ended 31 December 2025  
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### 11 DISCLOSURE OF FAIR VALUE (CONTINUED)

#### 11.4 Continuing and discontinuing Level 3 fair value measurement items, qualitative and quantitative information on the valuation techniques and significant parameters used

The Company has no continuing and discontinuing Level 3 fair value measurement items.

#### 11.5 Continuing fair value measurement items at Level 3, the adjustment information between the carrying amount at the end of the previous year and the end of the current period, as well as the sensitivity analysis of unobservable parameters

For continuing Level 3 fair value measurements, there is no reconciliation information between the carrying amounts at the end of the prior year and the end of the current period, nor are there any unobservable input parameters.

#### 11.6 For the continuing fair value measurement items, if there is a conversion between different levels during the current period, the reasons for the conversion and the policy for determining the conversion time

For recurring fair value measurements, there were no transfers between levels during the current period.

#### 11.7 Changes in valuation techniques and the reasons for the changes during the current period

There were no changes in valuation techniques during the current period.

#### 11.8 Fair value information of financial assets and financial liabilities not measured at fair value

Management has assessed that cash at bank or on hand, accounts receivable, other receivables, short-term borrowings, notes payable, accounts payable, other payables, etc. Due to their short remaining maturities, the carrying amounts of these assets and liabilities approximate their fair values.



## Notes to the Financial Statements

For the year ended 31 December 2025

(All amounts in RMB unless otherwise stated)

### 12 RELATED PARTIES AND RELATED PARTY TRANSACTIONS

#### 12.1 Information about the Parent company of the Company

Parent Company	Registered office	Principal activities	Registered capital	Equity interest held by the parent company (%)	Voting rights held by the parent company (%)
Fujian Guoli Minsheng Technology Development Co., Ltd.	Putian City, Fujian Province	Technology and business services	RMB 250,500,000	22.00	22.00

The ultimate controlling parties of the company are Ms. Hang Jianying and Ms. Lu Qiuwen.

#### 12.2 Information about the subsidiaries of the Company

For details of the Company's subsidiaries, refer to Note "8. Interests in other entities".

#### 12.3 Information on the Company's joint ventures and associates

Details of the Company's joint ventures and associates referring to Note "8. Interests in other entities".

Other joint ventures or associates that had related party transactions with the Company during the current period, or had balances arising from related party transactions with the Company in prior periods, are as follows:

Name of Joint ventures and associates	Relationship
Beihai Heyuan Food Co., Ltd. ("Beihai Heyuan")	Associates

The company holds 90% equity in Honghu Xinhongye Food Co., Ltd. (hereinafter referred to as "Xinhongye"), and Xiao Huabing, the legal representative, director, and general manager of Xinhongye, holds 10% equity in Xinhongye. The Company's controlled subsidiary, Xinhongye, holds 19% equity in Beihai Heyuan, and Xiao Huabing serves as the chairman of Beihai Heyuan. In accordance with the Accounting Standards for Business Enterprises and other relevant regulations and based on the principle of substance over form, the Company has identified Beihai Heyuan as a related legal entity of the Company.

#### 12.4 Other related parties

The Company has no other related parties.



## Notes to the Financial Statements

For the year ended 31 December 2025  
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### 12 RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

#### 12.5 Related party transaction

##### 12.5.1 Related party transactions for the purchase and sale of goods, provision and receipt of services

###### Information of goods purchased/services received

Related parties	Related party transactions	Amount for the year ended 31 December 2025	Approved transaction limit (if applicable)	Whether the transaction amount exceeds the approved limit (if applicable)	Amount for the year ended 31 December 2024
Beihai Heyuan Food Co., Ltd	Purchase of goods	479,101,227.19	520,000,000.00	NO	317,577,179.71

###### Information of goods sales/services provided

Related parties	Related party transactions	Amount for the year ended 31 December 2025	Amount for the year ended 31 December 2024
Beihai Heyuan Food Co., Ltd	Sale of goods	13,333,367.24	8,432,587.20

12.5.2 The Company has no related party arrangements for entrusted management, contracting, entrusting management or contracting-out.

12.5.3 The Company had no related party leases.

12.5.4 The Company had no related party guarantees.

12.5.5 The Company had no related party fund borrowings or lending arrangements.

12.5.6 The Company had no related party asset transfers or debt restructuring arrangements.



## Notes to the Financial Statements

For the year ended 31 December 2025

(All amounts in RMB unless otherwise stated)

### 12 RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

#### 12.5 Related party transaction (continued)

##### 12.5.7 Compensation of key management personnel

Unit: RMB in ten thousand

Item	Amount for the year ended 31 December 2025	Amount for the year ended 31 December 2024
Salaries and bonuses	<b>1,969.99</b>	1,973.22
Retirement benefit scheme contributions	<b>13.63</b>	13.17
Equity-settled share-based payment expenses		346.15
Social security contributions	<b>27.90</b>	27.15
Total	<b>2,011.52</b>	2,359.69

## Notes to the Financial Statements

For the year ended 31 December 2025  
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### 12 RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

