



国民烘焙大师



中华老字号

China Time-honored Brand

# 嘉士利集团有限公司 JIASHILI GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)  
Stock Code : 1285



一粒米 一碗面 一块餅乾  
每一份美味  
都源自精選天然原料



Annual Report  
**2025**



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# CORPORATE INFORMATION

## DIRECTORS

### Executive Directors

Mr. Huang Xianming  
*(Chairman and Chief Executive Officer)*  
Mr. Tan Chaojun *(Vice Chairman)*  
*(resigned on April 9, 2026)*  
Dr. Zhao Gang *(Vice Chairman)*  
Mr. Chen Songhuan  
Mr. Li Fuliang  
Mr. Lu Jianxiong  
Mr. Huang Zekun *(resigned on August 6, 2025)*  
Ms. Huang Rujiao

### Independent Non-Executive Directors

Mr. Kam Robert  
Mr. Ma Xiaoqiang  
Mr. Wan Ngar Yin, David  
Mr. Zhang Ziwen *(resigned on August 6, 2025)*

## COMPANY SECRETARY

Mr. Shoom Chin Wan, FCPA, ACG, HKACG, CTA, FTIHK

## AUDIT COMMITTEE

Mr. Kam Robert *(Chairman)*  
Mr. Ma Xiaoqiang  
Mr. Wan Ngar Yin, David  
Mr. Zhang Ziwen *(resigned on August 6, 2025)*

## REMUNERATION COMMITTEE

Mr. Wan Ngar Yin, David *(Chairman)*  
Mr. Huang Xianming  
Mr. Kam Robert  
Mr. Ma Xiaoqiang  
Mr. Zhang Ziwen *(resigned on August 6, 2025)*

## NOMINATION COMMITTEE

Mr. Huang Xianming *(Chairman)*  
Mr. Kam Robert  
Mr. Ma Xiaoqiang  
Mr. Wan Ngar Yin, David  
Mr. Zhang Ziwen *(resigned on August 6, 2025)*

## AUTHORISED REPRESENTATIVES

Mr. Huang Xianming  
Mr. Shoom Chin Wan

## AUDITOR

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



## CORPORATE INFORMATION

### PRINCIPAL BANKER

Bank of Communications, Hong Kong Branch

### PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN CAYMAN ISLANDS

Codan Trust Company (Cayman) Limited  
Cricket Square  
P.O. Box 2681  
Grand Cayman, KY1-1111  
Cayman Islands

### HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investors Services Limited  
17 Floor, Far East Finance Centre  
16 Harcourt Road  
Hong Kong

### REGISTERED OFFICE

Codan Trust Company (Cayman) Limited  
Cricket Square, Hutchins Drive  
P.O. Box 2681  
Grand Cayman, KY1-1111  
Cayman Islands

### HEADQUARTER IN PRC

No. 18 Gangkou Road, Changsha  
Kaiping  
Guangdong  
PRC

### PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1001, 10/F  
Tai Yau Building  
181 Johnston Road  
Wanchai  
Hong Kong

### CORPORATE WEBSITE

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

### STOCK CODE

1285

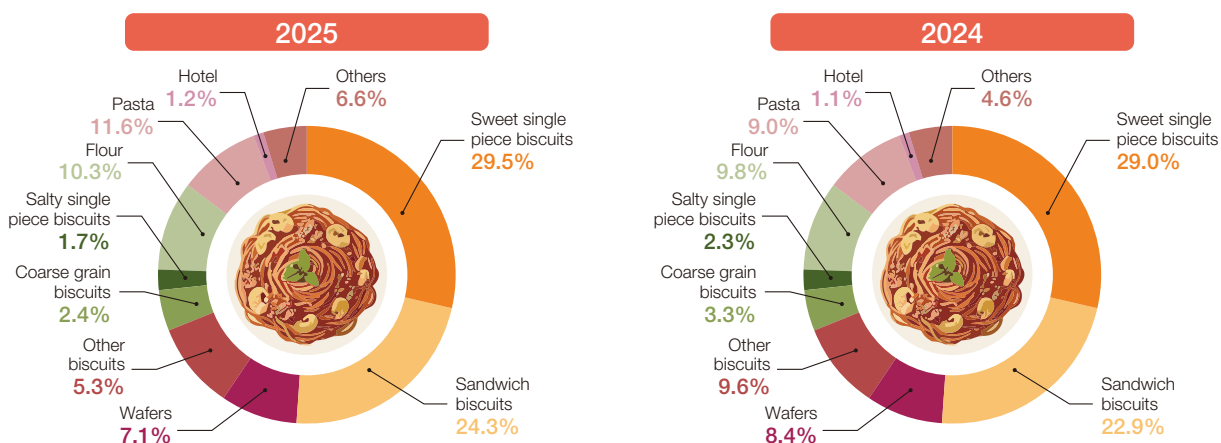
### LISTING DATE

September 25, 2014



# FINANCIAL HIGHLIGHTS

## REVENUE BREAKDOWN BY MAJOR PRODUCT SEGMENTS



### Year ended December 31,

	2025 (RMB'000)	2024 (RMB'000)	Increase/ Decrease
Revenue	<b>1,627,152</b>	1,802,587	↓9.7%
Gross profit	<b>481,752</b>	513,233	↓6.1%
Gross profit margin	<b>29.6%</b>	28.5%	↑1.1 percentage points
Profit for the year	<b>106,520</b>	48,285	↑120.6%
Profit attributable to owners of the Company	<b>108,763</b>	54,461	↑99.7%
Earnings before interest, tax, depreciation and amortisation (EBITDA) <sup>1</sup>	<b>256,675</b>	203,108	↑26.4%
Operating profit (EBIT) <sup>2</sup>	<b>159,551</b>	106,029	↑50.5%
Earnings per share — Basic and diluted (RMB cents)	<b>26.21</b>	13.12	↑99.8%
Net profit margin	<b>6.5%</b>	2.7%	↑3.8 percentage points
Proposed final dividend per share (HKD cents)	<b>10.00</b>	10.00	—

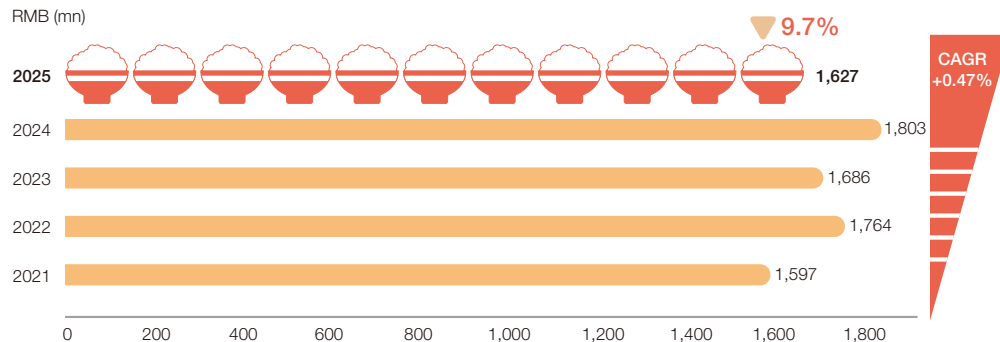
#### Notes:

- include profit before tax but excluding finance costs and total depreciation and amortisation
- include profit before tax but excluding finance costs

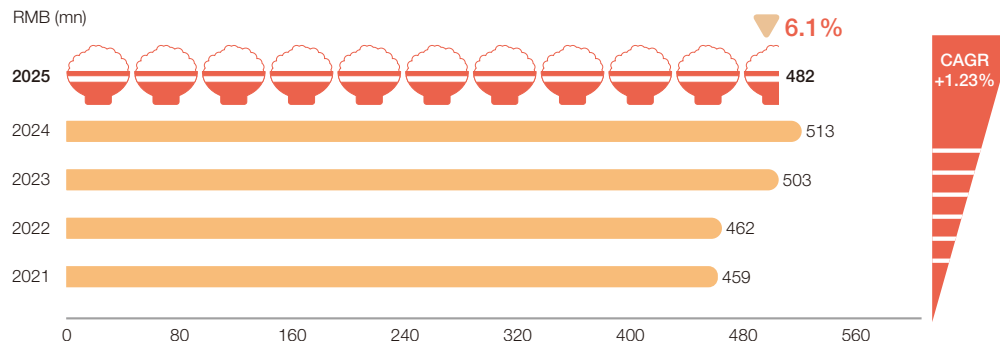
## FINANCIAL HIGHLIGHTS

**REVENUE**

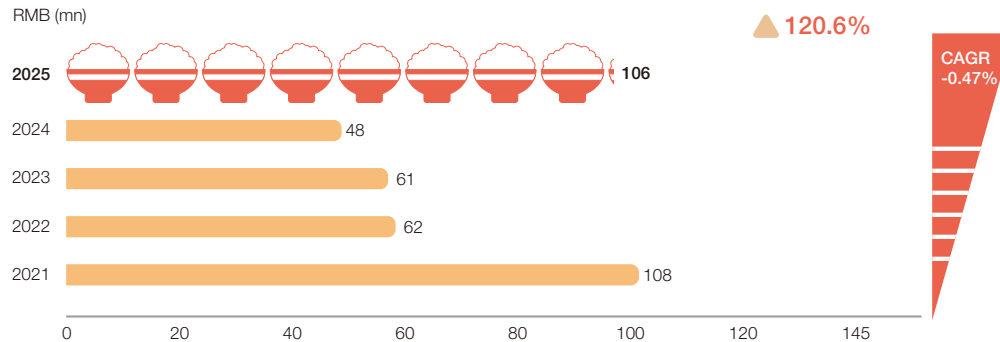
RMB (mn)

**GROSS PROFIT**

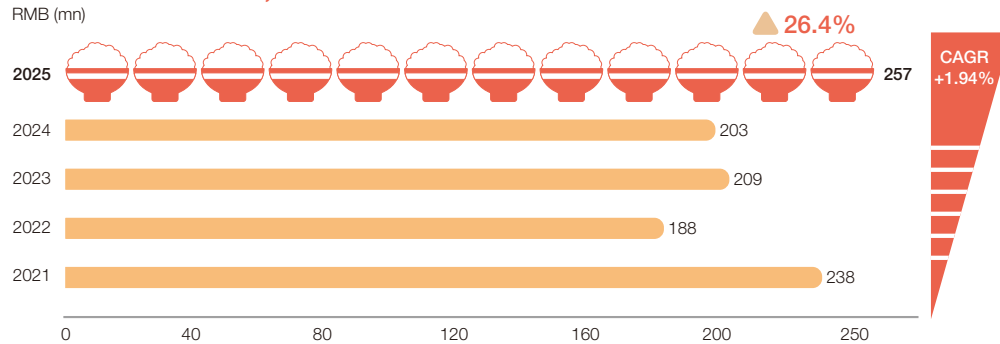
RMB (mn)

**PROFIT FOR THE YEAR**

RMB (mn)

**EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION, EBITDA**

RMB (mn)



## CHAIRMAN'S STATEMENT



Dear Shareholders

On behalf of Jiashili Group Limited (“Jiashili” or the “Company”, together with its subsidiaries collectively, the “Group”, “we”, “our”, “us”), I am pleased to present the annual results of Jiashili for the year of 2025.

### **Demonstrated strong resilience and withstand short-term revenue fluctuations.**

I am pleased to report on the encouraging strategic progress achieved this year. Continued growth and success have been achieved through exceptional customer service and the highest product quality, complemented by the value and versatility of our product categories. Jiashili Group looks back on a challenging year of 2025 characterized by weakened consumer sentiment and drop in sales value. Despite those challenges, we stay committed to the high quality of our products. We continued to invest in our infrastructure and production network. We invest in our businesses to create long-term value for our shareholders and our stakeholders including customers, employees and suppliers. We believe that this investment, with the process of ambition and renewal that accompanies it, builds momentum and sharpens focus across the Group. During the second half of 2025, consumer sentiment recovered slightly — even though still on a low level, thanks to the continued thorough execution of the Group’s lean management strategy in efficiency improvement and technical transformation leads to reduction of costs and expenses. We turn around and achieved bottom line growth. In 2026, we will celebrate our 70th anniversary, starts from our beginning in Kaiping as biscuits and confectionery manufacturer since 1956, our impressive history shows our ability to spot and respond to trends as they are developing, thanks to a deep understanding of our consumers. Our history is also a testimonial to our robustness and resilience despite challenging market conditions.

### **Financial performance**

The Board (the “Board”) of directors (the “Director(s)”) is confident that our strategy proved to be resilience and sustainable, our business is emerging stronger. Underpinning this confidence is a portfolio of our fantastic brands and a dedicated and committed team. The Group’s revenue has dropped by 9.7% year-on-year to approximately RMB1,627.2 million in 2025. Nevertheless the Group’s operating profit (earnings before interest and tax, EBIT) has increased by 50.5% to approximately RMB159.6 million (2024: approximately RMB106.0 million). This represents an EBIT margin of 9.8% (2024: 5.9%). Profits attributable to the owners of the Company amounted to approximately RMB108.8 million (increased by 99.7% compared to previous year), providing a return on revenue of 6.7% (previous year: 3.0%). Net operating cash flow reached approximately RMB202.2 million (previous year: approximately RMB289.8 million). We believed significant factors affecting liquidity include cash flows generated from operating activities, future capital expenditures, acquisitions, dividends, the adequacy of available bank loans, and the ability to attract long-term capital were with satisfactory terms. We believed that our Group is in a strong and healthy financial position generate substantial amounts of cash from operations with sufficient liquidity available for its working capital requirements, foreseeable capital expenditures and the payment of dividends. Our current product mix, include sweet single piece biscuits, salty single piece biscuits, sandwich biscuits and

## CHAIRMAN'S STATEMENT



wafers are being the dominant product range represent about 63.4% (2024: 63.3%) of the total revenue. Please refer page 15 for the detailed analysis of the Group's revenue from our different product segments. Our gross profit margin for the year 2025 has increased by approximately 1.1 percentage points to 29.6% (2023: 28.5%).

### Competition

Many of our confectionery brands enjoy wide consumer acceptance and are among the leading brands sold in the marketplace in China. We sell our brands in highly competitive markets with many other global multinational, national, regional and local firms. Some of our competitors are large companies with significant resources and substantial international operations. Competition in our product categories is based on product innovation, product quality, price, brand recognition and loyalty, effectiveness of marketing and promotional activity, the ability to identify and satisfy consumer preferences, as well as convenience and service. We have also experienced increased competition from other snack items, and we are focused on expanding the boundaries of our core confection brands to capture new snacking occasions. In response to the competitive environment in China, actions may include: i) we track the activity in the market and analyse this in order to adapt our strategy; ii) we may develop products internally, partner with third parties where it is commercially sensible to do so and also acquire firms to bring their product in house; iii) we also continue to evolve our Jiashili brand and invest in marketing the new brand to increase the level of recognition in the market; and iv) our diversification strategy will also deliver new products which complement our existing products.



## CHAIRMAN'S STATEMENT

### **Our responsibility, people, culture and values**

We understand the value of good people, strong and accountable teams, the power of brands, the need for continuous investment and the need to maintain strong and enduring relationships with distributors, customers and suppliers. Across all our businesses, we live and breathe our values through the work we do every day, from investing in the health and safety of our colleagues, to promoting diversity and respecting human rights. Our values are: respecting everyone's dignity; acting with integrity; progressing through collaboration; and delivering with rigour. We pride ourselves on being a first-class employer, working actively to develop our people and create opportunities for progression. As a result, our employees tend to stay with us for a long time, building exciting careers that help them fulfil their goals at work, at home and in the community. We believe that most people are inherently good and that with encouragement, engagement and support they will do the right thing in the right way. Our high standards of integrity enable us to drive a strong culture, recognising that acting responsibly is the only way to build and manage a business over the long term. Our purpose to provide safe, nutritious, affordable biscuit and snack food that is great value for money has never been more relevant. We are committed to being a good neighbour and supporting the communities in which we operate. Our core value of "Jiashili benefit the Nation and benefit to all People" "嘉士利·利國家·利大家" have proved to be critical in determining our responses to the challenges in the past. The strong culture of the Group, which has been established and then embedded in each of our businesses over many years, provided the firm foundation for the ways in which decisions were implemented. We have always aimed to make a lasting positive contribution to society, and we continue to take to invest in our people, support society, strengthen supply chains and respect our environment.

### **Our major rewards and honors in 2025**

In 2025, our wholly-owned subsidiary company Guangdong Jiashili Food Group Co., Ltd was proudly awarded a "Guangdong Time-Honored Brand (廣東老字號)" by the Department of Commerce of Guangdong Province, a prestigious designation reserved for enterprises with a century-old legacy, exceptional cultural heritage, and enduring social influence. This accolade underscores our unwavering commitment to preserving traditional craftsmanship while innovating to meet modern consumer demands. As a custodian of China's snack-making heritage, we take pride in upholding time-tested recipes and quality standards that have earned the trust of generations. This honor not only celebrates our historical roots but also reinforces our mission to blend tradition with contemporary trends in the competitive food industry.

In 2025, we were ranked no.266 among the "Guangdong Top 500 Manufacturing Enterprises (廣東省製造企業500強)", a prestigious list highlighting the province's most influential and high-performing industrial leaders. This recognition reflects our robust production capabilities, scalable supply chain, and contribution to Guangdong's economic growth as a manufacturing powerhouse. By optimizing resource efficiency, expanding production capacity, and adopting green manufacturing practices, we have solidified our role as a key player in China's snack industry. Inclusion in this ranking underscores our operational excellence, competitive scale, and ability to meet rising market demand while maintaining stringent quality and sustainability standards.

## CHAIRMAN'S STATEMENT

Our Group has been awarded honors in the followings:

- (i) According to the Market Leadership Verification Certificate issued by Beijing Mashangying Information Technology Co., Ltd 北京馬上贏信息科技有限公司 in March 2025, based on its offline retail monitoring network, Guangdong Jiashili Food Group Co., Ltd. has been recognized as the No. 1 national brand in the biscuit category by brand sales revenue in China for three consecutive years (2022, 2023, and 2024).
- (ii) In 2025, according to the China Light Industry Baking Food and Sugar Products Industry (Biscuit sector), Guangdong Jiashili Food Group Co., Ltd. was ranked as one of the top ten enterprises in the industry.
- (iii) In 2025, according to the Organizing Committee of the Guangdong-Hong Kong-Macao Greater Bay Area Food Expo, Guangdong Jiashili Food Group Co., Ltd. won the Food Industry Innovation Award at the 2025 Creative Food Exhibition.

These accolades in 2025-spanning cultural heritage, technological innovation, and manufacturing prowess — demonstrate our holistic strengths as a forward-thinking yet tradition-rooted enterprise. They validate our strategic focus on balancing heritage with modernity, driving sustainable growth, and delivering value to shareholders, customers, and communities. As we continue to elevate our brand and capabilities, these honors inspire us to further lead industry transformation and uphold our legacy as a trusted name in China's snack sector.

### **Dividends**

The Board is proposing a final dividend of HK\$0.10 per share in this year. The final dividend, if approved by shareholders, will be paid on July 9, 2026 to shareholders on the register at the close of business on June 22, 2026. Shares will go ex-dividend on June 16, 2026.

### **Our ESG initiatives**

In 2025, our company continued to make significant strides in our Environmental, Social, and Governance (the "ESG") initiatives, reflecting our unwavering commitment to sustainability and responsible business practices. We start to set up strategy and plans on assessing the impacts on climate changes on our Group, Our efforts in sustainable sourcing have also strengthened, with 70% of our raw materials now sourced from certified sustainable suppliers. Additionally, we launched a new line of eco-friendly packaging, aiming at reducing plastic usage by 15%. Socially, we prioritized the well-being of our employees and communities. We implemented comprehensive health and safety programs, achieving a 30% reduction in workplace incidents. Our community engagement initiatives, including donations to local non-profit organization amounted to approximately RMB4.6 million. Governance remained a cornerstone of our operations. We enhanced our corporate governance framework by increasing board diversity and strengthening our ethical business practices. Our stakeholder engagement efforts have been robust, ensuring that we remain responsive to the needs and concerns of all our stakeholders. Looking ahead, we are committed to furthering our ESG agenda. Our 2026 roadmap includes ambitious targets to achieve lesser emissions and lesser footprint on environment, expand our sustainable product lines, and deepen our community impact. We remain dedicated to creating long-term value for our shareholders while contributing to a sustainable and

## CHAIRMAN'S STATEMENT

equitable future. Our ESG priorities are to operate in the most sustainable and responsible way in all areas of our business. Lead with ESG is about engagement, action and results; embracing responsible sustainability and success for our people, our customers, our communities and our investors. Our 2025 ESG activities are summarized and will be issued in a separate report and it details the large number of actions being taken across the Group. It can be found on the Company website or the website of Hong Kong Stock Exchange Company Limited.

**Board changes**

Our ongoing focus is to maintain a strong, value-adding Board, with a diverse range of professional backgrounds, skills and perspectives. As at August 6, 2025 both Mr. Huang Zekun and Mr. Zhang Ziwen have resigned from executive Director and independent non-executive Director of the Company respectively. Mr. Tan Chaojun, the executive Director and vice chairman of the Company also tendered his resignation will be retired from work on April 9, 2026. The Board would like to take this opportunity to express its sincere gratitude to Mr. Huang Zekun; Mr. Zhang Ziwen and Mr. Tan Chaojun for their contributions to the Group during their tenure of service with the Company. As at the date of this report, the Board comprises a total of nine Directors, being six executive Directors, and three independent non-executive Directors. The number of independent non-executive Directors represents at least one-third of the Board as required by Rule 3.10A of the Listing Rules of the Stock Exchange of Hong Kong (the "Listing Rules"). The biographies of the Directors are set out from pages 54 to 56 of this report.

**Thank you to our employees**

Our ongoing successful performance is down to the unwavering passion, commitment, and professionalism of our teams across the business. I have said many times that our people are our greatest asset and I would like to extend my gratitude to all of our colleagues at Jiashili for their continued dedication and support which has enabled us to deliver a strong set of results and make progress towards our strategic objectives. The strength of our culture shone through and our operating model of devolved decision making to each business and market enabled us to respond very quickly and appropriately to local challenges. The responses this year were again a testament to the dedication, skills and ingenuity of our people. I will never be able to thank all of them enough for their extraordinary efforts during this time.



## CHAIRMAN'S STATEMENT

**Looking ahead**

Our business continues to perform well benefitting from strong customer demand in our end markets. The continuing enhancements to our operational flexibility and continuing investment in our people will ensure that we can capitalise on these growing and diverse end markets. We believed that the rapid economic recovery in China together with increased consumer spending will boost our sales in 2026. We will continue to invest in building the capacity and capabilities of all our businesses. We expect the improvement in Group profitability to deliver another year of strong cash generation. While we can achieve much of our ambition organically, we do see opportunities to accelerate the pursuit of our strategy especially through mergers and acquisitions. We will look at mergers and acquisitions opportunities both to continue our geographic or product expansion and as an alternative to innovation in order to expand our portfolio into new growth spaces. In the next few years, we aim to achieve the followings:

- Sustainable revenue growth;
- Profit margin expansion;
- Strong cash conversion; and
- Increase shareholders return

Sticking together, we can build a stronger business. Valued shareholders, we thank you for your continued support in another very challenging year and for the trust you have placed in us. We wish you, distributors, consumers, business partners, suppliers, and employees the best of health in the coming year.