#### 12.5 Related party transaction (continued)

##### 12.5.8 Remuneration of directors, supervisors and chief executive

Year ended 31 December 2025

Unit: RMB in ten thousand

Name	Remuneration	Salaries	Retirement benefit scheme contributions			Total
			Performance Bonuses	Retirement benefit scheme contributions	Social security contributions	
Chief Executive, Executive Directors and Non-executive Directors						
Chief Executive						
Mr. Liu Mingming		152.09	212.00			364.09
Executive Directors and Non-executive Directors:						
Mr. Zhang Qingmiao		152.94	212.00	2.11	4.14	371.19
Mr. Zhang Gaolu		101.54	142.00	2.11	4.14	249.79
Mr. Zheng Yanan						
Mr. Dai Fan		31.47	43.00			74.47
Mr. Huang Jianlian		101.68	142.00	1.92	4.04	249.64
Subtotal		539.72	751.00	6.14	12.32	1,309.18
Independent Non-executive Directors						
Ms. Zhang Mei	10.00					10.00
Ms. Zhao Bei	10.00					10.00
Mr. Zhang Yueping	10.00					10.00
Mr. Liu Xiaofeng	5.25					5.25
Subtotal	35.25					35.25
Supervisors						
Mr. Zhang Guangxi		41.47	43.00			84.47
Mr. Zhang Wei		24.01	2.00	1.25	2.08	29.34
Ms. Wang Xiaojiao		8.84	1.00	0.78	1.23	11.85
Subtotal		74.32	46	2.03	3.31	125.66
<b>Total</b>	<b>35.25</b>	<b>614.04</b>	<b>797.00</b>	<b>8.17</b>	<b>15.63</b>	<b>1,470.09</b>

- (1) For the year ended 31 December 2025, Mr. Zheng Yanan, a non-executive director, waived his emoluments.
- (2) For the year ended 31 December 2025, no payments were made by the Company to any director as an inducement to join or upon joining the Company, nor were any payments made as compensation for resignation or retirement of directors.



## Notes to the Financial Statements

For the year ended 31 December 2025

(All amounts in RMB unless otherwise stated)

### 12 RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

#### 12.5 Related party transaction (continued)

##### 12.5.8 Remuneration of directors, supervisors and chief executive (continued)

Year ended 31 December 2024

Unit: RMB in ten thousand

Name	Remuneration	Salaries	Performance Bonuses	Retirement benefit scheme contributions	Equity-settled share-based payment expenses	Social security contributions	Total
Chief Executive, Executive Directors and Non-executive Directors							
Chief Executive:							
Mr. Liu Mingming		150.85	222.00				372.85
Executive Directors and Non-executive Directors:							
Mr. Zhang Qingmiao		151.69	222.00	2.02		3.99	379.70
Mr. Zhang Gaolu		100.63	148.00	2.02		3.99	254.64
Mr. Zheng Yanan					72.87		72.87
Mr. Dai Fan		33.20	42.00				75.20
Mr. Huang Jianlian		137.79	96.00	1.82	72.87	3.90	312.38
Subtotal		574.16	730	5.86	145.74	11.88	1,467.64
Independent Non-executive Directors							
Ms. Zhang Mei	10.00						10.00
Ms. Zhao Bei	10.00						10.00
Mr. Zhang Yueping	10.00						10.00
Subtotal	30.00						30.00
Supervisors							
Ms. Zheng Runan		6.98	1.71	0.26		0.52	9.47
Mr. Zhang Guangxi		43.20	42.00				85.20
Mr. Zhang Wei		23.70	2.47	1.15		1.89	29.21
Ms. Wang Xiaojiao		5.05	1.26	0.45		0.69	7.45
Subtotal		78.93	47.44	1.86		3.10	131.33
Total	30.00	653.09	777.44	7.72	145.74	14.98	1,628.97



## Notes to the Financial Statements

For the year ended 31 December 2025  
(All amounts in RMB unless otherwise stated)

### 12 RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

#### 12.5 Related party transaction (continued)

##### *12.5.8 Remuneration of directors, supervisors and chief executive (continued)*

- (1) Mr. Liu Mingming and Mr. Zhang Qingmiao were appointed in February 2011.
- (2) Mr. Zhang Gaolu was appointed in April 2017.
- (3) Ms. Zhang Mei, Ms. Zhao Bei, Mr. Zhang Yueping, Mr. Zheng Yanan, Mr. Dai Fan, Ms. Zheng Runan, Mr. Zhang Guangxi and Mr. Zhang Wei were appointed in May 2023. Ms. Zheng Runan resigned in May 2024.
- (4) Ms. Wang Xiaojiao was appointed in May 2024.
- (5) Mr. Huang Jianlian was appointed in September 2024.
- (6) Mr. Liu Xiaofeng was appointed in July 2025.
- (7) In November 2025, the Company abolished the supervisory committee, and the audit committee of the board of directors assumed the functions and powers of the supervisory committee as stipulated under the Company Law. Mr. Zhang Guangxi, Mr. Zhang Wei and Ms. Wang Xiaojiao ceased to act as supervisors of the Company.
- (8) In November 2025, Mr. Zhang Guangxi was appointed as an employee representative Director.