**Jiashili Group Limited**  
**Huang Xianming**  
*Chairman of the Board*

March 31, 2026

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

### Industry Overview

In 2025, China's economy demonstrated resilient growth amidst a complex global environment, successfully achieving the government's annual targets. According to official data released in early 2026, the Gross Domestic Product ("GDP") of the People's Republic of China (the "PRC" or "China") grew by 5.0% in 2025, meeting the government's preset target of around 5%. This performance was underpinned by a package of pro-growth policies and was widely recognized by international institutions, with the International Monetary Fund ("IMF") and others upgrading their forecasts for China throughout the year.

The consumer market exhibited a steady recovery during the year, though with notable structural characteristics. The Retail Sales of Consumer Goods 社會消費品零售總額 increased by 3.7% in 2025 (2024: was increased by 3.5%), reaching approximately RMB50.12 trillion. The figure and growth indicates that China consumer spending continued to recover and Government policies to boost consumption took positive effect. Furthermore, online consumption remained robust, with nationwide online retail sales up by 8.6% for the full year surged by 1.4 percentage points from 2024, reaching approximately RMB15.97 trillion.

Aligning with the national strategic direction, the Company's performance in 2025 was consistent with the initial policy priorities of the 15th Five-Year Plan (2026–2030). The Plan, whose recommendations were unveiled in late 2025, places a strong emphasis on "vigorously boosting consumption" and "building a strong domestic market" as core pillars for high-quality development. A key strategic shift in the Plan is the focus on "integrating the enhancement of people's wellbeing with consumption promotion," and increasing "pro-people policy support that directly benefits consumers". This involves leveraging fiscal policy to directly enhance household consumption capacity and unleashing the potential of domestic demand by improving the social security system. In this context, the Central Government is driving the transformation of the economic model towards one more led by consumption, creating a favorable policy environment for the food and household goods industry. The Group's core business — including biscuits, pasta, and snacks — directly caters to the essential consumer needs in this new policy landscape. By offering high-quality and safe food products, we are actively participating in the national strategy to expand domestic demand and meet the evolving consumption habits of Chinese residents.

Jiashili is one of the largest producer of quality biscuits and crackers in China more than 68 years since 1956, approaching 70 years in year of 2026, we market, sell and distribute our products under more than 12 brand names in approximately 31 Provinces and Municipalities and 310 prefecture-level cities with more than 660 stock keeping units offered to market in China. At Jiashili, serving customers means more than selling food. It means acting as a responsible and sustainable business for all our stakeholders — customers, colleagues, suppliers and shareholders — and providing safe, nutritious and affordable biscuits, that is great value for money. With experienced and our focus management team, robust profit-making model and strong brand name attractiveness, the Group achieved a revenue of approximately RMB1.6 billion in 2025. The business has demonstrated incredible resilience, as we stepped up to support customers, colleagues, suppliers and communities through the impact of rising cost pressures and intense competition. At the same time, we have made further progress towards achieving our strategic priorities. Further recovery of China's economy and new characters and trends of the consumption market represent both challenges and opportunities to us, and it is a major theme to which we have been devoted for so long to provide consumers with more valuable consumption experience. The Group continues to face considerable headwinds from volatile and uncertain business environment and pressure on consumer discretionary spending. However, we remain confident that the Group has the business model necessary to deliver a year of resilient performance with further growth in sales.

## MANAGEMENT DISCUSSION AND ANALYSIS

The products produced and distributed by the Group can be summarized into the following product ranges:

- I. Biscuits: Sweet and Salty single piece, Sandwich, Wafers and other biscuits.
- II. Pasta: Spaghetti and Macaroni.
- III. Other grocery products: Candies, Bread, Mooncakes and other products.
- IV. Flour

### Performance Review

In fiscal year 2025, the Group operated within a complex macroeconomic landscape characterized by moderate GDP growth and a cautiously recovering consumer market in Chinese Mainland. Against this backdrop, our revenue experienced a moderate decline, primarily attributable to subdued consumer sentiment in the discretionary snacking segment and heightened competition in the staple food categories.

### Revenue and Gross Profit

For the year ended December 31, 2025, the Group recorded total revenue of approximately RMB1,627.2 million, representing a decrease of 9.7% compared to the previous year. This top-line contraction was largely driven by cautious inventory management by retail partners and a shift in consumer traffic towards value-focused channels. Consequently, gross profit decreased by 6.1% to approximately RMB481.8 million, with gross profit margin increasing slightly by 1.1 percentage points to 29.6%.

### Transition to Profitability

Despite the challenging top-line environment, the Group achieved a significant milestone in profitability. The Group's profit after tax surged to approximately RMB106.5 million, a substantial increase of approximately RMB58.2 million from approximately RMB48.3 million in 2024. The net profit margin was 6.5% in 2025 compared to 2.7% of 2024, representing an increase of 3.8 percentage points from last year. This performance divergence — lower revenue but higher profit — was the result of a strategic shift towards operational efficiency. The Group's promising performance was benefited from the followings: a stabilization in global commodity markets, leads to lower raw material (include sugar, flour and packaging materials) costs leading to gross profit margin expansion. Furthermore, stringent cost control measures implemented across the supply chain successfully mitigated the impact of reduced operating leverage. The total administrative and selling and distribution expenses for the year of 2025 was amounted to approximately RMB291.7 million representing a decrease by 17.6% year-on-year. Thirdly, the collection of outstanding loan receivables resulting in reduction of impairment provisions. Profit attributable to owners of the Company in 2025 was approximately RMB108.8 million surged by approximately RMB54.3 million, representing an increase by 99.7% year-on-year. Enhancement of product quality and raw material supplies are our Group strives for best quality with competitive prices, and zero customers complaints. This could be achieved by improved quality and supplies management and production and packaging processes. Through straight and stringent control on product safety, quality check and review will be implemented on each stages of production leads to costs reduction and enhancement of production efficiency. We have continued to support our customers and delivered a strong performance, responding with speed and agility to the new and ongoing challenges we faced during the year. It is testament to our resilience as a business, our careful planning, and our flexibility that we have been able to do so with such success.

During the long and successful history of Jiashili, we have mastered many crises and once again we have proven that our company is up to the local challenges. Our objectives are to produce quality, popular and preferred biscuits and leisure snack products where you can share anytime, anywhere. Over the year, we have been adhering to the business philosophy of “Jiashili, benefit the nation and benefit to all people 嘉士利、利國家、利大家” to provide delicious and high quality biscuits to the customers in China.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Marketing and Promotion

Innovation has always been a strong tradition at Jiashili. Today, our pace of innovation is faster than ever, and every year we bring new creations on to the market. To cater for constantly changing consumer demands, our product specialists work day after day to ensure that every new product has the potential to become a classic one day. In 2025, our Group has more than 2,300 distributors in China, Jiashili is a consumer-led and market-driven organization. Our business model, structures and strategies continue to evolve, centred around a deep understanding of diverse local consumer preference. Jiashili continues to meet a wide range of rapidly evolving consumer preferences. Across different consumer landscape, today's most pronounced preferences include clean and cleaner label, convenience, nutrition & wellness, authenticity and premiumisation. These distinct preferences can mean different things to consumers in different market segment of the industry. Central to Jiashili's approach is the fundamental understanding of how to address these needs and support customers as they seek to innovate to win in today's marketplace. These ever-evolving consumer preferences are redefining consumption occasions right across end use markets and channels. Our customers is at the centre everything we do, we aims to adding value by offering so much more to distributors and our end customers. Our Group is undergoing consolidation in different distributor channels, aligning with different distributors through various channels such as supermarkets, shops, convenience stores and key accounts (KA) to fulfil our customers' needs. Some differentiated products are sold exclusive through specific channel to avoid possible conflicts among channels. We also strived for product differentiation in packaging and specifications among different channels and regions.

To promote our products our Group has a policy and control on promoting our products and brand names through discounts, promotion events and others. Selling and distribution expenses accounted for 11.6% of revenue of 2025. (2024: 13.5%) which in line with product sales. Jiashili is a highly diversified group with a wide range of biscuits and leisure snack products, comprises of more than 12 well-known grocery brands, and our flagship retail brand, "Jiashili". We have a strong social purpose: to provide safe, nutritious and affordable food that is great value for money.

### Research and Development

The Group's policy on research activities adhered to the philosophy of satisfying consumer needs and insisted on value innovation. In terms of plans, it continued to empower its featured products by securing supply; on the other hand, it captured the trend, grasped the competitive landscape of the industry, and developed new products to facilitate steady growth of the Company's revenue. The Group's top priority in research and development throughout 2025 was to empower the existing featured products, focusing on major flavours. The Group maintained its competitiveness in the market by continuously refining its product strengths with to bring better consumption experience to consumers. In 2025, research expenses amounted to approximately RMB48.8 million slightly decreased by 8.6% year-on-year. Research expenses accounted for approximately 3.0% of the total revenue in 2025 (2024: 3.0%). Looking forward to 2026, the Group's business research philosophy will continue to build and maintain consumers' satisfaction for company's product strengths with continuous innovation and progress to satisfy consumers' needs and create products with good value for money for consumers.

### Electronic Commerce (e-commerce)

The Group captured the selling opportunities in various scenarios offline and expanded the sales in e-commerce and O2O platforms online. The diversified sales channel penetration and marketing strategies continuously improved the brand awareness and reputation. Meanwhile, the Group will further expand its presence in multiple scenarios by enhancing development and resources investments in family, catering, O2O and other channels. While maintaining sales growth and improving resilience, the Group will actively capture market trends, and discover and embrace new opportunities.

## MANAGEMENT DISCUSSION AND ANALYSIS

**FINANCIAL REVIEW**

During the year ended December 31, 2025 Group's total revenue has decreased by 9.7% year-on-year to approximately RMB1,627.2 million. Revenue from biscuits, pasta and flour business amounted to approximately RMB1,607.4 million, representing a drop of 9.8% as compared with the corresponding period of last year, which accounted for 98.8% of the Group's total revenue, and revenue from the hotel services amounted to approximately RMB19.7 million, which accounted for 1.2% of the Group's total revenue. Breakdown of revenue by products in 2025 and the comparative figures for the same period last year are set forth as follows:

	2025		2024		(Decrease)/Increase	
	RMB (million)	Revenue contribution	RMB (million)	Revenue contribution	RMB (million)	%
Sweet Single piece biscuits	479.8	29.8%	523.0	29.4%	-43.2	-8.3
Salty Single piece biscuits	28.0	1.7%	41.4	2.3%	-13.4	-32.4
Sandwich biscuits	395.5	24.6%	412.1	23.1%	-16.6	-4.0
Wafers	115.7	7.2%	152.2	8.5%	-36.5	-24.0
Coarse grain biscuits	39.6	2.5%	59.1	3.3%	-19.5	-33.0
Other biscuits	86.1	5.4%	173.0	9.7%	-86.9	-50.2
Pasta	188.5	11.7%	162.3	9.1%	26.2	16.1
Flour	167.2	10.4%	176.2	9.9%	-9.0	-5.1
Others	107.0	6.7%	82.9	4.7%	24.1	29.1
<b>Total</b>	<b>1,607.4</b>	<b>100.0%</b>	<b>1,782.2</b>	<b>100.0%</b>	<b>-174.8</b>	<b>-9.8</b>

**Breakdown of revenue by products****Sweet single piece biscuits**

For the year ended December 31, 2025, revenue from sweet single piece biscuits recorded a decline of 8.3% or approximately RMB43.2 million to approximately RMB479.8 million as compared with the same period last year.

**Salty single piece biscuits**

In 2025, the revenue generated from salty single piece biscuits decreased by approximately RMB13.4 million representing a decrease of 32.4% year-on-year to approximately RMB28.0 million. It was due to intense competition among domestic and international brands, and a shift of customers' preference. The industry landscape was driven by innovation in product formats, flavors and health-focused ingredients playing a pivotal role.

**Sandwiches biscuits**

The sandwich biscuit appealed strongly to children, young adults, and gift buyers. The market saw heightened innovation in flavors, textures, and health-oriented formulations, with brands competing to balance taste and perceived nutritional value.

In 2025, the revenue generated from sandwich biscuits has declined by approximately RMB16.6 million representing a drop of 4.0% year-on-year to approximately RMB395.5 million. The market share of Jiashili sandwich biscuits has been maintained in these years mainly due to our successful strategy on premiumization and flavor innovation and focus on health-conscious reformulations. In addition, e-Commerce and social commerce, say livestreaming promotions on Douyin (TikTok) coupled with seasonal campaigns, boosted impulse purchases among Gen Z shoppers.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Wafers

In 2025, the revenue generated from wafers amounted to approximately RMB115.7 million, representing a significant decrease of 24.0% or approximately RMB36.5 million drop year-on-year. The Group's wafers series were highly regarded as high value-for-money biscuits in China consumer markets. The market was challenged by shifting consumer preferences toward other snacks, rising input costs and intensified competition from alternatives.

### Coarse grain biscuits

In 2025, the revenue of coarse grain biscuit amounted to approximately RMB39.6 million, representing a drop of 33.0% or approximately RMB19.5 million as compared with the same period last year.

### Other biscuits

It is the Group's policy of actively seeking to expand different mix of products with different brands and flavors to meet customer's demands. Other biscuits products include mainly Jiuzhou cookie (九洲曲奇), cream crackers, Ruishiyue products series (瑞士樂系列) and others. The other biscuits business recorded revenue of approximately RMB86.1 million in 2025, representing a drop of 50.2% over last year.

### Pasta

In 2025, the pasta and macaroni business recorded a revenue of approximately RMB188.5 million, increase of 16.1% ahead of the corresponding period of last year, which maintained a strong growth momentum. Our brand name of pasta and macaroni i.e. "Kangli康力" and "OPSMYPASTA來一頓" has received much wider market acceptance in China and Hong Kong.

The pasta and macaroni segment in China has experienced steady growth in recent years, driven by urbanization, evolving dietary habits, and a growing appetite for international cuisines. Pasta products including spaghetti, macaroni, penne, and instant pasta are gaining traction, particularly among younger, health conscious and cosmopolitan consumers.

### Flour

The flour business recorded a revenue of approximately RMB167.2 million in 2025, representing a slight decline of 5.1% over last year.

### Others

It is the Group's policy of actively seeking to expand different mix of products with different brands and flavors to meet customer's demands. Others represents miscellaneous products other than biscuits, such as bread, mooncake, candies and soymilk but excluding hotel service business. For the year ended December 31, 2025, revenue from others was increased by 29.1% to approximately RMB107.0 million as compared with the same period last year. In which revenue from short shelf-life bread amounted to approximately RMB20.9 million (2024: approximately RMB23.4 million). Mooncakes business recorded revenue of approximately RMB52.0 million in 2025 increased by 62.0% from the corresponding period of last year.

### Gross profit and Gross profit margin

In 2025, the Group's gross profit amounted to approximately RMB481.8 million (2024: approximately RMB513.2 million), representing a year-on-year drop of 6.1%. Overall gross profit margin was slightly increased to 29.6% (2024: 28.5%) in 2025, representing an increase of 1.1 percentage points from last year. The increase in gross profit margin was mainly attributable to the stable global commodity market in 2025 of which lower costs of raw materials in sugar; flour and packaging materials and also due to the through execution of the Group's lean management optimisation and technical transformation in production process leading to margin expansion. The Group will further imposed stringent measures and controls to keep our production and manufacturing cost remain competitive.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Other income

Other income for the year of 2025 has decreased by approximately 40.5% to approximately RMB43.7 million compared with 2024. The decrease was primarily due to the subsidy of government grants in 2025 which is lower than that of the corresponding period of last year by approximately RMB23.2 million.

### Selling and distribution expenses

Selling and distribution expenses comprise mainly the advertising and promotion expenses, delivery and transportation expenses and selling administration expenses. The selling and distribution expenses has decreased by 22.3% from approximately RMB242.5 million in 2024 to approximately RMB188.4 million in 2025. In 2025 the selling administration and advertising and promotion expenses were approximately RMB130.2 million (2024: approximately RMB172.4 million). Selling administration and advertising and promotion expenses as a percentage of revenue was 8.0% (2024: 9.6%) which was in line with Group's policy to expand and broaden our consumer base. Delivery and transportation expenses in 2025 were approximately RMB58.2 million (2024: approximately RMB70.1 million). Delivery and transportation expenses as a percentage of revenue is 3.6% in 2025 (2024: 3.9%), The Company strive for efficient distribution strategy to save cost while at the same time meet customer demand in quicker delivery.

### Administrative expenses

Administrative expenses mainly consist of staff costs and welfare, office expenses and entertainment expenses, legal and professional fees, tax expenses and rental expenses. For the year ended December 31, 2025, administrative expenses amounted to approximately RMB103.3 million, representing a drop of approximately RMB8.1 million or 7.3% year-on-year. The decrease was mainly attributable to the decrease in staff costs and related office expenses due to the Group's lean management programme.

### Analysis of operating efficiency

The Group stringently controls and manages the levels of trade receivables, trade payables and inventories. Sales to most customers are made on a delivery on advance payment basis. Trade receivables are generated from credit sales to credit customers from distribution channels and others.

The Group's inventories consist mainly of raw materials, packaging materials and finished goods. As at December 31, 2025 the inventories balance decreased by approximately RMB19.0 million to approximately RMB201.5 million (December 31, 2024: RMB220.5 million) as compared to the beginning of the year, which was attributable to the delay in products preparation for Chinese New Year as compared to the same period last year. Accordingly, the inventory turnover days<sup>1</sup> has increased from 56 days in 2024 to 67 days in 2025.

The Group's trade, bills and other receivables refer to the Group's trade receivable balance from its customers, together with other deposits and prepayments. The amounts of trade, bills and other receivables has increased by 22.0% from approximately RMB170.2 million in 2024 to approximately RMB207.6 million in 2025. Thus, the trade, bills and other receivables turnover days<sup>2</sup> has increased from 40 days in 2024 to 42 days in 2025.

<sup>1</sup> Inventory turnover days were calculated based on the average of inventory balances as at the beginning and the end of the year divided by cost of sales multiplied by the number of days in the year.

<sup>2</sup> Trade, bills and other receivables turnover days were calculated based on the average of trade, bills and other receivables balances as at the beginning and the end of the year divided by revenue multiplied by the number of days in the year or period.

<sup>3</sup> Trade and other payables turnover days were calculated based on the average of trade, bills and other payables balances as at the beginning and the end of the year divided by cost of sales multiplied by the number of days in the year.

## MANAGEMENT DISCUSSION AND ANALYSIS

The Group's trade and other payables refer to the Group's trade payables to suppliers, together with accrued expenses and other payables. The amounts of trade and other payables have decrease by 28.7% from approximately RMB343.8 million in 2024 to approximately RMB245.3 million in 2025. Thus, the trade and other payables turnover days<sup>3</sup> has increased from 86 days in 2024 to 94 days in 2025.

The following table sets out the major turnover days for the past two years ended December 31.

	<b>Year ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Inventory turnover days	<b>67</b>	56
Trade, bills and other receivables turnover days	<b>42</b>	40
Trade and other payables turnover days	<b>94</b>	86

The Group reckoned that trade receivables turnover days, inventory turnover days and trade payables turnover days in the distribution channel helped the Group in understanding the efficiency of inventory liquidity and the sales and cash conversion cycle. Through reviewing and improving the turnover days, the Group could further improve its revenue, profit and the ability of on-going growth for the sake of enhancing operational efficiency.

### Working capital position

To preserve and maintain a stable cash flow is very important. Measures to mitigate the cash outflow included cutting back on discretionary spending and non-essential capital expenditure across the Group was implemented. As at December 31, 2025, the Group's net current liabilities were approximately RMB41.1 million (2024: net current liabilities were approximately RMB175.5 million). Current ratio of the Group as at December 31, 2025 was 0.96 (2024: 0.83). We believed our Group is in the healthy state of operating situation with adequate source of resources to meet our short-term debt.

### Financial position and liquidity

We finance our operations and capital expenditure primarily by internally generated cash flows as well as banking facilities provided by our principal bankers. As at December 31, 2025, the Group had bank balances and cash amounted to approximately RMB448.5 million (2024: approximately RMB379.1 million). We are from time to time adopt prudent financial management policy to maintain sufficient cash to meet our cash flow needs. Total bank borrowings as at December 31, 2025 amounted to approximately RMB672.7 million, decreased by approximately RMB12.4 million, or 1.8% from corresponding period of last year. All of our bank borrowings are unsecured. As at December 31, 2025, the Group was in a net debt position (defined as bank balances and cash less total bank borrowings, but exclude lease liability) of approximately RMB224.1 million (2024: net debt position of approximately RMB305.9 million). As at December 31, 2025, the gross gearing ratio (defined as total liabilities over total assets) was 53.5% (2024: 55.3%). Total equity as at December 31, 2025 was approximately RMB1,061.5 million, an increase of 4.7% from approximately RMB1,013.9 million as at December 31, 2024. We assess our liquidity in terms of our ability to generate cash to fund our operating, investing and financing activities. Significant factors affecting liquidity include cash flows generated from operating activities, future capital expenditures, acquisitions, dividends, the adequacy of available bank loans, and the ability to attract long-term capital with satisfactory terms. The Directors believed that the Group is in a strong and healthy financial position generate substantial amounts of cash from operations with sufficient liquidity available for its working capital requirements, foreseeable capital expenditures and the payment of dividends.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Loan Receivables

As at December 31, 2025, before taking into account the accumulated impairment allowance under Expected Credit Loss (“ECL”) model, the Group had loan receivables (which also includes interests receivables) amounted to approximately RMB175,665,000 (2024: RMB177,018,000). After taking into account the accumulated impairment allowance in the amount of approximately RMB55,111,000, the Group’s carrying amount of loan receivables amounted to approximately RMB120,554,000 as at December 31, 2025 which represented approximately 5.3% (2024: 5.2%) of the Group’s total assets. The amounts of ECL impairment reversal for the year of 2025 were approximately RMB5,035,000 due to timely collection of debts and outstanding interests and change of credit assessment rates to individual borrower. (2024: charge for ECL impairment allowance of approximately RMB21,863,000)

Given the liquidity within the Group, the Group is in a position to advance loans to third parties with the aim of generating extra income, optimising the use of the Group’s cash resources. All the loans are funded by the internal resources of the Group. The Group had treated every individual loan decision as rigorously considered. At the pre-loan stage, each loan provided by the Group will be assessed and dealt with based on its own merit and case by case on a qualitative basis. Prior to the provision of such loans, the management will generally conduct the following credit assessment procedures: (i) conduct site visits to the counter party; (ii) conduct discussions with the management of the relevant counterparty; (iii) review the corporate documents of the relevant counterparty; (iv) review the documents showing the track record of the relevant counterparty in the business in the PRC; (v) review and assess the financial condition of the relevant counterparty, including the management accounts or assets held by such counterparty; (vi) demand for sufficient security/collateral on case by case basis; and (viii) proposed application for provision of loan will be approved by the Company’s investment committee and proper record keeping for each transaction of loans. During the post-loan monitoring stage, the Group will obtain monthly management accounts from each borrower to keep watch on their financial conditions, a quarterly review on each borrower will be held internally within the Group to discuss the loan repayment process, there will be ongoing communications and negotiations with the borrowers and guarantors. The Company may also request to increase security and/or collateral on respective loan. The Company will liaise with its legal advisor from time to time for proposed recovery action say for an example, issuance of legal demand letters (if necessary) to debtor or guarantors.

Set out below is the summary of the top five borrowers to which the Group had provided loans as at December 31, 2025. The amounts of the top five loans including outstanding interests (collectively the “Major Loans”) were amounted to approximately RMB110,571,000 which represented approximately 63% of the total loan receivables as at December 31, 2025. Below are the principal terms of the loan agreement of the Major Loans.

(A)	Loan 1
Date:	December 2, 2024
Parties:	Borrower A, a company incorporated in the PRC with limited liability and is principally engaged in the sale of building materials, hardware, hardware appliances and decorative materials.
Principal amount:	RMB20,207,000
Term:	Two years commencing from date of loan agreement
Repayment date:	December 2, 2026
Interest rate:	6% per annum
Collateral:	Unsecured
Repayment:	Interests shall be paid half-yearly and the full principal amount of the loan shall be paid on the Repayment date or earlier repayment subject to agreement between both parties.

## MANAGEMENT DISCUSSION AND ANALYSIS

B)	Loan 2
Date:	December 31, 2024
Parties:	Borrower B, a company incorporated in the PRC with limited liability and is principally engaged in the provision of passenger carrier services.
Principal amount:	RMB27,000,000
Term:	Three years commencing from date of loan agreement
Repayment date:	December 31, 2027
Interest rate:	8% per annum
Collateral:	Unsecured
Repayment:	Interests shall be paid half-yearly and the full principal amount of the loan shall be paid on the Repayment date or earlier repayment subject to agreement between both parties.
C)	Loan 3
Date:	March 1, 2024
Parties:	Borrower C, a company incorporated in the PRC with limited liability and is principally engaged in the provision of property building management services.
Principal amount:	RMB21,000,000
Term:	Three years commencing from date of loan agreement
Repayment date:	March 1, 2027
Interest rate:	8% per annum
Collateral:	Unsecured
Repayment:	Interests shall be paid half-yearly and the full principal amount of the loan shall be paid on the Repayment date or earlier repayment subject to agreement between both parties.
D)	Loan 4
Date:	April 1, 2024
Parties:	Borrower D, a company incorporated in the PRC with limited liability and is principally engaged in the provision of interior decorative engineering services.
Principal amount:	RMB19,800,000
Term:	Three years commencing from date of loan agreement
Repayment date:	April 1, 2027
Interest rate:	8% per annum
Collateral:	Unsecured
Repayment:	Interests shall be paid half-yearly and the full principal amount of the loan shall be paid on the Repayment date or earlier repayment subject to agreement between both parties.
E)	Loan 5
Date:	May 1, 2024
Parties:	Borrower E, a company incorporated in the PRC with limited liability and is principally engaged in the provision of property security, property management and maintenance services.
Principal amount:	RMB18,600,000
Term:	Three years commencing from date of loan agreement
Repayment date:	May 1, 2027
Interest rate:	8% per annum
Collateral:	Unsecured
Repayment:	Interests shall be paid half-yearly and the full principal amount of the loan shall be paid on the Repayment date or earlier repayment subject to agreement between both parties

## MANAGEMENT DISCUSSION AND ANALYSIS

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the shareholders and their ultimate beneficial owners of the loan receivables as at December 31, 2025, are all third parties independent of the Company and its connected persons. The terms of each of the loan agreements, including the interest rates, were arrived at by the parties thereto after arm's length negotiations. The Directors consider that the terms of the loan agreements are normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

As at December 31, 2025, the charge of impairment allowance for loan receivables were amounted to approximately RMB2,112,000 (2024:RMB21,863,000), and reversals of impairment allowance amounted to approximately RMB7,147,000 (2024: Nil) due to change in probability of default and loss given default during the year. In relation to the impairment decision on loan receivables, the Company will review based on the past experience; financial conditions; fair and realisable value of collateral provided; net asset value of the collateral and cash flow generated from the counterparty whose the Company contracted into. The ECLs are estimated based on the probability of default and loss given default and are adjusted for forward-looking information that is reasonable and supportable available without undue costs or effort.

For loan receivables that are not credit-impaired without significant increase in credit risk since initial recognition ("Stage 1"), ECL is measured at an amount equal to the portion of 12-month ECL that results from default events possible within the next twelve months. If a significant increase in credit risk since initial recognition is identified ("Stage 2") but not yet deemed to be credit-impaired, ECL is measured based on lifetime ECL. If credit impaired is identified ("Stage 3"), ECL is measured based on lifetime ECL. In general, when loans receivables are overdue by 90 days, there is significant increase in credit risk. In respect of the determination of the Group's ECL on loan receivables, the loan receivables was valued by the Company and was reviewed by the Company's auditor and the Company's audit committee. In addition, the Group also engaged Messrs. Asset Appraisal Limited (the "Independent Valuer") to carry out a ECL valuation on the Major Loans as at December 31, 2025, which was agreed by the Company's auditor. Set out below is the summary of details of the Major Loans as at December 31, 2025.

Loan	Party	Relationship with the Group and its connected persons	Principal amount RMB'000	Outstanding interests RMB'000	Reversal of ECL for the year RMB'000	Subsequent repayment as at March 31, 2026	
						Principal amount RMB'000	Interests RMB'000
1	Borrower A	Independent Third Party	20,207	431	(1,583)	—	(281)
2	Borrower B	Independent Third Party	27,000	1,104	(1,536)	(5,000)	(1,104)
3	Borrower C	Independent Third Party	21,000	859	(1,141)	(5,000)	(859)
4	Borrower D	Independent Third Party	19,800	810	(1,169)	(5,000)	(810)
5	Borrower E	Independent Third Party	18,600	760	(1,009)	(2,100)	(760)
			106,607	3,964	(6,438)	(17,100)	(3,814)

By the end of December 31, 2025, a reversal of allowance for ECL amounted to approximately RMB6,438,000 on the Major Loans for the year of 2025. As at the date of this report, collections of principal amount of loan from the Major Loans amounted to approximately RMB17,100,000 and interests amounted to approximately RMB3,814,000 which in aggregate amounted to approximately RMB20,914,000 which represented approximately 11.9% of the gross value of the loan receivables as at December 31, 2025.

## MANAGEMENT DISCUSSION AND ANALYSIS

The interest income generated from loan receivables was amounted to approximately RMB8,886,000 for the year of 2025.

Loan 1 has generated an interest income of approximately RMB1,182,000 for the Group for the year of 2025. Loan 2 has generated an interest income of approximately RMB2,190,000 for the Group for the year of 2025. Loan 3 has generated an interest income of approximately RMB1,704,000 for the Group for the year of 2025. Loan 4 has generated an interest income of approximately RMB1,807,000 for the Group for the year of 2025. Loan 5 has generated an interest income of approximately RMB1,511,000 for the Group for the year of 2025.

### **Contingent liabilities and guarantees**

As at December 31, 2025, the Group did not provide any guarantees for any third party and had no significant contingent liabilities.

### **OUTLOOK**

Jiashili has weathered a number of turbulent periods in recent years. Through all of that, it has emerged a stronger, more robust business. The year 2026 is bound to be another challenging year, and the Group envisages that the operating environment is expected to remain highly competitive. The Group will have to be cautious and stay vigilant. Recognizing and understanding the changing business environment, the Group will continue to monitor closely the movement of commodity prices, evaluate and adjust the pricing strategies and/or re-sizing major products when the need arises. The Group will continue to maintain and improve product quality, innovating products portfolio, reducing costs and broadening the distributor network to drive for higher sales and growth in market share. The Board remains confident that continued focus on the strengths of the Company, which include its long standing customer relationships, breadth and quality of products and industry leading asset infrastructure, will support the further successful development of the Group over the longer term.

### **OTHER INFORMATION**

#### **Human resources and remuneration of employees**

As at December 31, 2025 the Group had a total of 2,325 employees. (December 31, 2024: 3,262) The Group's employees are remunerated with reference to their positions, performance, experience and prevailing salary trends in the market. The remuneration package of our employees includes fixed salary, commissions and allowances (where applicable), and performance based year-end bonuses having regard to the performance of the Group and individual. For year ended December 31, 2025, the total employee benefits expenses (including Directors' and executive's remuneration) were approximately RMB258.7 million (2024: approximately RMB289.9 million).

# CORPORATE GOVERNANCE REPORT

## BOARD OF DIRECTORS

The Board meets regularly during the year and is responsible for setting the Group's strategy and ensuring the necessary resources and capabilities are in place to deliver the strategic aims and objectives.

The Group's strategy, however, remains unchanged and we continue to deliver on our promises and execute our strategy of organic growth and acquisitions. As we grow it is crucial that our governance structures keep pace so that we can ensure growth is both responsible and sustainable. We need to manage our risks efficiently and ensure transparency across the business. We are confident that the Board is well placed to do that and we remain committed to maintaining the very highest standards of corporate governance. We recognise that good governance is essential in promoting the success of the business for the benefit of its members as a whole.

## BOARD COMPOSITION AND DIVERSITY

The board of directors is collectively responsible to the Company's shareholders for the direction and oversight of the Company to ensure its long-term success. The Board met regularly throughout the year to approve the group's strategic objectives, to lead the group within a framework of effective controls which enable risk to be assessed and managed, and to ensure that sufficient resources are available to meet the objectives set. Each member of our Board must be able to demonstrate the skills, experience and knowledge required to contribute to the effectiveness of the Board.

### Board Diversity

The Board recognises the importance of ensuring that Jiashili culture positively celebrates diversity and inclusion, truly embracing individuals' contributions, no matter what their age, gender, race, ethnicity, disability, sexual orientation, social background, religion or belief. We operate under the principle that we should be a Group where anyone with ambition and talent can have a great career, regardless of their age, gender, ethnicity, sexual orientation, disability, educational and socioeconomic background, cognitive and personal strengths or any of the other qualities that make people unique. This applies as much to the Board and to its Remuneration, Audit and Nomination Committees as it does to the Group as a whole. Jiashili recognizes and embraces the benefits of having a diverse Board to make important decisions based on a wider perspective with better consideration of the interests of its shareholders, customers and other stakeholders. At the end of each year, the Board determines the direction for next year's director candidate selection and the composition of the board. Jiashili will continue to make every effort to ensure that the board of directors will be more effective by adding various perspectives and experiences. Currently, out of nine Directors, one is female representing 11.1% (2024: 8.3%) of the Board. The Company will maintain at least one female in the Board and will from time to time continue to maintain a diverse Board. The Nomination Committee will select appropriate candidates through multiple channels and make recommendation to the Board based on the Company's Board diversity policy and nomination policy. We believe the current Board is appropriately balanced in terms of diversity with a good mix of specialist skills and market expertise. The Company will continue to review the composition of the Board to ensure it remains appropriate to support the ongoing development of the Group.

### Board Composition

As at the date of this report, the Board of the Company was constituted by nine members, including six executive Directors, and three independent non-executive Directors.

## CORPORATE GOVERNANCE REPORT

The name of the Directors in office during the year is as follows:

### Executive Directors

Mr. Huang Xianming  
*(Chairman and Chief Executive Officer)*  
 Mr. Tan Chaojun *(Vice Chairman)*  
*(resigned on April 9, 2026)*  
 Dr. Zhao Gang *(Vice Chairman)*  
 Mr. Chen Songhuan  
 Mr. Li Fuliang  
 Mr. Lu Jianxiong  
 Mr. Huang Zekun *(resigned on August 6, 2025)*  
 Ms. Huang Rujiao

### Independent Non-Executive Directors

Mr. Kam Robert  
 Mr. Ma Xiaoqiang  
 Mr. Wan Ngar Yin, David  
 Mr. Zhang Ziwen *(resigned on August 6, 2025)*

The biographical information of the Directors is set out on pages 54 to 56 of this report.

### AREAS OF BOARD FOCUS IN 2025

During the past year the Board has paid particular attention to the following important areas:

- the efficacy of our strategy and the degree to which it remains appropriate in light of market developments, acquisitions opportunities and longer-term objectives;
- the effectiveness of our capital structure and capital allocation priorities;
- evaluating our operating model and structure to ensure they remain fit for purpose as Jiashili grows and markets change;
- Scrutinised progress against the Board's objectives and ensured they continued to align with the Company's purposes and values;
- ensuring our key management resource remains motivated and appropriately rewarded and ongoing senior recruitment; and
- Discussed and reviewed regular updates on the Group's culture and employee engagement, including satisfying itself that workforce policies and practices were consistent with the Company's values and culture.

### COMPLIANCE

The Group's long-term success depends on our commitment to exceptional corporate governance standards, which underpin the confident delivery of our business. We do not see governance as something we do because we have to. We see it as something that should be ingrained in the way we behave, how we make decisions, how we run our business and, ultimately, how we build trust. In the opinion of the Directors, the Company has adopted the principles and applicable code provisions of Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong (the "Listing Rules") as its own code of corporate governance. Since the date of its listing and up to the date of this report, the Company has complied with the code provisions under the CG Code except for deviation during the year which is summarised as below.

## CORPORATE GOVERNANCE REPORT

### **Code Provision C.2.1**

As stipulated in the Code Provision C.2.1 of the Code, the role of chairman and chief executive officer should be separated and should not be performed by the same individual. As the duties of chairman and chief executive officer of the Company are performed by Mr. Huang Xianming (“Mr. Huang”), the Company has deviated from the Code Provision C.2.1 of the CG Code. As all major decisions are made in consultation with all members of the Board, and currently there are four independent non-executive Directors on the Board offering independent advises and providing fresh perspectives to the Company. In regard of this, the Board is of the view that it is appropriate this management structure is effective for the Group’s operations and sufficient checks and balances are in place and in the best interests of the Company for Mr. Huang to hold both positions as it helps to maintain the continuity of the policies and the stability of the operations of the Group. The Board will also continue to review and monitor the practices of the Company for the purpose of complying with the CG Code and maintaining a high standard of corporate governance practices of the Company.

### **Model Code for Securities Transactions**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the “Model Code”) as its own code of conduct for dealing in securities of the Company by the Directors. Having made specific enquiries of all Directors, all Directors confirmed that they have complied with the required standard of dealings as set out in the Model Code throughout the year ended December 31, 2025.

## **THE ROLE AND FUNCTION OF THE BOARD AND COMMITTEES**

The Board is responsible for setting the Group’s strategy and ensuring the necessary resources and capabilities are in place to deliver the strategic aims and objectives. It determines the Group’s key policies and reviews management and financial performance. The Group’s governance framework is designed to facilitate a combination of effective, entrepreneurial and prudent management, both to safeguard Shareholders’ interests and to sustain the success of Jiashili over the longer term. This is achieved through a control framework which enables risk to be assessed and managed effectively. The Board sets the Group’s core values and standards and ensures that these, together with the Group’s obligations to its stakeholders, are understood throughout the Group.

The Board has established three principal board committees, the Audit Committee, the Nomination Committee and the Remuneration Committee, which support the operation of the Board through their focus on specific areas of governance. The membership, responsibilities and activities of these committees are described on pages 28 to 34 of this report.

## CORPORATE GOVERNANCE REPORT

**BOARD MEETINGS AND GENERAL MEETING**

During the year ended December 31, 2025, four meetings were held by the Board and the Directors did not authorise any alternate Director to attend Board meeting. One general meeting was held, which is the annual general meeting held on May 30, 2025 to, among other things, receive and consider the audited financial statements and reports of the Directors and auditors of the Company for the year ended December 31, 2024. The attendance record of each Director at the Board meetings and the general meeting is set out below:

Name of Board Members	General Meeting		Board Meeting	
	Number of attendance	Number of meetings	Number of attendance	Number of meetings
<b>Executive Directors</b>				
Mr. Huang Xianming	1	1	4	4
Dr. Zhao Gang	1	1	4	4
Mr. Tan Chaojun ( <i>resigned on April 9, 2026</i> )	1	1	4	4
Mr. Chen Songhuan	1	1	4	4
Mr. Li Fuliang	1	1	4	4
Mr. Lu Jianxiong	1	1	4	4
Mr. Huang Zekun ( <i>resigned on August 6, 2025</i> )	1	1	2	4
Ms. Huang Rujiao	1	1	4	4
<b>Independent Non-Executive Directors</b>				
Mr. Kam Robert	1	1	4	4
Mr. Ma Xiaoqiang	1	1	4	4
Mr. Wan Ngar Yin, David	1	1	4	4
Mr. Zhang Ziwen ( <i>resigned on August 6, 2025</i> )	1	1	2	4

Notice of regular Board meetings is served to all Directors at least 14 days before the meetings while reasonable notice is generally given for other Board meetings.

Directors would receive relevant documents from the company secretary (the “Company Secretary”) in a timely manner to enable the Directors to be informed decisions on matters discussed in the Board meetings. The Company Secretary manages the provision of information to the Board at appropriate times in consultation with the Chairman and chief executive ensures that the Board has the policies, processes, time and resources it needs in order to function effectively and efficiently. This includes the provision of corporate governance updates to all Board members in the Board pack for each meeting. In addition to formal meetings, the Chairman and chief executive maintain regular contact with all directors. The Chairman holds informal meetings or calls with independent non-executive Directors, without any of the executive Directors being present, to discuss issues affecting the Group, as appropriate. All Directors have access to the Company Secretary, who is responsible for advising the Board on all governance matters.

**INDEPENDENT NON-EXECUTIVE DIRECTORS**

In compliance with Rules 3.10(1) and 3.10(A) of the Listing Rules, there are three independent non-executive Directors, representing at least one-third of the Board. Among the three independent non-executive Directors, two of them have appropriate professional qualifications in accounting or related financial management expertise as required by Rule 3.10(2) of the Listing Rules. The independent non-executive Directors bring independent judgment on issues of strategy, performance and risk. The Company has received from each of the independent non-executive Directors annual written confirmations of their independence pursuant to Rule 3.13 of the Listing Rules. The Company, based on such confirmation, considers, all independent non-executive Directors, to be independent.

## CORPORATE GOVERNANCE REPORT

**APPOINTMENT AND RE-ELECTION OF DIRECTORS**

A Director of the Company shall have a term of office of one to three years and shall be entitled to be re-appointed when the term of office expires provided that the term of office of independent non-executive Directors shall not exceed nine years. The Company has entered into service agreements with each of the executive Director, and independent non-executive Director with a term of not more than three years. In accordance with the Company's articles of association, a person may be appointed as a Director either by the shareholders in general meeting or by the Board. Any Directors appointed by the Board as additional Directors or to fill casual vacancies shall hold office until the next following general meeting, and are eligible for re-election by the shareholders. In addition, all Directors are required to retire by rotation at least once every three years at the annual general meeting, and are eligible for re-election by the shareholders.

The Nomination Committee is responsible for reviewing the structure, size and composition of the Board and making recommendations to the Board on any changes required. Appointments are made on merit, based on objective criteria, including skills and experience and recognising the benefits of diversity on the Board. As part of the appointment process, prospective directors are required to confirm that they will be able to devote sufficient time to the Company to discharge their responsibilities effectively. Furthermore, all Directors are required to inform the Company of changes in their commitments to ensure that they continue to be able to devote sufficient time to the Company.

**DIRECTORS' CONTINUOUS TRAINING AND DEVELOPMENT**

Directors should keep abreast of the responsibilities as a Director of the Company and of the conduct, business activities and development of the Group. All Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The Group consider continuous professional development of Directors would be an investment in the quality of the board, as an important and valuable asset of the Company. The Group continuously updates Directors with circulars and guidance notes on the latest developments regarding the Listing Rules and other applicable regulatory requirements, to ensure compliance and enhance their awareness of good corporate governance practices. The Group also provides all members of the Board with monthly updates on the Group's performance, position and prospects to enable the Board as a whole and each Director to discharge their duties.

A summary of training received by the Directors for the year ended December 31, 2025 is as follows:

<b>Name of Board Members</b>	<b>Training on Corporate governance, regulatory development and other relevant topics</b>
<b>Executive Directors</b>	
Mr. Huang Xianming	√
Mr. Tan Chaojun ( <i>resigned on April 9, 2026</i> )	√
Mr. Chen Songhuan	√
Mr. Li Fuliang	√
Mr. Lu Jianxiong	√
Mr. Huang Zekun ( <i>resigned on August 6, 2025</i> )	√
Ms. Huang Rujiao	√
Dr. Zhao Gang	√
<b>Independent Non-Executive Directors</b>	
Mr. Kam Robert	√
Mr. Ma Xiaoqiang	√
Mr. Wan Ngar Yin, David	√
Mr. Zhang Ziwen ( <i>resigned on August 6, 2025</i> )	√

## CORPORATE GOVERNANCE REPORT

### Summary of the Board's Work During the Year

During the year, the Board considered all matters reserved to the Board for decision, focusing in particular on the following:

- review of operations and current trading;
- approval of the interim financial statements for the six months ended June 30, 2025;
- approval of the annual report and accounts for the year ended December 31, 2024;
- approval of the 2024 AGM resolutions;
- consider and review the Group's dividend policy;
- investor relations;
- treasury policy;
- growth and acquisition strategy;
- adoption of the 2025 budget;
- review of the works of the Group's Audit Committee, Remuneration Committee and Nomination Committee.

### BOARD EVALUATION

The performance of the chairman, chief executive, the Board and its committees is evaluated formally annually against, amongst other things, their respective role profiles and terms of reference. The executive Directors are evaluated additionally against the agreed budget for the generation of revenue, profit and value to shareholders.

### COMMITTEES OF THE BOARD

#### Audit Committee

The Audit Committee assists the Board in its oversight and monitoring of financial reporting, risk management and internal controls.

During the year ended December 31, 2025 and as at the date of this report, the Audit Committee comprised three independent non-executive Directors: Mr. Kam Robert, Mr. Ma Xiaoqiang, and Mr. Wan Ngar Yin, David respectively. Mr. Kam Robert is the Chairman of the Audit Committee.

The principal responsibilities of the Audit Committee are to:

- monitor the integrity of the interim and annual results, including a review of the significant financial reporting judgements contained therein;
- establish and oversee the Company's relationship with the external auditor, including the external audit process, their audit and non-audit fees and independence and make recommendations to the Board on the appointment of the external auditor;
- review and assess the effectiveness of the Company's internal financial controls and internal control and risk management systems;
- oversee the nature, scope and effectiveness of the internal audit work undertaken; and
- monitor the Company's policies and procedures for handling allegations from whistle-blowers.

## CORPORATE GOVERNANCE REPORT

During the year ended December 31, 2025, the Audit Committee had four meetings and the attendance record of the Audit Committee members is set out in the table below:

<b>Name of Directors</b>	<b>Number of attendance</b>	<b>Number of meetings</b>
Mr. Kam Robert ( <i>Chairman</i> )	4	4
Mr. Ma Xiaoqiang	4	4
Mr. Wan Ngar Yin, David	4	4
Mr. Zhang Ziwen ( <i>resigned on August 6, 2025</i> )	2	4

### Activities during the year

In order to fulfil its terms of reference, the Audit Committee receives and reviews presentations and reports from the Group's senior management, consulting as necessary with the external auditor.