## Notes to the Financial Statements

For the year ended 31 December 2025

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### 12 RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

#### 12.5 Related party transaction (continued)

##### 12.5.9 Five highest-paid individuals

Four of the five highest paid individuals of the Company were directors of the Company, whose remuneration is reflected in Note 12.5.8 Remuneration of directors, supervisors and chief executive. The remuneration of the remaining individual is set out below:

*Unit: RMB in ten thousands*

Item	Amount for the year ended 31 December 2025	Amount for the year ended 31 December 2024
Salaries	82.59	133.39
Performance bonuses	134.00	96.00
Retirement benefit scheme contributions	2.00	2.09
Social insurance contributions	4.19	4.23
Equity-settled share-based payment expenses		72.87
Total	222.78	308.58

##### Headcount

Compensation Range	Amount of year ended 31 December 2025	Amount of year ended 31 December 2024
HKD2,000,001 to HKD2,500,000	1	
HKD2,500,001 to HKD3,000,000		
HKD3,000,001 to HKD3,500,000		1
Total	1	1

For the year ended 31 December 2025 and the year ended 31 December 2024, no amounts were paid by the Company to the five highest paid individuals as an inducement to join or upon joining the Company, nor was any compensation paid for resignation or retirement of them.



## Notes to the Financial Statements

For the year ended 31 December 2025  
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### 12 RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

#### 12.6 Unsettled receivables and payables of related parties

##### 12.6.1 Payables

Item	Related Party	31 December 2025	31 December 2024
Accounts payable	Beihai Heyuan Food Co., Ltd.	<b>31,691,244.58</b>	16,349,066.13
Other payables	Beihai Heyuan Food Co., Ltd.	<b>100,000.00</b>	100,000.00

12.7 The Company has no related party commitments.

12.8 The Company has no centralized treasury management arrangements during the year.

### 13 SHARE-BASED PAYMENTS

#### 13.1 General information of share-based payments

Grantees	Equity instruments granted in the Year ended 31 December 2025		Equity instruments vested in the Year ended 31 December 2025		Equity instruments exercised in the Year ended 31 December 2025		Equity instruments expired in the Year ended 31 December 2025	
	Quantity (in ten thousand units)	Amount (in ten thousand RMB)	Quantity (in ten thousand units)	Amount (in ten thousand RMB)	Quantity (in ten thousand units)	Amount (in ten thousand RMB)	Quantity (in ten thousand units)	Amount (in ten thousand RMB)
Directors and senior management			11.40	201.38			26.60	445.02
Key production, marketing and technical personnel			309.40	5,465.52			771.26	12,916.37
Total			320.80	5,666.90			797.86	13,361.40



## Notes to the Financial Statements

For the year ended 31 December 2025

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### 13 SHARE-BASED PAYMENTS (CONTINUED)

#### 13.1 General information of share-based payments (continued)

Share options or other equity instruments outstanding as at the end of the year

	Share options outstanding as at 31 December 2025		Other equity instruments outstanding as at 31 December 2025	
	Range of exercise prices	Remaining contractual term	Range of exercise prices	Remaining contractual term
Grantees				
Directors and senior management	<b>RMB 98.73 per share</b>	<b>Within 1 year</b>		
Key production, marketing and technical personnel	<b>RMB 98.73 per share</b>	<b>Within 1 year</b>		

- On 16 August 2024, the Company convened the eleventh meeting of the fifth session of the board of directors and approved the “Proposal on the Profit Distribution Plan for the First Half of 2024”. It was resolved that 24 September 2024 be designated as the record date, and a cash dividend of RMB1.38 per share (tax inclusive) would be distributed to all shareholders of the Company registered with China Securities Depository and Clearing Corporation Limited Shanghai Branch after the close of trading on the Shanghai Stock Exchange on that day.

Pursuant to the relevant provisions of the Company’s 2023 Share Option Incentive Plan, the exercise price of the share options initially granted under the 2023 Share Option Incentive Plan was adjusted from RMB105.275 per share to RMB102.12 per share.

- On 28 October 2025, the Company convened the twenty-third meeting of the fifth session of the board of directors and the eighteenth meeting of the fifth session of the supervisory committee, and considered and approved the “Proposal on Adjusting the Exercise Price of the 2023 Share Option Incentive Plan”, the “Proposal on Cancelling Part of the Granted but Unexercised Share Options under the 2023 Share Option Incentive Plan”, and the “Proposal on the Satisfaction of Exercise Conditions for the Second Exercise Period of the First Granted Part of the 2023 Share Option Incentive Plan”:
  - In view of the completion of the Company’s equity distribution for the first three quarters of 2024, the 2024 annual equity distribution and the 2025 half-year equity distribution, the exercise price of the share options in the first granted part has been adjusted from RMB102.12 per share to RMB98.73 per share.



## Notes to the Financial Statements

For the year ended 31 December 2025  
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### 13 SHARE-BASED PAYMENTS (CONTINUED)

#### 13.1 General information of share-based payments (continued)

- (2) The first exercise period of the first granted part expired on 24 October 2025. A total of 4,475,840 share options exercisable by 1,415 incentive objects during the first exercise period were not exercised, have lapsed upon expiration, and would be uniformly cancelled by the Company.
- (3) The exercise conditions for the second exercise period of the initially granted share options have been satisfied. Pursuant to the exercise arrangements under the incentive plan, the number of share options exercisable during the second exercise period of the initially granted portion represented 30% of the total share options granted. Among the incentive participants who were initially granted share options under the plan, 71 participants ceased to meet the eligibility requirements due to resignation, and the corresponding 297,840 share options will be cancelled by the Company.
3. The performance level corresponding to the third exercise period of the 2023 Share Option Incentive Plan did not meet the corresponding performance assessment targets, and the share options corresponding to the third exercise period were not exercisable.