### Monitoring the integrity of reported financial information

Ensuring the integrity of the financial statements and associated announcements is a fundamental responsibility of the Audit Committee. During the year it formally reviewed the Group's interim and annual reports. These reviews considered:

- the description of performance in the annual report to ensure it was fair, balanced and understandable;
- any significant adjustments to financial reporting arising from the audit;
- the accounting principles, policies and practices adopted in the Group's financial statements, any proposed changes to them, and the adequacy of their disclosure;
- tax contingencies, compliance with statutory tax obligations and the Group's tax policy; and
- important accounting issues or areas of complexity, the actions, estimates and judgements of management in relation to financial reporting and in particular the assumptions underlying the going concern and viability statements;
- cyber and IT security.

### Significant accounting issues considered by the Audit Committee in relation to the Group's financial statements for the year ended December 31, 2025

A key responsibility of the Committee is to consider the significant areas of complexity, management judgement and estimation that have been applied in the preparation of the financial statements. The Committee has reviewed the suitability of the accounting policies which have been adopted and whether management has made appropriate estimates and judgements. Set out below are the significant areas of accounting judgement or management estimation and a description of how the Committee concluded that such judgements and estimates were appropriate.

#### (i) Valuation of financial asset at fair value through profit or loss ("FVTPL")

In estimating the fair value of the Group's financial asset at FVTPL, the Committee considered the reasonableness of the key assumptions, estimates and inputs adopted by the independent valuer. The Committee also reviewed and challenged the calculations made in deriving the fair value and the adequacy of the disclosures in respect of the key assumptions and estimates. Please refer to note 25 of this report for more details. On the basis of the key assumptions and associated estimates have made by the valuer, the Committee was satisfied that the fair value of the FVTPL amounted to appropriately RMB155.3 million for the year ended December 31, 2025, and the fair value gains on the financial asset at FVTPL for the year ended December 31, 2025 amounted to approximately RMB0.5 million.

## CORPORATE GOVERNANCE REPORT

**(ii) Review on impairment assumptions and estimates under expected credit loss model**

The Committee has reviewed the backgrounds, key assumptions and reference default rate estimates from Moody credit rating report and the Company's financial assets credit impairment policy on receivables and loans. The Committee has also reviewed the assumptions and calculations made by independent valuer on certain loans receivables. The Committee was satisfied with the provisions and judgements which have been provided on the Group's loans and receivables under expected credit loss model.

**(iii) Review on assessment of impairment of goodwill**

The Committee undertakes an formal goodwill impairment assessment on Soymilk CGU with an review on the assumptions and calculations based on the report from the Company. The Committee also reviewed the sufficiency and adequacy of the 5-year financial forecasts of Soymilk CGU for this assessment. The Committee was satisfied with the calculations and judgements made by the Group and the value of goodwill impairment on soymilk CGU is approximately RMB1.9 million for the year ended December 31, 2025.

**Misstatements**

Management reported to the Committee that they were not aware of any material or immaterial misstatements made intentionally to achieve a particular presentation. The external auditor reported to the Committee there were no misstatements have been identified up to the date of this report.

**Internal financial control and risk management**

Jiashili is committed to maintaining robust internal controls over financial reporting (ICOFR) to ensure the accuracy, reliability, and compliance of our financial statements. In 2025, we continued to strengthen our ICOFR framework in accordance with the Hong Kong Listing Rules, COSO Internal Control – Integrated Framework, and other applicable regulatory requirements. The Board and Audit Committee oversee the effectiveness of our internal controls, with management responsible for their implementation and maintenance. Our internal audit function conducts independent reviews to assess control adequacy and identify areas for improvement. We maintain a structured approach to internal controls, covering the following key areas: A) Control Environment, we kept a strong ethical culture, reinforced by policies on integrity, anti-fraud, and accountability, forms the foundation of our financial governance; B) Risk Assessment, we regularly identify and evaluate financial reporting risks, including revenue recognition, inventory valuation, and related-party transactions, ensuring appropriate mitigation measures; C) Control Activities, The Group's standardized procedures are in place for transaction authorization, segregation of duties, reconciliations, and IT security to prevent errors and fraud; D) Information & Communication, our financial data is processed through automated ERP systems with access controls, and clear reporting lines ensure timely escalation of issues; and E) Monitoring, with continuous monitoring, internal audits, and management self-assessments validate control effectiveness, with deficiencies promptly remediated. Jiashili remains dedicated to upholding the highest standards of financial integrity. We will continue investing in technology, training, and process improvements to adapt to operational growth and regulatory changes, ensuring sustained confidence among investors and stakeholders. To fulfil these duties, the Committee reviewed:

- the external auditors' summary of management letters and their Audit Committee reports;
- the Group's approach to anti-bribery and corruption, and whistleblowing;
- internal audit reports on key audit areas and any significant deficiencies in the financial control environment;
- the Group's approach to IT and cybersecurity; and
- reports on the systems of internal financial control and risk management;
- reports on significant systems implementations.
- an assessment of business continuity plans in place in the Group's businesses;

## CORPORATE GOVERNANCE REPORT

**Internal audit**

The Audit Committee is required to assist the Board in fulfilling its responsibilities for ensuring the capability of the internal audit function and the adequacy of its resourcing and plans. To fulfil its duties, the Committee reviewed:

- internal audit's reporting lines and access to the Committee and all members of the Board;
- internal audit's plans and its achievement of the planned activity;
- the results of key audits and other significant findings, the adequacy of management's response and the timeliness of their resolution; and
- changes in internal audit personnel to ensure appropriate resourcing, skills and experience are put in place.

The Chair of the Committee met with the Group's Chief Financial Officer regularly during the year to monitor the effectiveness of the internal audit function, receiving updates on audit progress and statistics on outstanding issues.

**External audit****Auditor independence**

The Audit Committee is responsible for the development, implementation and monitoring of policies and procedures on the use of the external auditor for non-audit services, in accordance with professional and regulatory requirements. These policies are kept under review to meet the objective of ensuring that the Group benefits in a cost-effective manner from the cumulative knowledge and experience of its auditor, whilst also ensuring that the auditor maintains the necessary degree of independence and objectivity. The Committee's policy on the use of the external auditor to provide non-audit services is in accordance with applicable laws and takes into account the relevant ethical guidance for auditors. Any non-audit work to be undertaken by the auditor requires authorisation by the executive Director and above a certain threshold, by the Audit Committee, prior to its commencement. The Committee also ensures that fees incurred, or to be incurred, for non-audit services, both individually and in aggregate, do not exceed any limits in applicable law and take into account the relevant ethical guidance for auditors. The Committee is required to approve the use of the external auditor to provide: accounting advice and training; corporate responsibility and other assurance services; financial due diligence in respect of acquisitions and disposals; and will consider other services when it is in the best interests of the Company to do so, provided they can be undertaken without jeopardising auditor independence. The aggregate expenditure with the Group auditor is reviewed by the Audit Committee. No individually significant non-audit assignments that would require disclosure were undertaken in the financial year. The Audit Committee has formally reviewed the independence of the external auditor. Deloitte Touche Tohmatsu ("DTT") has reported to the Committee confirming that it believes it remained independent throughout the year, within the meaning of the regulations on this matter and in accordance with its professional standards. To fulfil its responsibility to ensure the independence of the external auditor, the Audit Committee reviewed:

- a report from the external auditor describing arrangements to identify, report and manage any conflicts of interest, and policies and procedures for maintaining independence and monitoring compliance with relevant requirements; and
- the extent of non-audit services provided by the external auditor. The total fees paid to DTT for the year ended December 31, 2025 was approximately HK\$2.60 million (2024: approximately HK\$2.62 million) of which approximately HK\$0.41 million (2024: approximately HK\$0.52 million) related to non-audit work.

## CORPORATE GOVERNANCE REPORT

**Auditor effectiveness**

To assess the effectiveness of the external auditor, the Committee reviewed:

- the external auditor's fulfilment of the agreed audit plan and variations from it; and
- reports highlighting the major issues that arose during the course of the audit.

To fulfil its responsibility for oversight of the external audit process, the Audit Committee reviewed:

- the terms, areas of responsibility, associated duties and scope of the audit as set out in the external auditor's engagement letter;
- the overall work plan and fee proposal;
- the major issues that arose during the course of the audit and their resolution;
- key accounting and audit judgements;
- the level of errors identified during the audit; and
- recommendations made by the external auditor in their management letters and the adequacy of management's response.

**Auditor appointment**

The Audit Committee reviews annually the appointment of the auditor, taking into account the auditor's effectiveness and independence, and makes a recommendation to the Board accordingly. Any decision to open the external audit to tender is taken on the recommendation of the Audit Committee. The Audit Committee is satisfied with the auditor's effectiveness and independence and has recommended to the Board that DTT be reappointed as the Company's external auditor for 2026.

**Nomination Committee**

During the year ended December 31, 2025 and as at the date of this report, the Nomination Committee had four members comprising one executive Director and three independent non-executive Directors: Mr. Huang Xianming, Mr. Kam Robert, Mr. Ma Xiaoqiang, and Mr. Wan Ngar Yin, David respectively. Mr. Huang Xianming is the chair of the Nomination Committee.

The Nomination Committee is responsible for making recommendations to the Board on the appointment, reappointment, retirement or continuation of any Director. The Committee is also responsible for reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and assessing the independence of the independent non-executive Directors.

During the year ended December 31, 2025, the Nomination Committee held two meetings and the attendance record of the Nomination Committee members is set out in the table below:

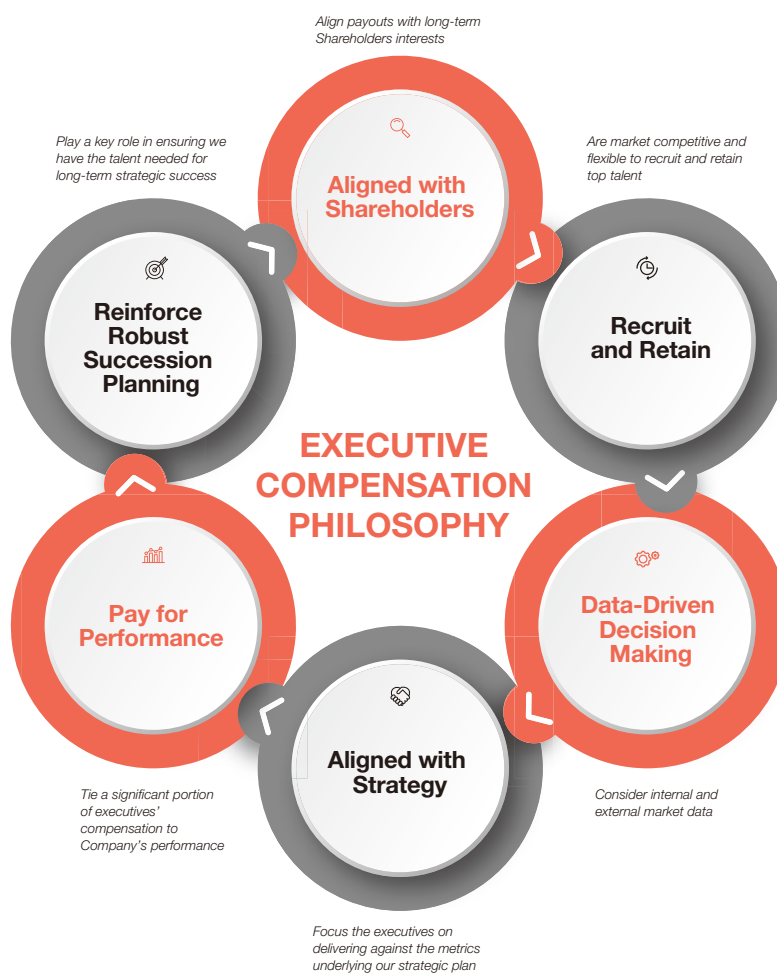
<b>Name of Directors</b>	<b>Number of attendance</b>	<b>Number of meetings</b>
Mr. Huang Xianming ( <i>Chairman</i> )	2	2
Mr. Kam Robert	2	2
Mr. Ma Xiaoqiang	2	2
Mr. Wan Ngar Yin, David	2	2
Mr. Zhang Ziwen ( <i>resigned on August 6, 2025</i> )	1	2

The Committee objective is to have a broad range of skills, background and experience within the Board as they believe that this ensures the Board is best placed to serve the Company. While they will continue to ensure the appointment of the best people for the relevant roles, the Committee recognise the benefits of diversity in ensuring a mix of views and providing a broad perspective. When considering the recruitment of a new director, the Committee considers the required balance of skills, knowledge, experience and diversity to ensure that any new appointment adds to the overall Board composition.

## CORPORATE GOVERNANCE REPORT

The Committee strongly believes that diversity, in all aspects, and the promotion of an inclusive culture is a key driver of business success and is committed to making a continuous improvement in this area at both Board and senior management level. The Board recognises the importance of having complementary and diverse skills and backgrounds within the Board, enabling rich and effective discussions and decision-making. The Committee continuously reviews the Board composition against a skills matrix to ensure that the Board and its Committees have and maintain the skills needed to deliver the Group's strategic priorities. The biographical details of the Directors are set out on pages 54 to 56 of this report.

### Remuneration Committee



During the year ended December 31, 2025, the Remuneration Committee had four members comprising one executive Director and three independent non-executive Directors: Mr. Kam Robert, Mr. Ma Xiaoqiang, Mr. Huang Xianming, and Mr. Wan Ngar Yin, David respectively. Mr. Wan Ngar Yin, David is the chair of the Remuneration Committee.

Remuneration Committee is responsible for making recommendations to the Board on the remuneration of the Directors and senior management and specific remuneration packages and conditions of employment for the Directors and senior management and evaluating and making recommendations on employee benefit arrangements.

## CORPORATE GOVERNANCE REPORT

The remuneration of Directors is determined by the Board, upon recommendation of the Remuneration Committee with reference to the Directors' qualifications, experience, duties, responsibilities and performance and results of the Group.

During the year ended December 31, 2025, two meetings were held by the Committee to review and make recommendation of the remuneration of senior management and the attendance record of the Remuneration Committee members is set out in the table below:

<b>Name of Directors</b>	<b>Number of attendance</b>	<b>Number of meetings</b>
Mr. Wan Ngar Yin, David ( <i>Chairman</i> )	2	2
Mr. Huang Xianming	2	2
Mr. Kam Robert	2	2
Mr. Ma Xiaoqiang	2	2
Mr. Zhang Ziwen ( <i>resigned on August 6, 2025</i> )	1	2

Pursuant to the code B.1.5 of the CG Code, the following table sets forth the remuneration of the Directors and members of senior management categorised by remuneration group for the year ended December 31, 2025:

<b>Group (Note)</b>	<b>Remuneration (RMB)</b>	<b>Numbers of Individuals</b>
1	0-915,000	16
2	915,001-1,372,000	—

Note:

Group 1 includes 12 Directors and 4 members of senior management.

Group 2 includes nil Director and nil member of senior management.

Further details of the Directors' emoluments and the top five highest paid employees required to be disclosed under Appendix 16 of the Listing Rules are set out in note 15 to the consolidated financial statements contained in this annual report.

### COMPANY SECRETARY

The Company Secretary, Mr. Shoom Chin Wan, plays an important role in supporting the Board by ensuring good information flow within the Board and that board policy and procedures are followed.

All Directors may have access to the advice and services of the Company Secretary who regularly updates the Board on governance and regulatory matters and should also facilitate induction and professional development of Directors. He confirmed that he had complied with Rule 3.29 of the Listing Rules and taken no less than 15 hours of relevant professional training during the year ended December 31, 2025.

## CORPORATE GOVERNANCE REPORT

**INTERNAL CONTROLS**

For the year ended December 31, 2025, the Board, through the Audit Committee, conducted a review of the effectiveness of the internal control and risk management system of the Company, including the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function.

The Board is responsible for maintaining an adequate internal control and risk management system to safeguard shareholder investments and Company assets, and reviewing the effectiveness of such system on an annual basis through the Audit Committee. During the year, the Board has conducted a review of the effectiveness of the Company's internal control and risk management systems and considered the systems are effective and adequate in all material aspects in both design and operations.

**Key Elements of Internal Control System**

The Group's internal control key processes include the following:

- An organisation structure which formally defines lines of responsibility and delegation of authority.
- Policies and procedures of all operating units within the Group are documented in the Standard Practice Instructions.
- Key functions such as corporate affairs, finance, tax, treasury and human resources are controlled centrally.
- Roles and responsibilities are properly segregated.
- Annual budgeting and target setting process which includes forecasts for each operating unit with detailed reviews at all levels of operations.
- Monetary limits are set up at different levels of authorised positions so that unauthorised transactions can be minimised.
- Effective reporting system in place to ensure timely generation of financial information for management review.
- Operating units meetings are conducted regularly to review financial performance, business development and deliberate on management issues.
- Executive Directors meet with senior management/all operating units to discuss and resolve key operational, financial and other key management issues. Significant issues are highlighted and discussed at Board meetings.
- The Audit Committee has access to external auditors and their reports and meets with them to discuss on their findings and reports.
- The Group has a policy on financial limits and approving authority for its operating and capital expenditure.

**ACCOUNTABILITY AND AUDIT****Directors' Responsibility**

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

The Directors acknowledge their responsibility for preparing the consolidated financial statements of the Group. The Board is not aware of any material uncertainties relating to events or conditions which may cast significant doubt over the Group's ability to continue as a going concern. Accordingly, the Board will continue to prepare the consolidated financial statements on a going concern basis.

## CORPORATE GOVERNANCE REPORT

### Internal Audit

Internal audit function was conducted with an objective that independent feedback and reviews will be provided to the Audit Committee and subsequently the board of directors. The Audit Committee reviewed through the findings of the internal auditors to ensure that any major weaknesses are recognised and rectified on a timely basis and an effective and efficient risk management and internal control systems are maintained.

The internal auditors reported on their findings, recommended corrective measures to be taken by the management and the management responses thereto. During the financial year, there was no material internal control weakness that would have resulted in any significant loss to the Group.

Further review on internal control system was also done by the Audit Committee through discussion with relevant management during the Board meeting whereby other concerns were addressed.

### SHAREHOLDERS' RIGHTS

To safeguard shareholder's interests and rights, a separate resolution is proposed for each substantially separate issue at general meetings, including the election of individual Directors. All resolutions put forward at general meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and the Stock Exchange of Hong Kong Limited after each general meeting.

#### 1. Convening a General Meeting

Shareholder(s) holding at the date of deposit of the requisition not less than one-tenth of the paid-up capital of the Company may request the Board to convene an extraordinary general meeting pursuant to Article 58 of the Articles of Association by sending a written requisition to the Board or the company secretary. The objects of the meeting must be stated in the written requisition.

#### 2. Putting Forward Proposals at General Meeting

If a shareholder wishes to propose a person other than a retiring Director for election as a Director of the Company at a general meeting, pursuant to Article 85 of the Articles of Association, the shareholder (other than the person to be proposed) duly qualified to attend and vote at the general meeting shall send a written notice, duly signed by the shareholder, of his/her intention to propose such person for election and also a notice signed by the person to be proposed of his/her willingness to be elected. These notices should be lodged at the Company's head office or the office of the Company's branch share registrar. The period for lodgement of such notices shall commence on the day after the despatch of the notice of such general meeting and end no later than 7 days prior to the date of such general meeting.

#### 3. Putting Forward Enquiries to the Board

For putting forward any enquiries to the Board of the Company, shareholders may send written enquiries to the Company. The Company will not normally deal with verbal or anonymous enquiries.

#### 4. Contact Details

The contact details of the Company are set out in the Company's website ([www.gdjsl.com](http://www.gdjsl.com)) in order to enable the shareholders to make any query that they may have with respect to the Company.

Shareholders should direct their enquiries about their shareholdings to the Company's Hong Kong branch share registrar. Their details are as follows:

Tricor Investor Services Limited  
17 Floor, Far East Finance Centre  
18 Harcourt Road  
Hong Kong

Shareholders may at any time make a request for the Company's information to the extent such information is publicly available.

## CORPORATE GOVERNANCE REPORT

### INVESTOR RELATIONS

The Company believes that effective communication with its shareholders and the investment community in a fair and timely basis is essential. Continuous dialogue is held with research analysts and institutional investors by means of roadshows, one on one meetings, conference calls and investors conferences to keep them abreast of the Group's business and development.

### NON-COMPETITION UNDERTAKING BY CONTROLLING SHAREHOLDERS

Mr. Huang Xianming, Ms. Huang Cuihong, Ms. Huang Rujiao, Ms. Huang Rujun, Ms. Huang Xianxian, Kaiyuan Investments Limited ("Kaiyuan"), Great Logistics Global Limited ("Great Logistics"), Jade Isle Global Limited ("Jade Isle"), Grand Wing Investments Limited ("Grand Wing"), Intelligent Pro Investments Limited ("Intelligent Pro") and Prestige Choice (Overseas) Investments Limited ("Prestige Choice Overseas") are the controlling shareholders (within the meaning of the Listing Rules) of the Company (the "Controlling Shareholders"). Each of the Controlling Shareholders has confirmed to the Company that none of them is engaged in, or interested in any business (other than the Group) to compete directly or indirectly with the Group. To protect the Group from any potential competition, the Controlling Shareholders have given an irrevocable non-compete undertaking in the Group's favour on August 21, 2014.

In order to properly manage any potential or actual conflict of interests between the Group and the Controlling Shareholders in relation to the compliance and enforcement of the non-competition undertaking, the Company has adopted the following corporate governance measures:

- i. the independent non-executive Directors shall review, at least on an annual basis, the compliance with and enforcement of the terms of the non-competition undertaking by the Controlling Shareholders;
- ii. the Company will disclose any decisions on matters reviewed by the independent non-executive Directors relating to compliance and enforcement of the non-competition undertaking either through the annual report or by way of announcement;
- iii. the Company will disclose in the corporate governance report on how the terms of the non-competition undertaking have been complied with and enforced; and
- iv. in the event that any of the Directors and/or their respective associates has material interest in any matter to be deliberated by the Board in relation to the compliance and enforcement of the non-competition undertaking, he may not vote on the resolutions of the Board approving the matter and shall not be counted towards the quorum for the voting pursuant to the applicable provisions in the Company's articles of association.

The Directors consider that the above corporate governance measures are sufficient to manage any potential conflict of interests between the Controlling Shareholders and their respective associates and the Group and to protect the interests of the shareholders, in particular, the minority shareholders.

Each of the Controlling Shareholders has confirmed to the Company that he/she/it has complied with the non-competition undertaking. The independent non-executive Directors of the Company have reviewed the status of compliance and enforcement of the non-competition undertaking and confirmed that all the undertakings thereunder have been complied with.

## CORPORATE GOVERNANCE REPORT

### **SUMMARY OF THE GROUP'S ANTI-FRAUD AND ANTI-BRIBERY POLICY**

#### **1. Policy Statement**

The Company is committed to conducting all business activities with the highest standards of integrity, transparency, and accountability. This Anti-Fraud and Anti-Bribery Policy (the "Policy") establishes a zero-tolerance stance against any form of fraud, bribery, or corruption, whether involving public officials or private sector partners. The Policy applies to all employees, directors, officers, agents, consultants, contractors, and any third parties acting on the Company's behalf. Any violation of this Policy will result in disciplinary action, up to and including termination of employment or contract, and potential referral to law enforcement authorities. The Board and senior management fully endorse and actively oversee the implementation of this Policy.

#### **2. Prohibition of Improper Payments, Kickbacks and Other Forms of Bribery**

The Company strictly prohibits the offering, promising, authorising, or giving of any money, gift, or anything else of value to any person (public or private) in order to improperly influence a business decision, secure an unfair advantage, or obtain or retain business. Kickbacks — whether cash, commissions, favours, or other benefits — are expressly forbidden in any procurement, sales, or contracting process. Employees may not solicit or accept such payments. This prohibition extends to indirect payments via intermediaries if there is reason to believe that part of the payment will be used for bribery. All financial transactions must be accurately recorded in the Company's books and records; no undisclosed or off-book accounts may be maintained.

#### **3. Procurement of Goods and Services by the Group**

The Company's procurement processes are designed to be fair, competitive, and transparent. All tenders, bids, and contracts must be evaluated based on objective criteria — quality, price, delivery capability, and compliance with ethical standards — not on personal relationships or improper inducements. Suppliers, vendors, and other business partners are required to certify that they have not and will not engage in bribery, fraud, or kickbacks when seeking or performing work for the Company. Standard contract clauses include rights for the Company to audit the business partner's relevant records and terminate the agreement immediately upon any breach of this Policy. Procurement personnel receive specific training on recognising red flags, such as inflated invoices, shell companies, or unusual commission arrangements.

#### **4. Political and Charitable Contributions and Sponsorships**

The Company may make legitimate political contributions only where permitted by applicable law and after receiving prior written approval from the Compliance Officer. Such contributions must never be made to improperly influence a government official or obtain a business advantage. Charitable contributions and sponsorships are permitted provided they are transparent, properly documented, and serve genuine social or community purposes. No contribution may be made at the request of a government official or business partner as a disguised bribe. Sponsorships of events or conferences must be based on a written agreement that clearly states the fair market value of any benefits received by the Company. All contributions and sponsorships are subject to annual review by the Compliance Committee.

#### **5. Facilitation Payments**

The Company maintains a strict prohibition on facilitation payments — small, unofficial payments made to low-level government officials to secure or expedite routine, non-discretionary actions (e.g., processing a visa, issuing a permit, or connecting utilities). The Company recognises that such payments remain illegal or unethical in most jurisdictions and undermine fair governance. No exception is made for local custom or practice. If an employee is faced with a demand for a facilitation payment, they must politely refuse and immediately report the incident to their manager and the Compliance Officer. In rare, imminent safety or security emergencies, an employee may make a payment but must document the situation and report it within 24 hours.

## CORPORATE GOVERNANCE REPORT

### **6. Gifts and Hospitality**

The Policy permits the giving and receiving of reasonable, proportionate, and transparent gifts and hospitality that are (a) infrequent, (b) of modest value (capped at local market guidelines, generally not exceeding USD100 per occasion), (c) not in cash or cash equivalents (e.g., gift cards), and (d) directly related to legitimate business purposes such as meals, refreshments, or attendance at professional events. Any gift or hospitality exceeding the threshold, or offered to a public official, requires pre-approval. Employees must never give or accept gifts or hospitality during active tender processes or when they could influence a business decision. Excessive entertainment, travel, accommodation, or gifts that could create a sense of obligation are strictly prohibited. All exchanges must be recorded in the gifts and hospitality register.

### **7. Third-Party Representations**

The Company recognises that third parties — agents, consultants, distributors, brokers, joint venture partners, and lobbyists — can present significant bribery and fraud risks if not properly vetted. Before engaging any third party that will interact with government officials or assist in obtaining or retaining business, the Company conducts risk-based due diligence, including background checks, ownership verification, and assessment of the third party's reputation and anti-bribery controls. All agreements with such third parties must be in writing, describe the legitimate services to be provided, state the basis for compensation (which must be commercially reasonable and commensurate with the services), and include a contractual commitment to comply with this Policy. Ongoing monitoring includes reviewing invoices and requesting annual compliance certifications.

### **8. Communication and Training**

The Policy is communicated to all employees upon hire and made permanently available on the Company's internal portal. Annual mandatory training is provided to all staff, with enhanced, role-specific training for employees in high-risk functions such as procurement, sales, finance, and international operations. Training covers the Policy's provisions, how to recognise and resist improper pressure, and the correct use of reporting channels. Newly acquired entities or business partners receive targeted onboarding on the Policy. Managers are responsible for reinforcing the Policy during team meetings and ensuring that their direct reports understand and comply. The effectiveness of the training program is reviewed biennially through assessments and feedback surveys.

### **9. Reporting of Bribery and Suspicious Activity**

All employees and third parties have a duty to report any suspected or actual violation of this Policy, or any request for an improper payment, without fear of retaliation. The Company maintains multiple, confidential reporting channels: direct reporting to a line manager or the Compliance Officer, an anonymous whistleblower hotline, and a secure web-based reporting system (available 24/7). The Company strictly prohibits retaliation against any person who makes a good-faith report. All reports are investigated promptly, thoroughly, and impartially by the Compliance Department, with outcomes documented and appropriate remedial actions taken. Annual summaries of reports (without disclosing personal information) are presented to the Audit Committee. Failure to report known or suspected misconduct may itself be treated as a disciplinary matter.

## CORPORATE GOVERNANCE REPORT

### **SUMMARY OF THE GROUP'S ANTI-MONEY LAUNDERING (AML) POLICY**

#### **1. Policy Statement**

The Company is fully committed to preventing its business operations from being used for money laundering, terrorist financing, or any other financial crime. Money laundering includes concealing or transferring funds derived from illegal activities (e.g., fraud, corruption, drug trafficking, tax evasion) to make them appear legitimate. This Policy applies to all employees, subsidiaries, and business partners. The Company complies with all applicable AML laws and regulations in every jurisdiction where it operates. Any violation, whether intentional or through gross negligence, will result in disciplinary action, termination, and potential legal referral.

#### **2. Key Definitions and Red Flags**

Employees must recognise common indicators of potential money laundering:

- Unusually large or complex transactions without clear business rationale.
- Reluctance to provide identification or beneficial ownership information.
- Transactions structured just below reporting thresholds (smurfing).
- Unexpected changes in payment patterns or use of multiple third-party payers.
- Requests to transfer funds to unrelated parties or high-risk jurisdictions.

#### **3. Customer Due Diligence (CDD) and Know Your Customer (KYC)**

The Company conducts risk-based CDD before establishing any business relationship, making a significant transaction, or partnering with a third party. CDD includes:

- Verifying identity of customers, beneficial owners, and authorised signatories using reliable, independent documentation.
- Understanding the nature and purpose of the business relationship.
- Monitoring ongoing transactions to ensure they align with the customer's profile.

Enhanced Due Diligence (EDD) is required for higher-risk customers, such as politically exposed persons (PEPs), customers from high-risk jurisdictions, or complex ownership structures. The Company reserves the right to decline or terminate a relationship if satisfactory CDD cannot be completed.

#### **4. Record Keeping**

To support any future investigation or regulatory audit, the Company retains all records obtained through CDD, transaction data, and correspondence related to AML compliance for a minimum of five years after the end of the business relationship (or longer if required by local law). Records are stored securely, with restricted access, and in a format that allows timely retrieval by authorised personnel or law enforcement. Destruction of records before the statutory period is prohibited.

## CORPORATE GOVERNANCE REPORT

**5. Reporting Suspicious Transactions and Activities**

All employees and contractors have a legal and internal duty to report any knowledge, suspicion, or reasonable grounds for suspicion of money laundering or terrorist financing. Reports must be made immediately to the appointed AML Compliance Officer (or the designated deputy). The Company maintains a confidential reporting channel (whistleblower hotline) that can be used anonymously where permitted by law. After internal review, the AML Compliance Officer will determine whether to file a Suspicious Activity Report (SAR) or equivalent with the relevant financial intelligence unit. Tipping off — informing a customer or third party that a SAR has been filed or that they are under investigation — is a criminal offence and strictly forbidden.

**6. Prohibition on Cash and Anonymous Transactions**

To minimise money laundering risk, the Company does not accept cash payments above locally prescribed thresholds (generally equivalent to USD10,000, or lower for high-risk activities). Where cash is unavoidable, enhanced verification and source-of-funds documentation are required. The Company does not accept anonymous accounts, virtual currency payments from unverified wallets, or third-party payments without a legitimate business reason and full disclosure of the payer's identity.

**7. Training and Awareness**

All employees receive AML training upon hiring and annually thereafter. Training covers:

- Basic concepts of money laundering and terrorist financing.
- Legal obligations, including personal liability for non-reporting.
- Recognising red flags specific to the Company's industry.
- Correct procedures for internal reporting and record keeping.

Specialist training is provided to finance, legal, compliance, and front-office staff. Completion is tracked, and refresher modules are issued when regulations change.

**8. Governance and Review**

The Board appoints an AML Compliance Officer with sufficient authority, resources, and access to all relevant records. The Compliance Officer is responsible for:

- Implementing and updating the AML Policy.
- Receiving and investigating internal reports.
- Liaising with regulators and law enforcement.
- Conducting periodic risk assessments and independent audits (at least every two years).

The AML Policy is reviewed annually and updated to reflect changes in law, business activities, or emerging typologies.

## CORPORATE GOVERNANCE REPORT

### **SUMMARY OF THE GROUP'S WHISTLEBLOWING POLICY (WP)**

#### **1. Objective**

The Company is committed to the highest standards of legal compliance, ethics, and corporate governance. The objective of this WP is to encourage and enable employees, contractors, and other stakeholders to raise genuine concerns about suspected wrongdoing, fraud, bribery, corruption, health and safety breaches, environmental violations, or any other serious misconduct within the Company — without fear of retaliation. The Policy aims to provide a clear, confidential, and accessible channel for reporting concerns, and to ensure that all reports are investigated promptly, fairly, and thoroughly. It is not a substitute for normal management or Human Resources (HR) grievance procedures, but a last-resort or parallel route for serious risks that cannot be raised through standard channels.

#### **2. Scope**

This Policy applies to all directors, employees (full-time, part-time, and fixed-term), consultants, agency workers, interns, volunteers, contractors, and suppliers of the Company and its subsidiaries. It covers any genuine concern relating to:

- Financial fraud or misstatement of accounts.
- Bribery, kickbacks, or corruption.
- Criminal offences (e.g., theft, money laundering, insider trading).
- Endangerment of health and safety or environmental damage.
- Unlawful discrimination, harassment, or victimisation.
- Deliberate concealment of any of the above.

Matters that are purely personal grievances (e.g., interpersonal disputes or routine employment terms) should be handled through the Company's standard grievance or HR procedures, not this Policy.

#### **3. Protection**

The Company strictly prohibits any form of retaliation, victimisation, or detrimental treatment against any person who makes a report in good faith — even if the report turns out to be unsubstantiated, provided it was not malicious or knowingly false. Protection extends to employees who assist in an investigation or act as witnesses. Retaliation includes dismissal, demotion, denial of promotion, harassment, threats, discrimination, or any adverse change to terms of employment or contract. Any manager or employee found to have retaliated against a whistleblower will face disciplinary action, up to and including termination. The Company also reserves the right to take legal action against any third party who attempts to retaliate.

#### **4. Confidentiality**

The Company will take all reasonable steps to protect the identity of any whistleblower who requests confidentiality, to the extent permitted by law and the need for a fair investigation. Confidentiality means that only those directly involved in receiving, assessing, or investigating the report will know the whistleblower's identity. However, the Company cannot guarantee absolute anonymity if the matter proceeds to legal proceedings, regulatory inquiry, or internal disciplinary hearings where the whistleblower may be required to provide testimony. Anonymous reports are accepted, but investigation may be more difficult, and the Company encourages individuals to identify themselves to allow for follow-up and protection.

## CORPORATE GOVERNANCE REPORT

### 5. Procedures

#### i) Making a report

Reports may be made in writing (letter or email), verbally (by phone or in person), or through the Company's dedicated whistleblowing hotline (available 24/7, operated by an independent third party where required). The whistleblower should provide as much detail as possible: what occurred, who was involved, when and where it happened, and any supporting evidence. Reports can be made to any of the following channels:

- Directly to the Whistleblowing Officer or Audit Committee.
- To the employee's line manager or HR manager (if not implicated).
- Via the confidential hotline number or web portal (details on the Company intranet).

All reports are acknowledged within two working days.

#### ii) Investigation procedures

Upon receipt of a report, the Whistleblowing Officer assesses its seriousness and credibility. For matters involving senior management or the Board, an independent external investigator may be appointed. Investigations are conducted promptly (typically within 30 days), impartially, and with due respect for the rights of the accused person. The whistleblower may be contacted for further information. At the conclusion, the Whistleblowing Officer prepares a written report of findings and recommendations. If misconduct is confirmed, appropriate remedial and disciplinary actions are taken. The whistleblower is informed of the outcome, subject to confidentiality and legal constraints.

### 6. Consistent with Laws and Regulation

This Policy operates in full compliance with applicable whistleblower protection laws in each jurisdiction where the Company operates, including any local regulations on protected disclosures, confidentiality, and prohibition of retaliation. Where local law provides greater protection (e.g., specific deadlines for acknowledgment or reporting to external regulators), those provisions take precedence. The Company will not take any action that contravenes legal requirements for mandatory reporting of certain offences to law enforcement or regulatory bodies.

### 7. Upholding this Policy

All managers have a duty to communicate this Policy to their teams and to ensure that no one is discouraged from reporting concerns. The WP is published on the Company's intranet and included in employee induction packs. Breaches of this Policy — including failure to report known serious misconduct, retaliation against a whistleblower, or making a malicious false report — will result in disciplinary action up to and including dismissal. The Board reviews the effectiveness of this Policy annually, including the number and outcomes of reports received, and ensures continuous improvement.

## REPORT OF THE DIRECTORS

The Directors present their report together with the audited financial statements of the Company and the Group for the year ended December 31, 2025.

### CORPORATE INFORMATION

The Company was incorporated in the Cayman Islands on December 19, 2013 as an exempted company with limited liability. The Company's shares were listed on the Main Board of the Stock Exchange of Hong Kong Limited on September 25, 2014.

### PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Company is an investment holding company. The principal activities of the Group are manufacturing and sales of biscuits in the PRC and overseas.

Segment analysis of the Group (categorised by major products) for the year ended December 31, 2025 is set out in note 6 to the consolidated financial statements of the Group contained in this report. A review of the business of the Group during the year and its future development and an analysis of the Group's performance during the year using financial key performance indicators as required under Schedule 5 of the Companies Ordinance (Cap. 622 of the laws of Hong Kong), as well as particulars of important events affecting the Company that have occurred since the end of the year ended December 31, 2025, are set out in the "Chairman's Statement" on pages 6 to 11 and the "Management Discussion and Analysis" on pages 12 to 22 of this report.

### GROUP STRATEGY AND BUSINESS MODEL

Our strategy is to achieve sustainable growth over the long term, increasing shareholder value through sound commercial and responsible business decisions that deliver steady growth in earnings and dividends. Our ownership structure provides us with the stability to invest in businesses that we believe in and to support the growth of those businesses over the long term. We continue to operate a devolved decision-making model. This is a distinctive characteristic of Jiashili, and one which we believe empowers management of our businesses to take decisions at the level we consider to be the most effective — in other words, closest to the markets, customers and stakeholders relevant to each business.

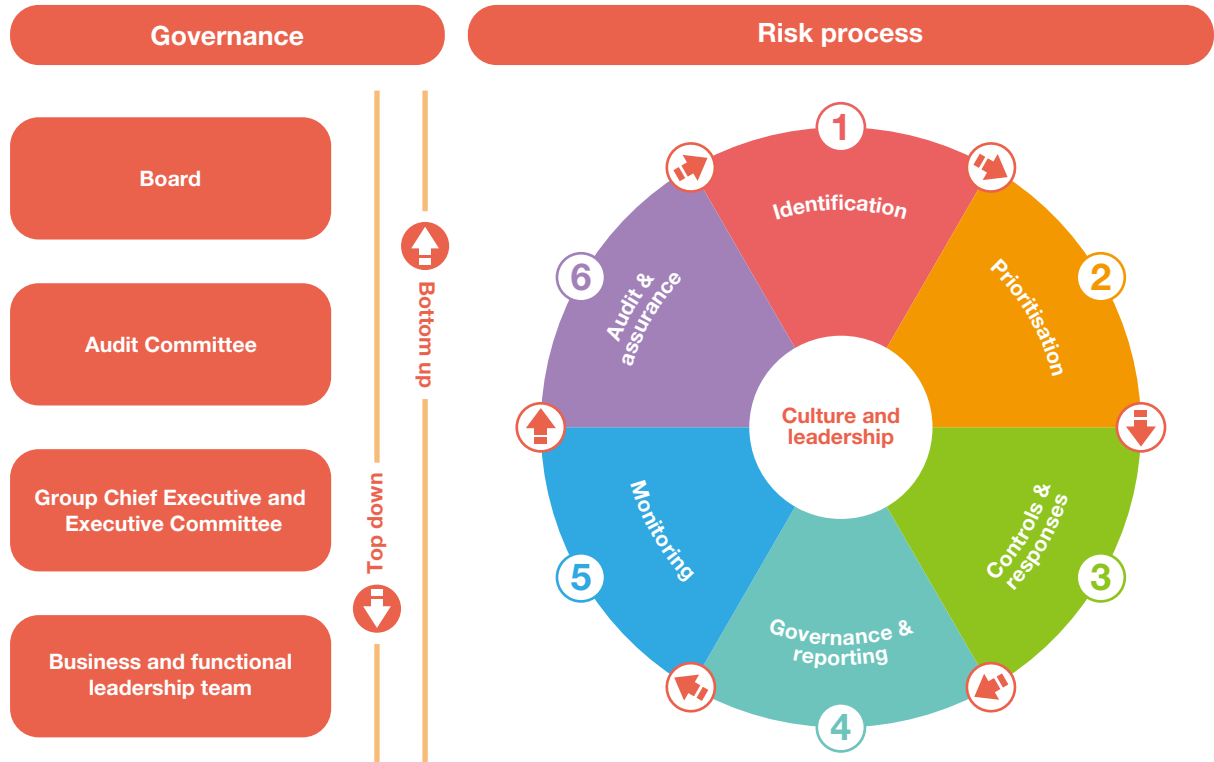
### COMPANY CULTURE: PEOPLE AND VALUES

We understand the value of good people, strong and accountable teams, the power of brands, the need for continuous investment and the need to maintain strong and enduring relationships with customers and suppliers. Our people are a key asset and it is their commitment to providing customers with a reliable service that has helped Jiashili to navigate further. Across all our businesses, we live and breathe our values through the work we do every day, from investing in the health and safety of our colleagues, to promoting diversity and respecting human rights. Our values are: respecting everyone's dignity; acting with integrity; progressing through collaboration; and delivering with rigour. We believe that most people are inherently good and that with encouragement, engagement and support they will do the right thing in the right way. Our high standards of integrity enable us to drive a strong culture, recognising that acting responsibly is the only way to build and manage a business over the long term. Our core value of "Jiashili benefit the Nation and benefit to all People" "嘉士利、利國家、利大家" have proved to be critical in determining our responses to our external challenges.

## REPORT OF THE DIRECTORS

### PRINCIPAL RISKS AND UNCERTAINTIES

#### Risk management framework



#### Our approach to risk management

The delivery of our strategic objectives and the sustainable growth (or long-term shareholder value) of our business, is dependent on effective risk management. Similar with any business, risks and uncertainties are inherent in our business activities and it is through a structured approach to risk management that we are able to mitigate and manage these risks and embrace opportunities when they arise.

## REPORT OF THE DIRECTORS

The Board is accountable for effective risk management, for agreeing the principal, including emerging, risks facing the Group and ensuring they are successfully managed. The Board undertakes a robust annual assessment of the principal risks, including emerging risks, that would threaten the business model, future performance, solvency or liquidity. The Board also monitors the Group's exposure to risks as part of the performance reviews conducted at each Board meeting. Financial risks are specifically reviewed by the Audit Committee. The Board empowers the management of our businesses to identify, evaluate and manage the risks they face, on a timely basis, to ensure compliance with relevant legislation, our business principles and Group policies. Our businesses perform risk assessments which consider materiality, risk controls and specific risks relevant to the markets in which they operate. The collated risks from each business are shared with the respective divisional chief executives who present their divisional risks to the Group executive. The Board receives the risk assessments on an annual basis and, with the Audit Committee, reviews and challenges them with the divisional chief executives, on an individual basis. These discussions are wide ranging and consider operational, environmental and other external risks. These risks and their impact on business performance are reported during the year and are considered as part of the monthly management review process. At least one executive director together with Group divisional heads including Legal, Treasury, Tax, Information Technology, Human Resources, Procurement and Delivery to form Executive Committee providing input to this process, sharing with the Board and the Audit Committee their view of key risks and what activities are in place or planned to mitigate them. A combination of these perspectives with the business risk assessments creates a consolidated view of the Group's risk profile. A summary of these risk assessments is then shared and discussed with the Audit Committee and Chief Executive Officer at least annually. The Chief Executive Officer holds meetings with each of the non-executive Directors seeking their feedback on the reviews performed and discussing the key risks, which include emerging risks, and mitigating activities identified through the risk assessment exercise. Once all non-executive Directors have been consulted, a Board report is prepared summarising the full process and providing an assessment of the status of risk management across the Group. The key risks, mitigating controls and relevant policies are summarised and the Board confirms the Group's principal risks.

### Principal risks and uncertainties

#### *Market demand for new and existing products could decline*

We operate in highly competitive markets and rely on continued demand for our products. To generate revenues and profits, we must sell products that appeal to our consumers. Our continued success is impacted by many factors, including the following:

- Effective retail execution;
- Appropriate advertising campaigns and marketing programs;
- Our ability to secure adequate shelf space at retail locations;
- Our ability to drive sustainable innovation and maintain a strong pipeline of new products in the confectionery and broader snacking categories; and
- Changes in product category consumption.

There continues to be competitive product and pricing pressures in the markets where we operate, as well as challenges in maintaining profit margins. We must maintain mutually beneficial relationships with our key customers, including retailers and distributors, to compete effectively.

## REPORT OF THE DIRECTORS

*Changes in our relationships with significant distributors could adversely affect us*

There continues to be competitive product and pricing pressures in the markets where we operate, as well as challenges in maintaining profit margins. We must maintain mutually beneficial relationships with our key distributors and retailers to compete effectively. There can be no assurance that our significant distributors and retailers will continue to purchase our products in the same quantities or on the same terms as in the past, particularly as increasingly powerful distributors continue to demand lower pricing. The loss of a significant distributors or a material reduction in sales to a significant distributors could materially and adversely affect our product sales, financial condition, and results of operations. The Group has, therefore, been continually broadening and deepening its distribution and sales network and increasing the number of our distributors. The Group has also been taking proactive approaches in monitoring the performance of the distributors and supporting them with sales and marketing efforts, so as to maintain good relationships with them and uphold the sales contribution of the distributors to us.