#### 13.2 Equity-settled share-based payments and equity instruments

The method used to determine the fair value of equity instruments on the grant date	<b>Share options:</b> Black-Scholes option pricing model
Significant parameters to determine the fair value of equity instruments on the grant date	The closing price of the Company's shares on the grant date, the exercise price of the share options, the remaining term until each exercise date, historical volatility, risk-free interest rate, etc.
Basis of the quantity of exercisable equity instruments	At each balance sheet date during the vesting period, based on the latest subsequent information such as changes in the number of personnel eligible to exercise and the progress of satisfying the exercise conditions
Reasons for the significant differences between the estimate of current period and estimate of prior period	None
The cumulative amount of equity-settled share-based payments recognized in capital surplus	38,910.82 (in ten thousand RMB)

- 13.3** The Company had no cash-settled share-based payment arrangements.



## Notes to the Financial Statements

For the year ended 31 December 2025

(All amounts in RMB unless otherwise stated)

### 13 SHARE-BASED PAYMENTS (CONTINUED)

#### 13.4 Share-based payment expenses

Recipients	Amount of year ended 31 December 2025 (in ten thousand RMB)			Amount of year ended 31 December 2024 (in ten thousand RMB)		
	Equity-settled share-based payment	Cash-settled share-based payment	Total	Equity-settled share-based payment	Cash-settled share-based payment	Total
Directors and senior management	-13.52		-13.52	346.28		346.28
Key production, marketing and technical personnel	-564.96		-564.96	9,734.55		9,734.55
Total	-578.48		-578.48	10,080.83		10,080.83

#### 13.5 Modification and termination of share-based payment

None.

### 14 COMMITMENTS AND CONTINGENCIES

#### 14.1 Significant commitments

The Company has no significant matters required to be disclosed at the balance sheet date.

#### 14.2 Contingency

The Company has no significant contingencies to be disclosed.

### 15 SUBSEQUENT EVENTS

#### 15.1 Significant non-adjusting events

None.



## Notes to the Financial Statements

For the year ended 31 December 2025  
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### 15 SUBSEQUENT EVENTS (CONTINUED)

#### 15.2 Profit distribution

On 30 March 2026, the 28th meeting of the 5th Session Board of Directors of the Company reviewed and approved the following profit distribution proposal:

The Company intends to distribute a cash dividend of RMB1.44 per share (tax inclusive) to all shareholders, based on the total share capital registered on the Record Date for the implementation of the equity distribution, after deducting the shares held in the Company's special securities account for share repurchase. The aforementioned profit distribution plan is subject to the consideration and approval of the general meeting of shareholders.

The cash dividend is denominated and declared in RMB. It shall be paid in RMB to A-share shareholders and in HKD to H-share shareholders. The actual amount of HKD to be distributed shall be converted at the central parity rate of RMB against HKD published by the People's Bank of China on the date of the general meeting of shareholders.

#### 15.3 Sales returns

No material sales returns occurred after the balance sheet date.

#### 15.4 Assets and disposal groups classified as held for sale

None.

#### 15.5 Information of other subsequent review

None.

### 16 CAPITAL MANAGEMENT

The main objectives of the Company's capital management are:

- to ensure the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and other stakeholders; and
- to price products and services corresponding to the risk level, thereby providing sufficient returns to shareholders.

The Company sets a capital amount proportional to risks, manages and adjusts its capital structure according to changes in the economic environment and the risk characteristics of underlying assets. To maintain or adjust the capital structure, the Company may adjust the amounts of dividends paid to shareholders, capital returned to shareholders, issue new shares or sell assets to reduce liabilities.



## Notes to the Financial Statements

For the year ended 31 December 2025

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### 16 CAPITAL MANAGEMENT (CONTINUED)

The Company monitors capital using an adjusted gearing ratio, which is calculated as debt divided by capital. Debt comprises interest-bearing borrowings, lease liabilities and long-term payables. Capital represents equity attributable to shareholders of the Company.

	31 December 2025	31 December 2024
Interest-bearing borrowings	890,604,887.79	112,585,404.11
Lease liabilities	63,554,763.73	42,671,385.96
Long-term payables	138,369,369.53	
Total debt	1,092,529,021.05	155,256,790.07
Equity attributable to shareholders of the Company	15,492,622,899.66	12,952,529,210.53
Adjusted debt-to-equity ratio	7.05%	1.20%

The change in the adjusted debt-to-equity ratio for the year was mainly attributable to the increase in interest-bearing borrowings.

### 17 OTHER SIGNIFICANT MATTERS

#### 17.1 Correction of prior period accounting errors

##### 17.1.1 Retrospective restatement method

No correction of prior period accounting errors using the retrospective restatement method occurred during the reporting period.

##### 17.1.2 Prospective application method

No correction of prior period accounting errors using the prospective application method occurred during the reporting period.

#### 17.2 Asset exchange

None.

#### 17.3 Annuity plan

None.



## Notes to the Financial Statements

For the year ended 31 December 2025  
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### 17 OTHER SIGNIFICANT MATTERS (CONTINUED)

#### 17.4 Discontinued operations

None.

#### 17.5 Segment information

None.

#### 17.6 Other matters that may have a material impact on investors' decisions

None.

### 18 NOTES TO MAIN ITEMS OF THE FINANCIAL STATEMENTS OF THE COMPANY

#### 18.1 Accounts receivable

*18.1.1 Aging analysis from the data when they were recognized*

Aging	31 December 2025	31 December 2024
Within 1 year	200.00	2,984.60
1 to 2 years		
2 to 3 years		
Over 3 years		
Subtotal	200.00	2,984.60
Less: Bad debt provisions	10.00	149.23
Total	190.00	2,835.37



## Notes to the Financial Statements

For the year ended 31 December 2025

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### 18 NOTES TO MAIN ITEMS OF THE FINANCIAL STATEMENTS OF THE COMPANY (CONTINUED)

#### 18.1 Accounts receivable (continued)

##### 18.1.2 Disclosure of accounts receivable method of bad debt provisions

Category	31 December 2025					31 December 2024					
	Gross carrying amount	Bad debt provisions	Net	Gross carrying amount	Bad debt provisions	Net	Gross carrying amount	Bad debt provisions	Net		
	Amount	Proportion (%)	Amount	Proportion of provision (%)	Amount	Proportion (%)	Amount	Proportion of provision (%)	Amount	Proportion (%)	
Accounts receivable with bad debt provisions based on an individual basis											
Accounts receivable with bad debt provisions based on a collective credit risk basis	200.00	100.00	10.00	5.00	190.00	2,984.60	100.00	149.23	5.00	2,835.37	
<b>Total</b>	<b>200.00</b>	<b>100.00</b>	<b>10.00</b>	<b>5.00</b>	<b>190.00</b>	<b>2,984.60</b>	<b>100.00</b>	<b>149.23</b>	<b>5.00</b>	<b>2,835.37</b>	

Bad debts provision based on a collective credit risk characteristics:

Collective credit risk basis items: accounts receivable for which bad debt provided on a collective credit risk characteristics basis

Item	31 December 2025		
	Accounts receivable	Bad debt provisions	Proportion of provision (%)
Not overdue	200.00	10.00	5.00
<b>Total</b>	<b>200.00</b>	<b>10.00</b>	



## Notes to the Financial Statements

For the year ended 31 December 2025  
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### 18 NOTES TO MAIN ITEMS OF THE FINANCIAL STATEMENTS OF THE COMPANY (CONTINUED)

#### 18.1 Accounts receivable (continued)

##### 18.1.3 Provision, reversal or recovery of provision for bad debts in the current period

Category	31	Movement in the year ended 31 December 2025				31
	December 2024	Accrual	Recovery or reversal	Write-off	Other changes	December 2025
Accounts receivable with bad debt provisions based on an individual basis						
Accounts receivable with bad debt provisions based on a collective credit risk basis	149.23	-139.23				10.00
<b>Total</b>	<b>149.23</b>	<b>-139.23</b>				<b>10.00</b>

##### 18.1.4 No actual write-off of accounts receivable in the current period.

##### 18.1.5 Top five accounts receivable balance and contract assets by debtor

The aggregate amount of trade receivables and contract assets due from the top five debtors as at 31 December 2025 amounted to RMB200.00, representing 100.00% of the total balance of trade receivables and contract assets as at the year end. The corresponding bad debts recognized as at 31 December 2025 amounted to RMB10.00.

#### 18.2 Other receivables

Item	31 December 2025	31 December 2024
Interests receivable		
Dividends receivable		
Other receivables	202,320,240.68	205,201,626.86
<b>Total</b>	<b>202,320,240.68</b>	<b>205,201,626.86</b>



## Notes to the Financial Statements

For the year ended 31 December 2025

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### 18 NOTES TO MAIN ITEMS OF THE FINANCIAL STATEMENTS OF THE COMPANY (CONTINUED)

#### 18.2 Other receivables (continued)

##### 18.2.1 Other receivables

###### (1) Aging of other receivables

Aging	31 December 2025	31 December 2024
Within 1 year	<b>202,357,124.37</b>	205,201,411.81
1 to 2 years		30,000.00
2 to 3 years	<b>30,000.00</b>	
Over 3 years		20,000.00
Subtotal	<b>202,387,124.37</b>	205,251,411.81
Less: Bad debt provisions	<b>66,883.69</b>	49,784.95
<b>Total</b>	<b>202,320,240.68</b>	205,201,626.86

###### (2) Disclosure of other receivables by method of bad debt provisions

Category	31 December 2025				31 December 2024					
	Gross carrying amount	Bad debt provisions		Net book value	Gross carrying amount	Bad debt provisions		Net book value		
	Proportion	Amount	Proportion of provision (%)		Proportion	Amount	Proportion of provision (%)			
Amount	(%)	Amount	provision (%)	Amount	(%)	Amount	provision (%)	Amount		
Other receivables with bad debt provisions based on an individual basis										
Other receivables with bad debt provisions based on a collective credit risk basis	<b>202,387,124.37</b>	<b>100.00</b>	<b>66,883.69</b>	<b>0.03</b>	<b>202,320,240.68</b>	205,251,411.81	100.00	49,784.95	0.02	205,201,626.86
<b>Total</b>	<b>202,387,124.37</b>	<b>100.00</b>	<b>66,883.69</b>	<b>202,320,240.68</b>	205,251,411.81	100.00	49,784.95			205,201,626.86