*Disruption of our supply chain could have an adverse impact on our business, financial condition, and results of operations*

Our ability to make, distribute and sell our products is critical to our success. Damage or disruption to our supply chain, including third-party manufacturing or transportation and distribution capabilities, due to weather, including any effects of climate change, natural disaster, fire or explosion, terrorism, pandemics, strikes, government action, or other reasons beyond our control or of our suppliers and business partners, could impair our ability to manufacture or sell our products. Failure to take adequate steps to mitigate the likelihood or potential impact of such events, or to effectively manage such events if they occur, particularly when a product is sourced from a single supplier or location, could adversely affect our business or financial results. In addition, disputes with significant suppliers, including disputes regarding pricing or performance, could adversely affect our ability to supply products to our customers and could materially and adversely affect our product sales, financial condition, and results of operations. The Group believes that we take adequate precautions to mitigate the impact of possible disruptions. We have strategies and plans in place to manage disruptive events if they were to occur.

*Any damage to our reputation could have a material adverse effect on our business, financial condition, and results of operations*

Maintaining a good reputation of Jiashili is critical to selling our products. Product contamination or tampering, the failure to maintain high standards for product quality, safety, and integrity, including with respect to raw materials and ingredients obtained from suppliers, or allegations of product quality issues, mislabeling, or contamination, even if untrue, may reduce demand for our products or cause production and delivery disruptions. Our reputation could also be adversely impacted by any of the following, or by adverse publicity (whether or not valid) relating thereto: the failure to maintain high ethical, social, and environmental standards for all of our operations and activities; the failure to achieve any stated goals with respect to the nutritional profile of our products; our research and development efforts; or our environmental impact, including use of packaging, energy use, and waste management. Moreover, the growing use of social and digital media by consumers has greatly increased the speed and extent that information or misinformation and opinions can be shared. Failure to comply with local laws and regulations, to maintain an effective system of internal controls or to provide accurate and timely financial information could also hurt our reputation. Damage to our reputation or loss of consumer confidence in our products for any of these or other reasons could result in decreased demand for our products and could have a material adverse effect on our business, financial condition, and results of operations, as well as require additional resources to rebuild our reputation. In order to mitigate those impacts on the Group, we have introduced our own quality control standards to all of our suppliers and distributors; policies and practices to take account of changes in legal and environmental obligations; relevant ethical training and programs to educate staffs and workers.

## REPORT OF THE DIRECTORS

### RESULTS AND DIVIDENDS

The results of the Group are set out in the consolidated statement of profit or loss and other comprehensive income on page 63 of this report. The Board has resolved to recommend the payment of a final dividend of HK10.00 cents per ordinary share for the year ended December 31, 2025 (2024: HK10.00 cents), to be payable to the shareholders of the Company whose names appear on the register of members of the Company as at Monday, June 22, 2026. Subject to the approval by the shareholders of the Company, the payment date of the proposed final dividend is expected to be on Thursday, July 9, 2026. The dividend per ordinary share for the year ended December 31, 2025 is HK\$15.00 cents. (2024: HK\$10.00 cents).

### CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the 2026 AGM, the register of members of the Company will be closed from Monday, June 8, 2026 to Friday, June 12, 2026 (both days inclusive), during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the 2026 AGM, all transfer of shares of the Company accompanied by the relevant share certificate(s) and appropriate transfer form(s) must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 17 Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Friday, June 5, 2026. For determining the entitlement to receive the proposed final dividend, the register of members of the Company will be closed from Thursday, June 18, 2026 to Monday, June 22, 2026 (both days inclusive), during which period no transfer of shares of the Company will be registered. In order to be eligible to receive the proposed final dividend, all transfer of shares of the Company accompanied by the relevant share certificate(s) and appropriate transfer form(s) must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 17 Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than Hong Kong time 4:30 p.m. on Wednesday, June 17, 2026.

### MAJOR CUSTOMERS AND SUPPLIERS

During the year, the aggregate sales to the Group's five largest customers accounted for approximately 13.3% of the Group's turnover and sales to the Group's largest customer was approximately 5.3% of the Group's total revenue.

During the year, the aggregate purchases attributable to the Group's five largest suppliers accounted for approximately 21.6% of the Group's total purchases, and the purchases attributable to the Group's largest supplier was approximately 5.8% of the Group's total purchases.

None of the Directors, their associates or any shareholders (which to the knowledge of the Directors own more than 5% of the Company's issued share capital) had interests in the Group's five largest customers or suppliers.

### PROPERTY, PLANT AND EQUIPMENT

Details of the movement in property, plant and equipment of the Group are set out in note 18 to the consolidated financial statements.

### SHARE CAPITAL

Details of the share capital of the Company are set out in note 39 to the consolidated financial statements.

## REPORT OF THE DIRECTORS

### RESERVES

At December 31, 2025, the Company's reserves available for distribution amounted to approximately RMB105.5 million (2024: approximately RMB127.4 million). Details of the movements in reserves of the Group and the Company are set out in the consolidated statement of changes in equity on page 67 and statement of financial position and reserves of the Company on page 154 respectively.

### PERMITTED INDEMNITY PROVISION

Pursuant to the Company's Articles of Association, all Directors shall be entitled to be indemnified and secured harmless out of the assets and profits of the Company against all actions, costs, charges, losses, damages and expenses losses or liabilities which any of them shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices. The Company has taken out appropriate insurance cover in respect of legal action against the Directors during the year ended December 31, 2025.

### PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's Articles of Association or the laws of the Cayman Islands.

### TAX RELIEF

The Company is not aware of any relief from taxation available to shareholders by reason of their holding of the Company's shares.

### DONATION

The Group made a charitable donation of approximately RMB4.6 million (2024: approximately RMB5.0 million) during the year ended December 31, 2025.

### FINANCIAL SUMMARY

A summary of the consolidated results of the Group for the last five financial years and of its consolidated assets and liabilities and cash flow summary as at the end of the last five financial years is set out on pages 57 to 58 of this report.

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

Neither the Company, nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended December 31, 2025.

### EQUITY-LINKED AGREEMENTS

The Company has not entered into any equity-linked agreement during the year of 2025.

### SUBSIDIARIES

Details of the Company's subsidiaries as at the date of this report are set out in note 47 to the consolidated financial statements.

## REPORT OF THE DIRECTORS

### DIRECTORS

The Directors during the year and up to the date of this report were:

#### Executive Directors

Mr. Huang Xianming  
*(Chairman and Chief Executive Officer)*  
Dr. Zhao Gang *(Vice Chairman)*  
Mr. Chen Songhuan  
Mr. Li Fuliang  
Mr. Lu Jianxiong  
Ms. Huang Rujiao

#### Independent Non-Executive Directors

Mr. Kam Robert  
Mr. Ma Xiaoqiang  
Mr. Wan Nar Yin, David

According to article 84(1) of the Articles of Association of the Company, one-third of the Directors for the time being shall retire from office by rotation at the annual general meeting of the Company but shall then be eligible for re-election. Details of the Directors subject to rotation and re-election are contained in the circular despatched together with this annual report.

In compliance with Rule 3.10(1) of the Listing Rules, the Board currently comprises four independent non-executive Directors, representing at least one-third of the Board. Pursuant to paragraph 12B of Appendix 16 of the Listing Rules, each of the independent non-executive Directors has confirmed by annual confirmation that he/she has complied with the independence criteria set out in Rule 3.13 of the Listing Rules. The Directors consider that all four independent non-executive Directors are independent under these independence criteria and are capable to effectively exercise independent judgement.

### BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Brief biographical details of the Directors and senior management are set out on pages 54 to 56 of this report.

### DIRECTORS' SERVICE CONTRACTS

None of the Directors proposed for re-election at the forthcoming annual general meeting has entered into any service contract with the Group which is not determinable by the Group within one year without payment of compensation other than statutory compensation.

### DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed under note 45 "Related Party Disclosures" to the consolidated financial statements, no transaction, arrangement or contract of significance (as defined in the Appendix 16 of the Listing Rules) in relation to the Group's business to which the Company, its holding company or any of its subsidiaries was a party and in which a Director, an entity connected with a Director, or Controlling Shareholders had a material interest, whether directly or indirectly, subsisted at the end of 2025 or at any time during 2025.

## REPORT OF THE DIRECTORS

**DIRECTORS' INTERESTS IN COMPETING BUSINESSES**

None of the Directors or any of their respective associates, has engaged in any business that competes or may compete with the business of the Group, or has any other conflict of interest with the Group.

**MANAGEMENT CONTRACTS**

No contracts concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or existed during the year.

**DIRECTORS' INTERESTS OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR THE ASSOCIATED CORPORATION**

As at December 31, 2025, the interests or short positions of our Directors and chief executive of our Company in the shares, underlying shares and debentures of our Company or any associated corporation (within the meaning of Part XV of Securities and Futures Ordinance (the "SFO")) which have to be notified to our 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 taken under such provisions), or required, pursuant to section 352 of the SFO, to be entered in the register referred to therein are as follows:

<b>Name of Director</b>	<b>Company/name of associated corporation</b>	<b>Capacity</b>	<b>Number and class of securities</b>	<b>Approximate percentage of Issued share capital</b>
Mr. Huang Xianming ("Mr. Huang")	The Company	Interests of controlled corporation <sup>(2)</sup>	310,472,000 (L) <sup>(1)</sup>	74.81%
Mr. Huang	Kaiyuan Investments Limited ("Kaiyuan")	Interests of controlled corporation <sup>(3)</sup>	100 (L) <sup>(1)</sup>	100%
Mr. Huang	Great Logistics Global Limited ("Great Logistics")	Beneficial owner	1 (L) <sup>(1)</sup>	100%

Notes:

- (1) The Letter "L" denotes our Directors' long position in the shares or the relevant associated corporation.
- (2) The relevant shares are held by Kaiyuan, which is in turn held as to 80% by Great Logistics, a company wholly-owned by Mr. Huang, and the remaining 20% of Kaiyuan are held by four entities wholly-owned by Mr. Huang's family comprising, Ms. Huang Cuihong, Ms. Huang Rujun, Ms. Huang Rujiao and Ms. Huang Xianxian.
- (3) Kaiyuan is held as to 80% by Great Logistics and 20% by four entities, which are all wholly-owned by Mr. Huang's family comprising, Ms. Huang Cuihong, Ms. Huang Rujun, Ms. Huang Rujiao and Ms. Huang Xianxian.

## REPORT OF THE DIRECTORS

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

As at December 31, 2025, the following persons have an interest or a short position in the shares required to be disclosed to our Company and the Stock Exchange pursuant to the provisions of Division 2 and 3 of Part XV of the SFO as recorded in the register to be kept by the Company pursuant to Section 336 of the SFO:

<b>Name of shareholders</b>	<b>Capacity/Nature of interest</b>	<b>Number of shares held</b>	<b>Approximate percentage of issued share capital</b>
Mr. Huang	Interest in controlled corporation <sup>(1)</sup> , interest in family member <sup>(2)</sup> /Long position	310,472,000	74.81%
Ms. Huang Cuihong	Interest in controlled corporation <sup>(1)</sup> ; interest in family member <sup>(2)</sup> /Long position	310,472,000	74.81%
Ms. Huang Xianxian	Interest in controlled corporation <sup>(1)</sup> ; interest in family member <sup>(2)</sup> /Long position	310,472,000	74.81%
Ms. Huang Rujiao	Interest in controlled corporation <sup>(1)</sup> ; interest in family member <sup>(2)</sup> /Long position	310,472,000	74.81%
Ms. Huang Rujun	Interest in controlled corporation <sup>(1)</sup> ; interest in family member <sup>(2)</sup> /Long position	310,472,000	74.81%
Great Logistics	Interest in controlled corporation <sup>(1)</sup> ; interest in family member <sup>(2)</sup> /Long position	310,472,000	74.81%
Great Logistics	Beneficial interest/Long position	34,304,000	8.26%
Grand Wing Investments Limited ("Grand Wing")	Interest in controlled corporation <sup>(1)</sup> ; interest in family member <sup>(2)</sup> /Long position	276,168,000	66.55%
Intelligent Pro Investments Limited ("Intelligent Pro")	Interest in controlled corporation <sup>(1)</sup> ; interest in family member <sup>(2)</sup> /Long position	276,168,000	66.55%
Jade Isle Global Limited ("Jade Isle")	Interest in controlled corporation <sup>(1)</sup> ; interest in family member <sup>(2)</sup> /Long position	276,168,000	66.55%
Kaiyuan	Beneficial interest/Long position	276,168,000	66.55%
Prestige Choice Investments (Overseas) Limited ("Prestige Choice Overseas")	Interest in controlled corporation <sup>(1)</sup> ; interest in family member <sup>(2)</sup> /Long position	276,168,000	66.55%

## REPORT OF THE DIRECTORS

Notes:

- (1) Kaiyuan was held as to 80% by Mr. Huang (through his investment holding company Great Logistics) and as to 5% by each of Ms. Huang Cuihong, Ms. Huang Xianxian, Ms. Huang Rujiao and Ms. Huang Rujun, through their investment holding companies, namely Jade Isle, Prestige Choice Overseas, Grand Wing and Intelligent Pro respectively.
- (2) In addition to Mr. Huang, Huang's Family consist of Ms. Huang Cuihong, Ms. Huang Xianxian, Ms. Huang Rujiao and Ms. Huang Rujun. Ms. Huang Cuihong is the spouse of Mr. Huang, while Ms. Huang Xianxian, Ms. Huang Rujiao and Ms. Huang Rujun are the sisters of Mr. Huang, and therefore they are deemed to be parties acting in concert with Mr. Huang and are deemed to be interested in the shares in the Company in which Mr. Huang is interested, and Mr. Huang is deemed to be interested in the shares in which Huang's Family is interested, and vice versa.

Save as disclosed above, as at the date of this report, no person, other than the Directors or chief executive of the Company had, or was deemed or taken to have, an interest or short position in the Shares or underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

### **CORPORATE GOVERNANCE**

Principal corporate governance practices as adopted by the Company are set out in the "Corporate Governance Report" section set out on pages 23 to 43 of this report.

### **COMPLIANCE WITH LAWS AND REGULATIONS**

The Group's operations are mainly carried out by the Company's subsidiaries in the PRC while the Company itself is listed on the Stock Exchange of Hong Kong Limited. The Group's operations shall comply with relevant laws and regulations in the PRC and Hong Kong. During the year ended December 31, 2025 and up to the date of this report, the Group has complied with all the relevant laws and regulations in the PRC and Hong Kong in all material respects.

### **PUBLIC FLOAT**

Based on the information that is publicly available to the Company and within the knowledge, as at the date of this report, there is sufficient public float of 25% of the Company's issued shares as required under the Listing Rules.

### **AUDIT COMMITTEE**

The Audit Committee has reviewed together with the management and the external auditor the accounting principles and policies adopted by the Group and the audited consolidated financial statements for the year ended December 31, 2025.

### **AUDITOR**

The consolidated financial statements for the year ended December 31, 2025 have been audited by Deloitte Touche Tohmatsu. A resolution for the reappointment of Deloitte Touche Tohmatsu as the Company's auditor is to be proposed at the forthcoming annual general meeting of the Company.

On behalf of the Board

**Jiashili Group Limited**

**Huang Xianming**

*Chairman*

Hong Kong, March 31, 2026

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT PROFILE

### EXECUTIVE DIRECTORS

**Mr. Huang Xianming (黃銑銘) (“Mr. Huang”)**, aged 54, is the chairman of our Company and was appointed as an executive Director of our Company on December 19, 2013. Mr. Huang became Controlling Shareholder and was appointed as chairman and chief executive officer of our Group in May 2007 and has been primarily responsible for overall operation and management, marketing and sales, strategic planning and business development. Mr. Huang serves as the chairman of the board and a director of each of our subsidiaries. Since his acquisition of controlling stake in Guangdong Jiashili in May 2007, he has been focusing on the management and business development of our Group and had directed our business expansion from Guangdong province to other parts of China. Mr. Huang obtained a diploma of EMBA programme from Hong Kong International Business College (香港國際商學院) in January 2004. Mr. Huang is a vice chairman of the 4th Session of China Association of Bakery and Confectionary Industry (中國焙烤食品糖製品工業協會第四屆理事會副理事長) and a vice chairman of the Federation of Industry and Commerce of Jiangmen (江門市工商業聯合會副主席). Mr. Huang was also elected the chairman of Kaiping Association of Food Industry (開平市食品行業協會) in May 2013.

**Dr. Zhao Gang (趙剛) (“Dr. Zhao”)**, aged 51, is the vice chairman of our Company and was appointed as an executive Director on October 30, 2023. Dr. Zhao was graduated from the Victoria University of Switzerland (瑞士維多利亞大學) with a Doctor in Business Administration (DBA) in September 2009. He also received a Master Degree in Business Administration (MBA) from Guangxi University (廣西大學) in June 2015. Dr. Zhao has more than 23 years profound knowledge and extensive experience in digital sales, brand development and e-commerce management. Dr. Zhao is currently the vice chairman and deputy general manager of the Group responsible for the Group’s overall strategic planning; Group’s Capital management and development.

Prior to joining the Group, Dr. Zhao was the vice-president of Kele Ming Chuang Technology Company Limited (可樂名創科技有限公司) responsible for sales and O2O business from February 2022 to May 2023. From January 2021 to February 2022, Dr. Zhao was the chief executive officer of Dong Dong Food Company Limited (咚咚食品有限公司), a company principally engaged in selling leisure snack food through internet. From July 2013 to January 2021, Dr. Zhao worked at Bestore (良品鋪子股份有限公司) (listed on the Shanghai Stock Exchange with stock code: 603719) as senior vice-president responsible for the group’s overall sales and marketing, e-commerce management and brand development and management. From May 2002 to March 2013, Dr. Zhao worked as a general manager in marketing department of Tongfang Company Limited (同方股份有限公司) (listed on the Shanghai Stock Exchange with stock code: 600100).

Dr. Zhao has been awarded the 15-years Best Manager of Nuts and Roasted Seeds Industry of China (20052020). Dr. Zhao also has been awarded the prize of brilliant contributions of Hubei Internet Industry in 2020 and the CMO Best Ten Golden Craftsman Award in China in 2022.

**Mr. Chen Songhuan (陳松澆) (“Mr. Chen”)**, age 58, joined the Group since June 2005 is currently the supply chain director of Guangdong Jiashili Food Group Co., Limited (廣東嘉士利食品集團有限公司) responsible for the management of the Group’s supply chain. Mr. Chen was appointed as an executive Director on July 1, 2019. Mr. Chen is also the general manager of Dongguan Kamtai Foods Company Limited (東莞錦泰食品有限公司) responsible for overall production and administration. Prior to joining the Group, Mr. Chen worked at Jiashili Pastries (嘉士利餅業) and Guangdong Jiashili (廣東嘉士利) for 25 years, starting as a quality controller, and was promoted to senior management positions such as workshop manager, research and development officer and deputy general manager. Mr. Chen graduated from high school in 1986.

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT PROFILE

**Mr. Li Fuliang (黎福良) (“Mr. Li”)**, aged 53, brother-in-law of Mr. Huang Xianming, Mr. Li is the spouse of Ms. Huang Rujun, Ms. Huang Rujun is the elder sister of Mr. Huang Xianming, is deemed to be party acting with Mr. Huang Xianming. Mr. Li was graduated from Guangdong Lingnan Institute of Technology(廣東嶺南職業技術學院) majoring in business management, Mr. Li was awarded a post-secondary level diploma. Mr. Li was the general manager of Kunshan Taibang Technology Electronic Material Company Limited (昆山市台邦科技電子材料有限公司) from 2002 to 2014 responsible for administration and management for the company. Currently Mr. Li is the chief executive officer of Guangdong Zhongchen Industrial Holding Co., Ltd. (廣東中農實業集團有限公司) since 2015 responsible for overall management of the company and its subsidiaries. Mr. Li has more than 20 years of administration and management experience in PRC enterprises.

**Mr. Lu Jianxiong (盧健雄) (“Mr. Lu”)**, aged 55, joined our Group in January 2010 and was appointed as an executive Director of the Company on May 22, 2014 and has resigned on January 1, 2017. Mr. Lu is currently the director of Guangdong Jiashili Food Group Co., Limited (廣東嘉士利食品集團有限公司), responsible for the Group’s strategic planning, operation risk and production cost management control and Mr. Lu is also responsible for bakery business of Guangzhou Jialixuan Food Co., Limited (廣州嘉利軒食品有限公司). Prior to joining our Group, Mr. Lu worked as general manager and executive director at Kaiping Xinhua Printing Company Limited (開平市新華印刷有限公司) from July 1992 to June 2001 and as a chief senior designer at Kaiping Dingcheng Advertising Design Studio (開平市鼎城廣告設計工作室) from July 2001 to February 2008. He served as general director and executive director at Jiangmen Jiashi Packing and Printing Technology Company Limited (江門嘉士包裝印刷科技有限公司) from March 2008 to April 2009. Mr. Lu graduated from high school in July 1990.

**Ms. Huang Rujiao, (“Ms. Huang”)** age 59, has been the general manager of Guangdong Zhongchen Industrial Holding Co., Ltd. (廣東中農實業集團有限公司) from 2000 to 2015. Ms. Huang is currently the general manager of Guangdong Kangli Food Company Limited (廣東康力食品有限公司) since 2017, responsible for the overall operation, management and development of the company. Ms. Huang obtained her Bachelor degree in Business Administration from the School of Business at Sun Yat-Sen University (中山大學). Ms. Huang has around 25 years of executive management and administration experience in various enterprises. Ms. Huang is the sister of Mr. Huang, the substantial shareholder and executive Director of the Company.

### INDEPENDENT NON-EXECUTIVE DIRECTORS

**Mr. Kam Robert (甘廷仲) (alias 甘定滔) (“Mr. Kam”)**, age 68, was appointed as an independent non-executive Director on August 21, 2014. Mr. Kam started his career with one of the international accounting firms and is currently a partner of a chartered accountancy firm, Kam & Beadman, based in Sydney, Australia. He has many years of experience in providing audit services. Mr. Kam graduated with a bachelor of commerce degree from the University of Western Australia. Mr. Kam is a chartered accountant and a member of the Institute of Chartered Accountants in Australia and a Registered Auditor of the Australian Securities and Investments Commission. Mr. Kam is also a Justice of the Peace in the State of New South Wales in Australia. Mr. Kam has been an independent non-executive director of Vinda International Holdings Limited (stock code:3331), the shares of which are listed on the Main Board of the Stock Exchange, since June 2007 and he was resigned on March 31, 2018.

**Mr. Wan Nar Yin, David (溫雅言) (“Mr. Wan”)**, aged 65, is currently the Managing Director of Jin Yi Financial Group Ltd (金益金融集團有限公司) since May 2022. Before it, Mr. Wan was the Managing Director of Silverbricks Securities Company Limited (元庫證券有限公司) and Silverbricks Assets Management Company Limited (元庫資產管理有限公司) from June 2019 to April 2022. Before that, Mr. Wan had worked in group of Yuanta Securities Company Limited (元大證券有限公司) (“Yuanta”) in Hong Kong for over 10 years. His last role in Yuanta was Director of Business Development of Yuanta Securities Hong Kong Company Limited (元大證券(香港)有限公司). Mr. Wan has been an independent non-executive Director of Sinocloud Group Limited (中雲集團有限公司)(LYY.SI), a company listed in the Singapore Stock Exchange, since March 2019. Mr. Wan is also a Director (Practising) of KTC Partners CPA Limited (和信會計師事務所有限公司).