## Notes to the Financial Statements

For the year ended 31 December 2025  
(All amounts in RMB unless otherwise stated)

### 18 NOTES TO MAIN ITEMS OF THE FINANCIAL STATEMENTS OF THE COMPANY (CONTINUED)

#### 18.2 Other receivables (continued)

##### 18.2.1 Other receivables (continued)

Other receivables with bad debt provisions based on collective credit risk characteristics:

(2) *Disclosure of other receivables by method of bad debt provisions (continued)*

Other receivables for which bad debt measured on a collective credit risk basis according to credit risk characteristics:

Item	31 December 2025		
	Accounts receivable	Bad debt provisions	Proportion of provision (%)
Aging items	1,176,857.24	66,883.69	5.68
Control items	201,210,267.13		
<b>Total</b>	<b>202,387,124.37</b>	<b>66,883.69</b>	

(3) *Bad debt provisions*

Bad debt provisions	Stage 1	Stage 2	Stage 3	Total
	Expected credit losses over the next 12 months	Expected credit losses of the entire duration (no credit impairment occurred)	Expected credit loss of the entire duration (credit impairment occurred)	
31 December 2024	49,784.95			49,784.95
Prior year-end balance in the current period				
– Transfer to Stage 2				
– Transfer to Stage 3				
– Transfer back to Stage 2				
– Transfer back to Stage 1				
Accrual in the current period	17,098.74			17,098.74
Reversal in the current period				
Write-off against the allowance in the current period				
Write off as uncollectible in the current period				
Other movements				
<b>31 December 2025</b>	<b>66,883.69</b>			<b>66,883.69</b>



## Notes to the Financial Statements

For the year ended 31 December 2025

(All amounts in RMB unless otherwise stated)

### 18 NOTES TO MAIN ITEMS OF THE FINANCIAL STATEMENTS OF THE COMPANY (CONTINUED)

#### 18.2 Other receivables (continued)

##### 18.2.1 Other receivables (continued)

(4) *Accrual, reversal or recovery of bad debt provisions in the current period*

Category	31	Movement in the year ended 31 December 2025				31
	December 2024	Accrual	Recovery or reversal	Write-off	Other changes	December 2025
Other receivables with bad debt provisions based on a collective credit risk basis	49,784.95	17,098.74				<b>66,883.69</b>
Total	49,784.95	17,098.74				<b>66,883.69</b>

(5) No actual write-off of other receivables in the current period.

(6) *Classification by nature*

Nature	31 December 2025	31 December 2024
Inter-company balances	<b>201,210,267.13</b>	204,202,333.37
Advances payment on behalf of others	<b>911,547.60</b>	842,198.44
Staff advances	<b>90,164.42</b>	112,380.00
Deposits and guarantees receivable	<b>175,145.22</b>	94,500.00
Total	<b>202,387,124.37</b>	205,251,411.81

## Notes to the Financial Statements

For the year ended 31 December 2025  
(All amounts in RMB unless otherwise stated)

### 18 NOTES TO MAIN ITEMS OF THE FINANCIAL STATEMENTS OF THE COMPANY (CONTINUED)

#### 18.2 Other receivables (continued)

##### 18.2.1 Other receivables (continued)

(7) Top five other receivables by the debtor at the end of the year

Company	Nature	31 December 2025	Aging	Proportion in total ending other receivables (%)	Ending balance of bad debt provisions
Hubei New Liuwu Foodstuff Group Co., Ltd.	Loans to subsidiary	201,209,722.22	Within 1 year	99.42	
Xiamen Rongyuan Daily Necessities Co., Ltd.	Deposits	87,045.22	Within 1 year	0.04	17,409.04
Ms. Liu Limei	Staff Advances	40,697.64	Within 1 year	0.02	2,034.88
Mr. Yang Zhiyong	Deposits	30,100.00	Within 1 year	0.01	6,020.00
Xiamen Jianzhou Apartment Management Co., Ltd.	Deposits	30,000.00	2 to 3 years	0.01	6,000.00
Total		201,397,565.08		99.50	31,463.92

#### 18.3 Long-term equity investments

Activities	31 December 2025			31 December 2024		
	Gross carrying amount	Impairment provision	Net book value	Gross carrying amount	Impairment provision	Net book value
Investment in subsidiaries	9,403,794,141.68		9,403,794,141.68	8,861,935,212.07		8,861,935,212.07
Investment in associates and joint ventures						
Total	9,403,794,141.68		9,403,794,141.68	8,861,935,212.07		8,861,935,212.07



## Notes to the Financial Statements

For the year ended 31 December 2025

(All amounts in RMB unless otherwise stated)