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT PROFILE

**Mr. Ma Xiaoqiang (馬曉強) (“Mr. Ma”)**, aged 43, was appointed as an independent non-executive Director on January 16, 2017. Mr. Ma was graduated from Takada Junior College of Japan in 2004 majoring in information engineering. He was awarded a bachelor degree of operation science from Yokkaichi University of Japan in 2006 and a master degree of marketing from Mie University of Japan in 2008. Mr. Ma has over 9 years of work experience in international trading. Mr. Ma has been the chairman of Changjiang Trading Company Ltd. of Japan since 2008.

### SENIOR MANAGEMENT

The senior management team of our Group, in addition to the executive Directors listed above, comprises the following:

**Ms. Liu Yun (劉芸) (“Ms. Liu”)** joined our Group in February 24, 2026 and was appointed as chief financial officer of the Company. Prior to joining the Group, Ms. Liu was the financial controller of China Beidahuang Industry Group Holdings Limited (中國北大荒產業集團控股有限公司) (listed on the Stock Exchange of Hong Kong with stock code: 0039) from June 2025 to February 2026. From June 2020 to April 2025, Ms. Liu worked at China First Capital Group Limited (中國首控集團有限公司) (listed on the Stock Exchange of Hong Kong with stock code: 01269) as financial controller. Ms. Liu holds a master’s degree in Accounting from the University of New South Wales, Australia and is a member of the Association of Chartered Certified Accountants. She has over 15 years of extensive experience in the accounting and various fields in the capital market.

**Mr. Liu Guanghui (劉光輝) (“Mr. Liu”)** joined our Group in March 11, 2024 and was appointed as Group Deputy General Manager and Controller of the enterprise management department 集團企業管理中心總監 of the Company. Prior to joining the Group, Mr. Liu was the Platform Support Controller, Shenzhen 深圳支持平台總監 of COFCO Great Wall Wine Company Limited (中糧長城酒業有限公司) from January 2018 to March 2024. Mr. Liu holds a bachelor degree of law from Shenzhen University. Mr. Liu has 30 years of administration and management experience in PRC enterprises.

**Mr. Chen Qijun (陳奇軍) (“Mr. Chen”)** has been the factory manager of Guangdong Kangli Food Company Limited (廣東康力食品有限公司), a wholly-owned subsidiary of the Company from September 2017 to June 2021. Mr. Chen has been internally promoted to our Group in June 2021 and he is currently the Group’s Deputy General Manager and Controller of the supply chain department responsible for the overall factory operation and supply chain and logistic development of the Company. Mr. Chen holds a bachelor degree from South China University of Tropical Agriculture (華南熱帶農業大學) major in tropical plant protection 熱帶植物保護專業. Mr. Chen has 15 years of administration and management experience in PRC enterprises.

## FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities and cash flow summary of the Group for the last five financial years is prepared on the basis set out in the notes below:

### RESULTS

	Year ended December 31				
	2025 RMB'000	2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000
Revenue	<b>1,627,152</b>	1,802,587	1,686,182	1,763,996	1,597,132
Cost of sales	<b>(1,145,400)</b>	(1,289,354)	(1,183,299)	(1,301,953)	(1,138,209)
Gross profit	<b>481,752</b>	513,233	502,883	462,043	458,923
Other income	<b>43,746</b>	73,532	62,816	59,756	39,990
Selling and distribution expenses	<b>(188,439)</b>	(242,475)	(212,007)	(225,804)	(216,351)
Administrative expenses	<b>(103,267)</b>	(111,376)	(102,241)	(87,606)	(78,354)
Other expenses	<b>(74,308)</b>	(77,999)	(80,399)	(76,207)	(69,113)
Impairment losses (including reversals of impairment losses or impairment gains on financial assets)	<b>1,002</b>	(33,202)	(45,138)	(21,683)	(35,334)
Other gains and losses	<b>(690)</b>	(14,525)	(2,102)	3,130	82,486
Share of results of associates	<b>(245)</b>	(1,159)	(1,032)	(6,738)	(4,726)
Share of results of a joint venture	<b>—</b>	—	(3,462)	1,593	(6,680)
Finance costs	<b>(22,078)</b>	(28,634)	(29,153)	(31,115)	(30,972)
Profit before tax	<b>137,473</b>	77,395	90,165	77,369	139,869
Income tax expense	<b>(30,953)</b>	(29,110)	(29,035)	(15,145)	(31,564)
Profit for the year	<b>106,520</b>	48,285	61,130	62,224	108,305
Other Comprehensive expense					
Item that may be reclassified subsequently to profit or loss:					
Exchange differences arising on the translation of foreign operations	<b>(490)</b>	(674)	(898)	—	—
Total comprehensive income for the year	<b>106,030</b>	47,611	60,232	62,224	108,305
Profit (loss) for the year attributable to:					
Owners of the Company	<b>108,763</b>	54,461	63,918	64,624	115,428
Non-controlling interests	<b>(2,243)</b>	(6,176)	(2,788)	(2,400)	(7,123)
	<b>106,520</b>	48,285	61,130	62,224	108,305
Total comprehensive income (expense) attributable to:					
Owners of the Company	<b>108,273</b>	53,787	63,020	64,624	115,428
Non-controlling interests	<b>(2,243)</b>	(6,176)	(2,788)	(2,400)	(7,123)
	<b>106,030</b>	47,611	60,232	62,224	108,305

## FIVE-YEAR FINANCIAL SUMMARY

**ASSETS AND LIABILITIES**

	<b>As at December 31</b>				
	<b>2025</b>	2024	2023	2022	2021
	<b>RMB'000</b>	RMB'000	RMB'000	RMB'000	RMB'000
TOTAL ASSETS	<b>2,282,589</b>	2,268,004	2,180,792	2,120,775	2,093,415
TOTAL LIABILITIES	<b>(1,221,040)</b>	(1,254,082)	(1,176,779)	(1,117,184)	(1,111,587)
TOTAL EQUITY	<b>1,061,549</b>	1,013,922	1,004,013	1,003,591	981,828

**CASH FLOW SUMMARY**

	<b>As at December 31</b>				
	<b>2025</b>	2024	2023	2022	2021
	<b>RMB'000</b>	RMB'000	RMB'000	RMB'000	RMB'000
Net cash provided from (used in)					
Operating activities	<b>202,185</b>	289,831	176,437	71,584	101,654
Investing activities	<b>(41,043)</b>	(104,750)	(213,549)	(49,515)	(343,375)
Financing activities	<b>(100,774)</b>	(84,691)	7,821	(96,856)	135,149
Net increase (decrease) in cash and cash equivalents	<b>60,368</b>	100,390	(29,291)	(74,787)	(106,572)

# INDEPENDENT AUDITOR'S REPORT

# Deloitte.

# 德勤

## TO THE MEMBERS OF JIASHILI GROUP LIMITED

嘉士利集團有限公司

*(incorporated in the Cayman Islands with limited liability)*

### OPINION

We have audited the consolidated financial statements of Jiashili Group Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 63 to 164, which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

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

### BASIS FOR OPINION

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

### KEY AUDIT MATTERS

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

## Independent Auditor's Report

**KEY AUDIT MATTERS** *(continued)*

<b>Key audit matter</b>	<b>How our audit addressed the key audit matter</b>
<p data-bbox="156 577 762 638"><i>Estimation of impairment loss under expected credit loss model on loan receivables</i></p> <p data-bbox="156 664 762 929">We identified the estimation of impairment loss on loan receivables as a key audit matter due to its quantitative significance to the consolidated financial statements and the significant estimation required in determining the impairment loss under expected credit loss ("ECL") model, including those related to the probability of default ("PD"), loss given default ("LGD") and forward-looking information.</p> <p data-bbox="156 955 762 1166">As at December 31, 2025, the Group's loan receivables amounted to RMB120,554,000 (net of allowance for ECL of RMB55,111,000). During the year ended December 31, 2025, the Group reversed impairment losses of approximately RMB5,035,000 under ECL model for loan receivables.</p> <p data-bbox="156 1192 762 1310">The accounting policy of loan receivables and details of loan receivables are set out in notes 3, 28 and 41(b), respectively, to the consolidated financial statements.</p>	<p data-bbox="788 664 1396 724">Our procedures in relation to the impairment loss on loan receivables included:</p> <ul data-bbox="788 750 1396 1438" style="list-style-type: none"> <li data-bbox="788 750 1396 842">• Understanding the management process in assessing the impairment loss under ECL model of loan receivables;</li> <li data-bbox="788 868 1396 987">• Evaluating the competence and objectivity of the management's external valuation specialist and obtaining an understanding of its scope of work and terms of engagement;</li> <li data-bbox="788 1013 1396 1192">• With the assistance of our internal valuation specialists, evaluating the reasonableness of the impairment methodology and significant assumptions used by management, including the determination of PD, LGD and forward-looking information;</li> <li data-bbox="788 1218 1396 1278">• Testing the mathematical accuracy of the calculation of ECL; and;</li> <li data-bbox="788 1304 1396 1438">• Evaluating the disclosures regarding the impairment assessment of loan receivables in notes 3, 28 and 41(b) to the consolidated financial statements.</li> </ul>

**OTHER INFORMATION**

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Independent Auditor's Report

### **RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS**

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

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

## Independent Auditor's Report

### **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)*

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Lam, Lawrence (practising certificate number: P05728).

#### **Deloitte Touche Tohmatsu**

*Certified Public Accountants*

Hong Kong

March 31, 2026

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended December 31, 2025

	NOTES	2025 RMB'000	2024 RMB'000
Revenue	5 & 6	1,627,152	1,802,587
Cost of sales		(1,145,400)	(1,289,354)
Gross profit		481,752	513,233
Other income	7	43,746	73,532
Other gains and losses	8	(690)	(14,525)
Selling and distribution expenses		(188,439)	(242,475)
Administrative expenses		(103,267)	(111,376)
Other expenses	9	(74,308)	(77,999)
Impairment losses (including reversals of impairment losses or impairment gains) on financial assets	10	1,002	(33,202)
Share of results of associates		(245)	(1,159)
Finance costs	11	(22,078)	(28,634)
Profit before tax		137,473	77,395
Income tax expense	12	(30,953)	(29,110)
Profit for the year	13	106,520	48,285
<b>Other comprehensive expense</b>			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on the translation of foreign operations		(490)	(674)
Total comprehensive income for the year		106,030	47,611
Profit (loss) for the year attributable to:			
Owners of the Company		108,763	54,461
Non-controlling interests		(2,243)	(6,176)
		106,520	48,285
Total comprehensive income (expense) attributable to:			
Owners of the Company		108,273	53,787
Non-controlling interests		(2,243)	(6,176)
		106,030	47,611
Earnings per share	17		
— Basic (RMB cents)		26.21	13.12

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2025

	NOTES	2025 RMB'000	2024 RMB'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	18	658,202	697,709
Right-of-use assets	19	223,871	247,277
Investment properties	20	16,495	20,465
Goodwill	21	54,197	56,118
Other intangible assets	22	73,202	86,573
Interests in associates	23	20,668	20,145
Loan receivables	28	72,959	93,972
Loan to a non-controlling shareholder of a subsidiary	24b	640	—
Amount due from an associate	29a	—	7,000
Financial assets at fair value through profit or loss ("FVTPL")	25	155,256	154,806
Deferred tax assets	38	7,059	4,340
Other receivables and deposits	26	32,132	1,551
		<b>1,314,681</b>	<b>1,389,956</b>
<b>CURRENT ASSETS</b>			
Inventories	27	201,473	220,483
Trade, bills and other receivables	26	207,563	170,168
Loan receivables	28	47,595	22,900
Amounts due from associates	29a	24,702	39,455
Amounts due from non-controlling shareholders of subsidiaries	29b	15,237	11,358
Amounts due from related parties	29c	97	36
Loans to associates	24a	3,839	—
Loans to non-controlling shareholders of subsidiaries	24b	80	2,300
Income tax recoverable		6,491	6,751
Pledged/restricted bank deposits	30	—	3,718
Cash and cash equivalents	30	448,536	379,129
		<b>955,613</b>	<b>856,298</b>
Assets classified as held for sale	14	12,295	21,750
		<b>967,908</b>	<b>878,048</b>

## Consolidated Statement of Financial Position

At December 31, 2025

	NOTES	2025 RMB'000	2024 RMB'000
<b>CURRENT LIABILITIES</b>			
Trade and other payables	31	245,292	343,839
Contract liabilities	32	198,818	101,728
Income tax payables		23,243	19,874
Bank borrowings	33	533,398	578,938
Other borrowing	34	—	1,059
Amounts due to a non-controlling shareholder of a subsidiary	35a	3	16
Amounts due to related parties	35b	38	117
Amounts due to associates	35c	976	1,053
Deferred income	36	1,704	1,994
Lease liabilities	37	5,174	4,476
		1,008,646	1,053,094
<b>Liabilities directly associated with assets classified as held for sale</b>	14	407	463
		1,009,053	1,053,557
<b>NET CURRENT LIABILITIES</b>		(41,145)	(175,509)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		1,273,536	1,214,447
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities	38	1,548	4,530
Bank borrowings	33	139,276	106,134
Other borrowing	34	—	581
Deferred income	36	28,121	42,796
Lease liabilities	37	43,042	46,484
		211,987	200,525
<b>NET ASSETS</b>		1,061,549	1,013,922

## Consolidated Statement of Financial Position

At December 31, 2025

	NOTES	2025 RMB'000	2024 RMB'000
<b>CAPITAL AND RESERVES</b>			
Share capital	39	3,285	3,285
Reserves		1,030,428	980,332
Equity attributable to owners of the Company		1,033,713	983,617
Non-controlling interests		27,836	30,305
<b>TOTAL EQUITY</b>		<b>1,061,549</b>	1,013,922

The consolidated financial statements on pages 63 to 164 were approved and authorised for issue by the board of directors on March 31, 2026 and are signed on its behalf by:

**Huang Xianming**  
DIRECTOR

**Zhao Gang**  
DIRECTOR

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2025

	Attributable to owners of the Company							Sub-Total RMB'000	Non- controlling interests RMB'000	Total RMB'000
	Share capital RMB'000	Share premium RMB'000 (note a)	Contribution reserve RMB'000	Statutory reserve RMB'000 (note b)	Translation reserve RMB'000	Other reserve RMB'000 (note c)	Accumulated profits RMB'000			
At January 1, 2024	3,285	161,420	18,333	216,546	(898)	(165,702)	734,395	967,379	36,634	1,004,013
Profit (loss) for the year	–	–	–	–	–	–	54,461	54,461	(6,176)	48,285
Other comprehensive expense for the year	–	–	–	–	(674)	–	–	(674)	–	(674)
Total comprehensive (expense) income for the year	–	–	–	–	(674)	–	54,461	53,787	(6,176)	47,611
Transfer	–	–	–	15,515	–	–	(15,515)	–	–	–
Capital contribution from non- controlling shareholders of subsidiaries	–	–	–	–	–	–	–	–	700	700
Equity transfer from non-controlling interest to the Group (note 47(a))	–	–	–	–	–	–	253	253	(853)	(600)
Dividends recognised as distribution (note 16)	–	(37,802)	–	–	–	–	–	(37,802)	–	(37,802)
At December 31, 2024	3,285	123,618	18,333	232,061	(1,572)	(165,702)	773,594	983,617	30,305	1,013,922
Profit (loss) for the year	–	–	–	–	–	–	108,763	108,763	(2,243)	106,520
Other comprehensive expense for the year	–	–	–	–	(490)	–	–	(490)	–	(490)
Total comprehensive (expense) income for the year	–	–	–	–	(490)	–	108,763	108,273	(2,243)	106,030
Transfer	–	–	–	14,249	–	–	(14,249)	–	–	–
Equity transfer from non-controlling interest to the Group (note 47(a))	–	–	–	–	–	–	(1,344)	(1,344)	1,244	(100)
Dividends recognised as distribution (note 16)	–	(56,833)	–	–	–	–	–	(56,833)	–	(56,833)
Dividends paid to a non-controlling shareholder of a subsidiary	–	–	–	–	–	–	–	–	(1,470)	(1,470)
At December 31, 2025	3,285	66,785	18,333	246,310	(2,062)	(165,702)	866,764	1,033,713	27,836	1,061,549

## Notes:

- (a) The application of the share premium account is governed by the Company's Articles of Association and the Companies Law of Cayman Islands, which provides that the share premium account may be applied in paying distributions or dividends to members, provided immediately following the date on which distribution or dividend is proposed to be paid, the Company will be able to pay its debts as they fall due in the ordinary course of business.
- (b) Statutory reserves comprise statutory surplus reserve and discretionary surplus reserve of the group entities established in the People's Republic of China (the "PRC"), which are non-distributable and the transfer to these reserves is determined according to the relevant laws in the PRC and by the directors of the relevant group entities in accordance with their Articles of Association. Statutory surplus reserve amounting to approximately RMB171,579,000 (2024: RMB157,365,000) as at December 31, 2025 can be used to make up for previous years' losses or convert into additional capital of the relevant group entities. Discretionary surplus reserve amounting to approximately RMB74,731,000 (2024: RMB74,696,000) as at December 31, 2025 can be used to expand the existing operations of the relevant group entities.
- (c) Other reserve represents the share capital and share premium of the acquiree less the payment consideration pursuant to a group reorganisation or a business combination under common control, which accounted for as deemed distributions recognised in equity directly.

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31, 2025

	2025 RMB'000	2024 RMB'000
<b>OPERATING ACTIVITIES</b>		
Profit before tax	137,473	77,395
Adjustments for:		
Amortisation of other intangible assets	13,371	13,149
Depreciation of property, plant and equipment	71,565	69,983
Depreciation of right-of-use assets	11,302	12,083
Depreciation of investment properties	886	1,864
Fair value (gains) losses on financial assets at FVTPL	(450)	160
Finance costs	22,078	28,634
Impairment losses (including reversals of impairment losses or impairment gains) on financial assets	(1,002)	33,202
Allowance recognised on inventories	677	2,693
Impairment losses recognised in respect of goodwill	1,921	8,967
Impairment losses recognised in respect of property, plant and equipment	—	1,091
Imputed interest income on rental deposit	(51)	(84)
Interest income	(10,716)	(12,620)
Losses on disposal of property, plant and equipment	372	1,653
Gain on disposal of right-of-use assets	(2,020)	—
Release of deferred income	(1,994)	(2,063)
Share of results of associates	245	1,159
Unrealised exchange (gain) loss, net	(140)	30
Operating cash flows before movements in working capital	243,517	237,296
Decrease (increase) in inventories	18,333	(50,397)
(Increase) decrease in trade, bills and other receivables	(40,229)	48,263
Decrease (increase) in amounts due from associates	20,812	(318)
Increase in amounts due from non-controlling shareholders of subsidiaries	(3,095)	(4,772)
(Increase) decrease in amounts due from related parties	(61)	9
(Decrease) increase in trade and other payables	(100,988)	81,016
(Decrease) increase in amount due to a non-controlling shareholder of a subsidiary	(13)	7
(Decrease) increase in amounts due to related parties	(79)	54
(Decrease) increase in amounts due to associates	(77)	926
Increase in contract liabilities	97,090	11,464
Cash generated from operations	235,210	323,548
Income tax paid	(33,025)	(33,717)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>202,185</b>	<b>289,831</b>

## Consolidated Statement of Cash Flows

For the year ended December 31, 2025

	2025 RMB'000	2024 RMB'000
<b>INVESTING ACTIVITIES</b>		
New loan receivables advanced	—	(88,800)
Loan advance to a non-controlling shareholder of a subsidiary	(900)	—
Loans advance to associates	(4,500)	—
Repayment of loan receivables	3,297	94,337
Repayment of loan from a non-controlling shareholder of a subsidiary	2,300	3,000
Repayment of loan from an associate	400	—
Placement of pledged/restricted bank deposits	—	(1,620)
Withdrawal of pledged/restricted bank deposits	3,718	1,052
Refund of asset-related government grants	(14,482)	—
Deposits paid for acquisition of unlisted equity investments	(19,400)	—
Deposits paid for acquisition of property, plant and equipment	(11,961)	(544)
Purchase of financial assets at FVTPL	—	(61,300)
Purchase of property, plant and equipment	(27,089)	(71,509)
Purchase of other intangible assets	—	(2,434)
Investments in associates	(800)	(500)
Proceeds from disposal of property, plant and equipment	1,566	2,059
Proceeds from disposal of right-of-use assets	17,040	—
Deposit received for disposal of a subsidiary	1,000	—
Interest received	8,768	21,509
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(41,043)</b>	<b>(104,750)</b>
<b>FINANCING ACTIVITIES</b>		
New bank borrowings raised	755,020	568,200
Repayment of bank borrowings	(766,513)	(579,288)
Repayment of other borrowing	(1,640)	(934)
Interest paid on bank borrowings	(22,446)	(28,583)
Interest paid on other borrowing	(84)	(288)
Interest paid on lease liabilities	(2,266)	(2,355)
Repayments of lease liabilities	(4,442)	(4,341)
Dividends paid	(56,833)	(37,802)
Distribution to a non-controlling shareholder of a subsidiary	(1,470)	—
Capital contribution from non-controlling shareholders of subsidiaries	—	700
Acquisition of partial interest of a subsidiary	(100)	—
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(100,774)</b>	<b>(84,691)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>60,368</b>	<b>100,390</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>	<b>389,743</b>	<b>290,086</b>
Effect of foreign exchange rate changes	(330)	(733)
<b>TOTAL CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	<b>449,781</b>	<b>389,743</b>
Represented by cash and cash equivalents		
<b>Analysis of cash and cash equivalents as at December 31, represented by cash and cash equivalents held by:</b>		
— the Group	448,536	379,129
— the disposal subsidiary held for sale	1,245	10,614

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 1. GENERAL INFORMATION

Jiashili Group Limited (the “Company”) was incorporated as an exempted company with limited liability in the Cayman Islands on December 19, 2013. Its ultimate and immediate holding company is Great Logistics Global Limited and Kaiyuan Investments Limited, respectively. Its ultimate controlling shareholder is Mr. Huang Xianming and his family. The address of the registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The address of the principal place of business of the Company is Room 1001, 10 Floor, Tai Yau Building, 181 Johnston Road, Wanchai, Hong Kong.

The Company is an investment holding company. The principal activities of the Company and its subsidiaries (the “Group”) are manufacturing and sales of biscuit and other products in Chinese Mainland.

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

## 2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRS”) ACCOUNTING STANDARDS

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

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

Amendments to IAS 21	Lack of Exchangeability
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The application of the amendments to an IFRS Accounting Standard in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

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

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

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>2</sup>
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity <sup>2</sup>
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>1</sup>
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11 <sup>2</sup>
IFRS 18	Presentation and Disclosure in Financial Statements <sup>3</sup>
IFRS 19	Subsidiaries without Public Accountability: Disclosures <sup>3</sup>
Amendments to IFRS 19	Amendments to Subsidiaries without Public Accountability: Disclosures <sup>3</sup>
Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>2</sup> Effective for annual periods beginning on or after January 1, 2026.

<sup>3</sup> Effective for annual periods beginning on or after January 1, 2027.