### 18 NOTES TO MAIN ITEMS OF THE FINANCIAL STATEMENTS OF THE COMPANY (CONTINUED)

#### 18.3 Long-term equity investments (continued)

##### 18.3.1 Investment in subsidiaries

Investee	31 December 2024	Prior year- end balance of Impairment provision	Increase in Investment	Decrease in Investment	31 December 2025	Impairment provision in the current period	Impairment provision as at 31 December 2025
Hong Kong Anjoy Foods Limited	26,000,000.00				26,000,000.00		
Taizhou Anjoy Foods Co., Ltd.	965,000,000.00				965,000,000.00		
Liaoning Anjoy Foods Co., Ltd.	635,000,000.00				635,000,000.00		
Wuxi Huashun Minsheng Foods Co., Ltd.	484,705,287.88				484,705,287.88		
Sichuan Anjoy Foods Co., Ltd.	810,000,000.00				810,000,000.00		
Hubei Anjoy Foods Co., Ltd.	500,000,000.00				500,000,000.00		
Henan Anjoy Foods Co., Ltd.	930,000,000.00				930,000,000.00		
Guangdong Anjoy Foods Co., Ltd.	766,000,000.00				766,000,000.00		
Shandong Anjoy Foods Co., Ltd.	655,000,000.00				655,000,000.00		
Hubei Anrun Foods Co., Ltd.	20,000,000.00				20,000,000.00		
Oriental Food Express Limited	47,379,924.19				47,379,924.19		
Honghu Anjoy Foods Co., Ltd.	468,000,000.00				468,000,000.00		
Xiamen Anjoy Food Industry Co., Ltd.	610,000,000.00				610,000,000.00		
Wuxi Anjoy Foods Marketing Co., Ltd.	311,550,000.00				311,550,000.00		
Xiamen Anjoy Mr. Frozen Supply Chain Co., Ltd.	70,300,000.00				70,300,000.00		
Jiangsu Ding Wei Tai Food Co., Ltd.			444,500,000.00		444,500,000.00		
Dingyifeng Food (Taicang) Co., Ltd.			50,243,569.00		50,243,569.00		
Honghu Xinhongye Food Co., Ltd.	909,000,000.00				909,000,000.00		
Xiamen Anjoy E-commerce Co., Ltd.	10,000,000.00				10,000,000.00		
Hubei New Liuwu Foodstuff Group Co., Ltd.	644,000,000.00		47,115,360.61		691,115,360.61		
<b>Total</b>	<b>8,861,935,212.07</b>		<b>541,858,929.61</b>		<b>9,403,794,141.68</b>		



## Notes to the Financial Statements

For the year ended 31 December 2025  
(All amounts in RMB unless otherwise stated)

### 18 NOTES TO MAIN ITEMS OF THE FINANCIAL STATEMENTS OF THE COMPANY (CONTINUED)

#### 18.4 Operating income and operating costs

Item	Year ended 31 December 2025		Year ended 31 December 2024	
	Revenue	Cost	Revenue	Cost
Main operations	1,039,234,739.87	829,171,994.22	1,053,755,241.16	841,712,539.80
Other operations	79,595,197.01	1,213,136.52	96,421,536.47	14,930,509.04
Total	1,118,829,936.88	830,385,130.74	1,150,176,777.63	856,643,048.84

#### 18.5 Investment income

Item	Year ended 31 December 2025	Year ended 31 December 2024
Investment incomes from long-term equity investments recognized under cost method	3,535,794,593.93	976,510,425.11
Investment income arising from disposal of financial assets held for trading	10,145,736.07	5,111,854.07
Total	3,545,940,330.00	981,622,279.18



## Notes to the Financial Statements

For the year ended 31 December 2025

(All amounts in RMB unless otherwise stated)

### 19 SUPPLEMENTARY INFORMATION

#### 19.1 Breakdown of current non-recurring profits and losses

Item	Amount	Note
Gain or loss on disposal of non-current assets (including the write-off of the asset impairment provision)	-1,541,205.15	
Government grants included in current profit or loss, other than those that are closely related to the Company's normal operation, in line with national policies and in accordance with defined criteria, and have a sustained impact on the Company's profit or loss	97,385,708.38	
Gain or loss on changes in fair value of financial assets and financial liabilities held by non-financial entities and gain or loss on disposal of financial assets and financial liabilities, except for effective hedging transactions that are related to the Company's normal operation	55,112,066.44	
Fund occupation fees charged to non-financial enterprises and recognized in profit or loss for the year		
Gain or loss on entrusted investments or assets		
Gains or losses arising from entrusted loans		
Losses on various assets arising from force majeure events, such as natural disasters		
Reversal of impairment provisions for receivables with bad debt provisions based on an individual basis	967,519.05	
Gains arising from acquisition of subsidiaries, associates and joint ventures where the investment cost is less than the fair value of the identifiable net assets acquired at the acquisition date		
Gains or losses from the beginning of the period to the combination date of subsidiaries arising from a business combination under common control		
Gains or losses from exchange of non-monetary assets		
Gains or losses on debt restructuring		
One-off expenses incurred due to cessation of business activities, such as employee settlement expenses		
One-off impact on current profit or loss arising from adjustments due to taxation, accounting and other relevant laws and regulations		
One-off share-based payment expenses due to cancellation and modification of share incentive plans		
For cash-settled share-based payments, gains or losses arising from changes in the fair value of employee benefits payable after the vesting date		

continued



## Notes to the Financial Statements

For the year ended 31 December 2025

(All amounts in RMB unless otherwise stated)

### 19 SUPPLEMENTARY INFORMATION (CONTINUED)

#### 19.1 Breakdown of current non-recurring profits and losses (continued)

Item	Amount	Note
Gains or losses arising from changes in fair value of investment properties subsequently measured using the fair value method		
Gains arising from transactions where the transaction price is not at arm's length		
Gains or losses arising from contingent events unrelated to the Company's ordinary course of business		
Management fee income arising from entrusted management		
Other non-operating income and expenses other than those described above	-304,012.38	
Other items of gains and losses that meet the definition of non-recurring gains and losses	2,531,741.87	
Subtotal	154,151,818.21	
Impact of income tax	-36,494,242.76	
Impact of non-controlling interests (after tax)	-2,587,668.35	
Total	115,069,907.10	

#### 19.2 Return on net assets and earnings per share

Profit for the reporting period	Weighted average return on equity (%)	Earnings per share (RMB)	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to ordinary shareholders of the Company	9.61	4.40	4.40
Net profit attributable to ordinary shareholders of the Company after deduction of non-recurring profits and losses	8.80	4.03	4.03



## Definitions

In this report, unless the context otherwise requires, the following terms shall have the meanings set out below:

“2023 Share Option Incentive Plan”	the share option incentive plan approved and adopted by the Shareholders on 13 October, 2023, as amended, supplemented or otherwise modified from time to time
“A Share(s)”	ordinary share(s) issued by our Company with a nominal value of RMB1.00 each, which is/are traded in Renminbi and listed on the Shanghai Stock Exchange
“A Shareholders”	holders of the A Share(s)
“Articles of Association” or “Articles”	Articles of Association of Anjoy Foods Group Co., Ltd., as amended
“Audit Committee”	the audit committee of the Board
“Board” or “Board of Directors”	the board of Directors of our Company
“China”, “Mainland China” or “PRC”	the People’s Republic of China, unless the context requires otherwise, excluding, for the purposes of this report only, the regions of Hong Kong, Macau and Taiwan of the People’s Republic of China
“Company”, “our Company”, “the Company” or “Anjoy Foods”	Anjoy Foods Group Co., Ltd. (安井食品集團股份有限公司) (formerly known as Fujian Anjoy Foods Co., Ltd. (福建安井食品股份有限公司)), a PRC company established as a limited liability company on 24 December, 2001 with the name of Xiamen Huashun Minsheng Food Co., Ltd. (廈門華順民生食品有限公司) and converted into a joint stock limited company on 7 March, 2011, the A Shares of which were listed on the Shanghai Stock Exchange (stock code: 603345), the H Shares of which were listed on the Main Board of the Stock Exchange (stock code: 2648)
“Corporate Governance Code”	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
“CSRC”	the China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)” or “our Director(s)”	the director(s) of our Company
“Group”, “our Group”, “we” or “us”	our Company and our subsidiaries



## Definitions

“Guoli Minsheng”	Fujian Guoli Minsheng Technology Development Co., Ltd. (福建國力民生科技發展有限公司), a limited liability company incorporated under the laws of PRC on 6 November, 2000, a promoter and a substantial shareholder of the Company and our single largest shareholder
“Global Offering”	the Hong Kong Public Offering and the International Offering
“H Share(s)”	share(s) in the share capital of our Company with a nominal value of RMB1.00 each, which is/are subscribed for and traded in HK dollars and listed on the Hong Kong Stock Exchange
“H Shareholder(s)”	holders of the H Share(s)
“HK dollars” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange” or “Stock Exchange”	The Stock Exchange of Hong Kong Limited, a subsidiary of Hong Kong Exchanges and Clearing Limited
“Latest Practicable Date”	27 April 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this report prior to its publication
“Listing Date”	the date, 4 July 2025, on which our H Shares are listed and from which dealings therein are permitted to take place on the Hong Kong Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
“MOFCOM”	the Ministry of Commerce of the PRC (中華人民共和國商務部)
“NDRC”	the National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)
“Nomination Committee”	the nomination committee of the Board
“Prospectus”	the prospectus issued on 25 June 2025 in connection with the Hong Kong Public Offering



## Definitions

“Remuneration and Evaluation Committee”	the remuneration and evaluation committee of the Board
“Reporting Period” or “current period”	the period from 1 January 2025 to 31 December 2025
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“Securities and Futures Ordinance” or “SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) in the capital of our Company with a nominal value of RMB1.00 each, including A Shares and H Shares
“Shareholder(s)”	holder(s) of the Share(s)
“Strategy Committee”	the strategy committee of the Board
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Supervisor(s)”	member(s) of our Supervisory Committee
“Supervisory Committee”	the supervisory committee of our Company
“Sustainability Committee”	the sustainability committee of the Board
“treasury share(s)”	has the meaning ascribed thereto under the Listing Rules
“U.S. dollar”, “US\$” or “USD”	United States dollar, the lawful currency of the United States
“%”	per cent

### Notes:

1. Certain amounts and percentage figures included in this report have been subject to rounding adjustments.
2. In the event of any discrepancy between the Chinese and English names of Chinese laws and regulations, governmental authorities, institutions, natural persons or other entities (including certain subsidiaries of the Company), the Chinese version shall prevail. English translations of company names and other terms from the Chinese language are marked with “\*” and are provided for identification purposes only.



**安井食品集團股份有限公司**  
ANJOY FOODS GROUP CO., LTD.