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

**2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRS”) ACCOUNTING STANDARDS** *(continued)***New and Amendments to IFRS Accounting Standards in issue but not yet effective** *(continued)*

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

**IFRS 18 Presentation and Disclosure in Financial Statements**

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

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

**3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION****3.1 Basis of preparation of consolidated financial statements**

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

In preparing the consolidation financial statements, the directors of the Company have given careful consideration to the future liquidity of the Company in light of the fact that the Group's current liabilities exceeded its current assets by approximately RMB41,145,000 as at December 31, 2025.

In view of the above circumstances, the directors of the Company have given careful consideration to the future liquidity and financial position of the Group and its available sources of financing in assessing whether the Company have sufficient financial resources to continue as going concern, although contract liabilities of RMB198,818,000 that would not have cash outflow was included in current liabilities.

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

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

#### **3.1 Basis of preparation of consolidated financial statements** *(continued)*

The directors of the Company have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Certain plans and measures have been taken to mitigate the liquidity position and improve the financial position which include, but not limited to, the followings:

- As at December 31, 2025, the Group has undrawn bank facilities of approximately RMB40,000,000 available to the Group;
- The Group estimates to generate adequate cash inflow from operating activities in expected timeline;
- The Group assesses the cash sufficiency for coming twelve months from the date of this report; and
- The Group expects the short-term revolving bank borrowings of RMB275,140,000 would be refinanced upon maturity based on previous experience. Up to February 28, 2026, the Group refinanced these short-term revolving bank borrowings amount to RMB35,000,000.

The directors of the Company are of the opinion that, taken into account of the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operation and to meet its financial obligations for at least twelve months from the date of approval of these consolidated financial statements. Accordingly, these consolidated financial statements have been prepared on a going concern basis.

#### **3.2 Material accounting policy information**

##### **Basis of consolidation**

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

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

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

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

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

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

#### **3.2 Material accounting policy information** *(continued)*

##### **Basis of consolidation** *(continued)*

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

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

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

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

##### Changes in the Group's interests in existing subsidiaries

Changes in the Group's interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRS Accounting Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 *Financial Instruments* or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

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

#### 3.2 Material accounting policy information *(continued)*

##### **Goodwill**

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or group of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in an annual period, the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment before the end of that annual period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of cash-generating units).

On disposal of the relevant cash-generating unit or any of the cash-generating unit within the group of cash-generating units, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal. When the Group disposes of an operation within the cash-generating unit (or a cash-generating unit within a group of cash-generating units), the amount of goodwill disposed of is measured on the basis of the relative values of the operation (or the cash-generating unit) disposed of and the portion of the cash-generating unit (or the group of cash-generating units) retained, unless the Group can demonstrate that some other method better reflects the goodwill associated with the operation disposed of.

The Group's policy for goodwill arising on the acquisition of an associate is described below.

##### **Investments in associates**

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. Changes in net assets of the associate other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are provided for, and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

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

#### **3.2 Material accounting policy information** *(continued)*

##### **Investments in associates** *(continued)*

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the interest in an associate may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 *Impairment of Assets* ("IAS 36") as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group applies IFRS 9 *Financial Instruments* ("IFRS 9"), including the impairment requirements, to long-term interests in an associate to which the equity method is not applied and which form part of the net investment in the investee. Furthermore, in applying IFRS 9 to long-term interests, the Group does not take into account adjustments to their carrying amount required by IAS 28 *Investments in Associates and Joint Ventures* ("IAS 28") (i.e. adjustments to the carrying amount of long-term interests arising from the allocation of losses of the investee or assessment of impairment in accordance with IAS 28).

When the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former associate and the retained interest is a financial asset within the scope of IFRS 9, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate and the fair value of any retained interest and any proceeds from disposing of the relevant interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal/partial disposal of the relevant associate.

When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

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

#### 3.2 Material accounting policy information *(continued)*

##### **Non-current assets held for sale**

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in the relevant subsidiary after the sale.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

##### **Revenue from contracts with customers**

Information about the Group's accounting policies relating to contracts with customers is provided in notes 5 and 32.

##### **Leases**

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

The Group as a lessee

##### ***Allocation of consideration to components of a contract***

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components, including contract for acquisition of ownership interests of a property which includes both leasehold land and non-lease building components, unless such allocation cannot be made reliably.

The Group applies practical expedient not to separate non-lease components from lease component, and instead account for the lease component and any associated non-lease components as a single lease component.

##### ***Short-term leases***

The Group applies the short-term lease recognition exemption to leases of office premises and motor vehicle that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognised as expense on a straight-line basis unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

**3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION** *(continued)***3.2 Material accounting policy information** *(continued)***Leases** *(continued)*

The Group as a lessee *(continued)*

**Right-of-use assets**

The cost of right-of-use assets includes:

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

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

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

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

The Group presents right-of-use assets that do not meet the definition of investment property as a separate line item on the consolidated statement of financial position. Right-of-use assets that meet the definition of investment property are presented within “investment properties”.

**Refundable rental deposits**

Refundable rental deposits paid are accounted under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

**Lease liabilities**

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

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

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

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

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

#### 3.2 Material accounting policy information *(continued)*

##### **Leases** *(continued)*

The Group as a lessee *(continued)*

##### **Lease liabilities** *(continued)*

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.
- a lease contract is modified and the lease modification is not accounted for as a separate lease (see below for the accounting policy for “lease modifications”).

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

##### **Lease modifications**

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability, less any lease incentives receivable, based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset.

# Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

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

### 3.2 Material accounting policy information *(continued)*

#### **Leases** *(continued)*

The Group as a lessor

#### **Classification and measurement of leases**

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Amounts due from lessees under finance leases are recognised as receivables at commencement date at amounts equal to net investments in the leases, measured using the interest rate implicit in the respective leases. Initial direct costs (other than those incurred by manufacturer or dealer lessors) are included in the initial measurement of the net investments in the leases. Interest income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis over the lease term.

#### **Refundable rental deposits**

Refundable rental deposits received are accounted under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.

#### **Lease modification**

Changes in considerations of lease contracts that were not part of the original terms and conditions are accounted for as lease modifications, including lease incentives provided through forgiveness or reduction of rentals.

The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

#### **Sale and leaseback transactions**

The Group applies the requirements of IFRS 15 *Revenue from Contracts with Customers* ("IFRS 15") to assess whether sale and leaseback transaction constitutes a sale by the Group.

#### **The Group as a seller-lessee**

For a transfer that does not satisfy the requirements as a sale, the Group as a seller-lessee continues to recognise the assets and accounts for the transfer proceeds as other borrowing within the scope of IFRS 9.

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

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

#### **3.2 Material accounting policy information** *(continued)*

##### **Foreign currencies**

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

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise, except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the Group's interests in the foreign operation.

##### **Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

##### **Government grants**

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

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

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

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

**3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION** *(continued)***3.2 Material accounting policy information** *(continued)***Employee benefits**

## Retirement benefit costs

Payments to state-managed retirement benefit plans and the Mandatory Provident Fund Scheme (the "MPF Scheme") are recognised as expenses when employees have rendered service entitling them to the contributions.

## Short-term and other long-term employee benefits

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

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

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date. Any changes in the liabilities' carrying amounts resulting from service cost, interest and remeasurements are recognised in profit or loss except to the extent that another IFRS requires or permits their inclusion in the cost of an asset.

**Taxation**

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

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

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

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

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

#### **3.2 Material accounting policy information** *(continued)*

##### **Taxation** *(continued)*

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

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

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

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

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

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

Current and deferred tax are recognised in profit or loss. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

##### **Property, plant and equipment**

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

Properties in the course of construction for production, supply or administrative purposes (construction in progress) are carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including costs of testing whether the related assets is functioning properly. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

# Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

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

### 3.2 Material accounting policy information *(continued)*

#### **Property, plant and equipment** *(continued)*

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

If a property becomes an investment property because its use has changed as evidenced by end of owner-occupation, the carrying amount of the property at the date of change in use is considered as the deemed cost for subsequent accounting.

Depreciation is recognised so as to write off the cost of assets (other than construction in progress) less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

#### **Investment properties**

Investment properties are property held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. Depreciation is recognised so as to write off the cost of investment properties over its estimated useful lives and after taking into account of their estimated residual value, using the straight-line method.

An investment property is derecognised upon disposal or when the investment properties are permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

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

#### **3.2 Material accounting policy information** *(continued)*

##### **Intangible assets**

Intangible assets acquired separately

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

##### **Impairment on property, plant and equipment, right-of-use assets and intangible assets other than goodwill**

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets with finite useful lives to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of property, plant and equipment, right-of-use assets, and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

**3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION** *(continued)***3.2 Material accounting policy information** *(continued)***Impairment on property, plant and equipment, right-of-use assets and intangible assets other than goodwill** *(continued)*

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

**Cash and cash equivalents**

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

- cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and
- cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

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

Bank balances for which use by the Group is subject to third party contractual restrictions are included as part of cash unless the restrictions result in a bank balance no longer meeting the definition of cash. Contractual restrictions affecting use of bank balances are disclosed in note 30. If the contractual restrictions to use the cash extend beyond 12 months after the end of the reporting period, the related amounts are classified as non-current in the consolidated statement of financial position.

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

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

#### 3.2 Material accounting policy information *(continued)*

##### **Inventories**

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

##### **Financial instruments**

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

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

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

##### **Financial assets**

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

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

##### ***Classification and subsequent measurement of financial assets***

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

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

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

**3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION** *(continued)***3.2 Material accounting policy information** *(continued)***Financial instruments** *(continued)*Financial assets *(continued)***Classification and subsequent measurement of financial assets** *(continued)*

All other financial assets are subsequently measured at FVTPL, except that at initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 *Business Combinations* applies.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a designated and effective as a hedging instrument.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or fair value through other comprehensive income as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

## (i) Amortised cost and interest income

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

## (ii) Financial assets at FVTPL

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

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

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

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

#### 3.2 Material accounting policy information *(continued)*

##### **Financial instruments** *(continued)*

Financial assets *(continued)*

##### **Impairment of financial assets subject to impairment assessment under IFRS 9**

The Group performs impairment assessment under expected credit loss (“ECL”) model on financial assets (including trade, bills and other receivables, loan receivables, amounts due from associates, non-controlling shareholders of subsidiaries and related parties, loans to associates and non-controlling shareholders of subsidiaries, pledged/restricted bank deposits and bank balances) which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

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

The Group always recognises lifetime ECL for trade receivables.

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

(i) Significant increase in credit risk

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

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

**3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION** *(continued)***3.2 Material accounting policy information** *(continued)***Financial instruments** *(continued)*Financial assets *(continued)***Impairment of financial assets subject to impairment assessment under IFRS 9** *(continued)*(i) Significant increase in credit risk *(continued)*

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

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

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

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

## (ii) Definition of default

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

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

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

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

#### 3.2 Material accounting policy information *(continued)*

##### **Financial instruments** *(continued)*

Financial assets *(continued)*

##### **Impairment of financial assets subject to impairment assessment under IFRS 9** *(continued)*

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

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

- (a) significant financial difficulty of the issuer or the borrower;
  - (b) a breach of contract, such as a default or past due event;
  - (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
  - (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.
- (iv) Write-off policy

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

##### (v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group uses a practical expedient in estimating ECL on trade receivables using a provision matrix taking into consideration historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and forward-looking information, including time value of money where appropriate, that is available without undue cost or effort.

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

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

**3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION** *(continued)***3.2 Material accounting policy information** *(continued)***Financial instruments** *(continued)*Financial assets *(continued)***Impairment of financial assets subject to impairment assessment under IFRS 9** *(continued)*(v) Measurement and recognition of ECL *(continued)*

Lifetime ECL for certain trade receivables is considered on a collective basis taking into consideration past due information and relevant credit information such as forward looking macroeconomic information.

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

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

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

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

**Foreign exchange gains and losses**

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically, for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'Other gains and losses' line item (note 8) as part of the net foreign exchange gains and losses;

**Derecognition of financial assets**

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

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

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

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

#### 3.2 Material accounting policy information *(continued)*

##### **Financial instruments** *(continued)*

Financial liabilities and equity

##### **Classification as debt or equity**

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

##### **Equity instruments**

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

##### **Financial liabilities at amortised cost**

Financial liabilities (including trade and other payables, amounts due to a non-controlling shareholder of a subsidiary, related parties and associates, bank borrowings and other borrowing) are subsequently measured at amortised cost, using the effective interest method.

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

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

### 4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

#### **Key sources of estimation uncertainty**

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

# Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

## 4. KEY SOURCES OF ESTIMATION UNCERTAINTY *(continued)*

### Key sources of estimation uncertainty *(continued)*

#### **Fair value measurement of financial assets at FVTPL**

The fair value assessment of financial assets at FVTPL was made by the directors of the Company by reference to the valuation performed by an independent professional qualified valuer.

For the years ended December 31, 2025 and 2024, financial assets at FVTPL included an unlisted equity investment fund and an unlisted equity investment. The fair value of the unlisted equity investment fund was determined based on the asset based approach by subtracting the total liabilities of the unlisted equity investment fund from their total assets mainly measured at fair value, and the fair value of the unlisted equity investment was determined based on the market approach by similar market transaction after appropriate adjustments.

The carrying amount of the unlisted equity investment fund and unlisted equity investment as at December 31, 2025 was RMB155,256,000 (2024: RMB154,806,000) with fair value gain recognised in profit or loss of RMB450,000 (2024: loss of RMB160,000) for the year then ended.

Notwithstanding that the management of the Group employs an independent professional qualified valuer to perform the fair value assessment based on their assumptions, the fair value of this unlisted equity investment fund may be higher or lower depending on the future performance of the unlisted equity investment fund, and the fair value of this unlisted equity investment may be higher or lower depending on the market value.

The information about the fair value measurement of the unlisted equity investment fund and the unlisted equity investment is set out in note 41(c).

#### **Estimation of impairment loss under ECL model on financial assets at amortised cost**

The Group's financial assets at amortised cost include trade, bills and other receivables, loan receivables, amounts due from associates, non-controlling shareholders of subsidiaries and related parties, loans to associates and non-controlling shareholders of subsidiaries, pledged/restricted bank deposits and bank balances. For the years ended December 31, 2025 and 2024, the Group assesses internal credit rating for these financial assets respectively and then uses 12m ECL or lifetime ECL model to estimate ECL.

Notwithstanding that the management of the Group estimates ECL based on the information acquired at the years ended December 31, 2025 and 2024, the ECL of these financial assets is sensitive to changes in estimates and may be higher or lower depending on the future settlement of these financial assets.

The information about the impairment loss under ECL model on financial assets at amortised cost is set out in note 41(b).

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

**5. REVENUE****(i) Disaggregation of revenue from contracts with customers**

An analysis of the Group's revenue from major products and service and revenue by geographical locations is set out in note 6 as such analysis form part of the segment information reported to the management of the Group. The Group's food products revenue and service revenue are recognised at a point in time and over time, respectively.

	2025 RMB'000	2024 RMB'000
<b>Sales channels</b>		
Distributors	1,384,497	1,623,055
Supermarkets	140,293	111,252
Retail customers	102,362	68,280
	<b>1,627,152</b>	1,802,587
<b>Timing of revenue recognition</b>		
A point in time	1,607,406	1,782,189
Over time	19,746	20,398
	<b>1,627,152</b>	1,802,587

**(ii) Performance obligations for contracts with customers and revenue recognition policies****Sales of food products**

The Group sells biscuit and other products to distributors, supermarkets and retail customers in Chinese Mainland and also export biscuit and other products to locations other than the Chinese Mainland.

For offline sales of biscuit and other products to customers, revenue is recognised at a point in time when control of the biscuit and other products is transferred, being when the goods have been shipped to the customers' specific location (delivery). Transportation and handling activities that occur before customers obtain control are considered as fulfilment activities. Following delivery, the customers have primary responsibility to resell the goods in the designated region and bear the risks of obsolescence and loss in relation to the goods.

For online sales of biscuit and other products to customers in e-commerce platform, the Group generally offer customers an unconditional right of returning products purchased for a period of seven days upon receipt of products via platforms online. The associated revenue is recognised when the customers confirm receipt of the products or the return period expires.

For distributors and retail customers, the Group normally receives an advance from customer before the good is delivered. For supermarkets, the normal credit term is from 30 to 180 days upon delivery.

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

**5. REVENUE** *(continued)***(ii) Performance obligations for contracts with customers and revenue recognition policies** *(continued)***Sales of food products** *(continued)*

Certain distributors would be offered discount or rebate if sales target is achieved in a specific period. The Group uses its accumulated historical experience to estimate the amount of discount or rebate using the expected value method. Amounts of such discount or rebate are included in transaction price to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the specific period expired.

**Hotel services**

The Group provides hotel services to retail customers in Kaiping City, Guangdong Province. Hotel revenue from room rental is recognised over time during the period of stay for the hotel guests. Revenue from other ancillary services is generally recognised at the point in time when the services are rendered.

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

All contracts for sale of biscuit and other products and hotel service of room rental are for periods of one year or less. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

**6. OPERATING SEGMENTS**

Information reported to the executive directors of the Group, being the chief operating decision maker (“CODM”), for the purpose of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

The CODM reviews operating results and financial information on a product category by product category basis. For operating segments that exhibit similar long-term financial performance as they have similar economic characteristics, and are using similar production processes to produce goods and distribute or sell to similar classes of customers, their segment results are aggregated into one reportable segment. The CODM assesses the performance of the operating segments based on a measure of segment profit or loss which represents the gross profit of each operation segment.

Specifically, the Group’s reportable segments under IFRS 8 *Operating Segments* are as follows:

1. Biscuit products
2. Pasta products
3. Flour products

In addition to the above reportable segments, none of the other operating segments met the quantitative thresholds for the reportable segments in both current and prior year. Accordingly, these were grouped in “Others”.

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

**6. OPERATING SEGMENTS** *(continued)***Segment revenue and results**

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

**For the year ended December 31, 2025**

	<b>Biscuit products RMB'000</b>	<b>Pasta products RMB'000</b>	<b>Flour products RMB'000</b>	<b>Others RMB'000</b>	<b>Total RMB'000</b>
Segment revenue					
External sales	<b>1,183,100</b>	<b>188,518</b>	<b>167,199</b>	<b>88,335</b>	<b>1,627,152</b>
Inter-segment sales	<b>4,517</b>	<b>48</b>	<b>118,055</b>	<b>11,444</b>	<b>134,064</b>
	<b>1,187,617</b>	<b>188,566</b>	<b>285,254</b>	<b>99,779</b>	<b>1,761,216</b>
Segment results	<b>401,088</b>	<b>44,524</b>	<b>18,441</b>	<b>17,699</b>	<b>481,752</b>
Other income					<b>43,746</b>
Other gains and losses					<b>(690)</b>
Selling and distribution expenses					<b>(188,439)</b>
Administrative expenses					<b>(103,267)</b>
Other expenses					<b>(74,308)</b>
Impairment losses (including reversals of impairment losses or impairment gains) on financial assets					<b>1,002</b>
Share of results of associates					<b>(245)</b>
Finance costs					<b>(22,078)</b>
Profit before tax					<b>137,473</b>

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

**6. OPERATING SEGMENTS** *(continued)*  
**Segment revenue and results** *(continued)*  
**For the year ended December 31, 2024**

	Biscuit products RMB'000	Pasta products RMB'000	Flour products RMB'000	Others RMB'000	Total RMB'000
Segment revenue					
External sales	1,360,780	162,277	176,227	103,303	1,802,587
Inter-segment sales	26,796	97	122,546	3,215	152,654
	1,387,576	162,374	298,773	106,518	1,955,241
Segment results	429,367	38,689	26,119	19,058	513,233
Other income					73,532
Other gains and losses					(14,525)
Selling and distribution expenses					(242,475)
Administrative expenses					(111,376)
Other expenses					(77,999)
Impairment losses (including reversals of impairment losses or impairment gains) on financial assets					(33,202)
Share of results of associates					(1,159)
Finance costs					(28,634)
Profit before tax					77,395

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3.

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

**6. OPERATING SEGMENTS** *(continued)***Segment assets and liabilities**

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

**Other segment information**

Amounts included in the measurement of segment results:

**For the year ended December 31, 2025**

	Biscuit products RMB'000	Pasta products RMB'000	Flour products RMB'000	Others RMB'000	Total RMB'000
Depreciation of property, plant and equipment	50,611	10,337	5,249	5,368	71,565
Depreciation of right-of-use assets	8,673	181	733	1,715	11,302
Depreciation of investment properties	—	152	—	734	886
Amortisation of other intangible assets	5,309	—	7,154	908	13,371

**For the year ended December 31, 2024**

	Biscuit products RMB'000	Pasta products RMB'000	Flour products RMB'000	Others RMB'000	Total RMB'000
Depreciation of property, plant and equipment	48,868	10,301	4,102	6,712	69,983
Depreciation of right-of-use assets	8,892	181	733	2,277	12,083
Depreciation of investment properties	—	280	—	1,584	1,864
Amortisation of other intangible assets	5,087	—	7,154	908	13,149

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

**6. OPERATING SEGMENTS** (continued)**Other segment information** (continued)**Revenue from major products**

The following is an analysis of the Group's revenue from its major products:

	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
<b>Revenue by products</b>		
Biscuit		
– Sweet single piece biscuits	<b>479,750</b>	523,004
– Salty single piece biscuits	<b>28,051</b>	41,381
– Sandwich biscuits	<b>395,451</b>	412,090
– Wafers	<b>115,699</b>	152,244
– Coarse grain biscuits	<b>39,619</b>	59,072
– Other biscuits	<b>86,106</b>	172,989
	<b>1,144,676</b>	1,360,780
Pasta	<b>188,518</b>	162,277
Flour	<b>167,199</b>	176,227
Others (note)	<b>107,013</b>	82,905
	<b>1,607,406</b>	1,782,189
<b>Revenue by service</b>		
Hotel services	<b>19,746</b>	20,398
<b>Total</b>	<b>1,627,152</b>	1,802,587

Note: Others represents miscellaneous products other than biscuits, pasta and flour, such as fresh breads, mooncakes, candies and soymilk.

**Geographical information**

All of the Group's operations are located in the PRC. Information about the Group's revenue from external customers by location of the relevant customers and non-current assets by location of assets is presented below:

	<b>Revenue from external customers</b>		<b>Non-current assets (note a)</b>	
	<b>2025</b>	2024	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000	<b>RMB'000</b>	RMB'000
Chinese Mainland (country of domicile)	<b>1,623,831</b>	1,798,574	<b>1,076,814</b>	1,128,831
Others (note b)	<b>3,321</b>	4,013	<b>1,183</b>	781
	<b>1,627,152</b>	1,802,587	<b>1,077,997</b>	1,129,612

Notes:

- (a) Non-current assets excluded financial instruments and deferred tax assets.  
 (b) Others represent export sales to locations other than Chinese Mainland.

No single customer contributed over 10% of the total revenue of the Group during both years.

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

**7. OTHER INCOME**

	2025 RMB'000	2024 RMB'000
Government grants (note 36)	9,787	33,017
Interest income on:		
— bank balances and deposits	1,482	2,910
— loan receivables	8,886	8,848
— loans to associates	41	24
— loans to non-controlling shareholders of subsidiaries	127	400
— advance to third parties	180	438
Sales of scrap and packaging materials	16,719	20,771
Rental income	4,149	5,622
Others	2,375	1,502
	<b>43,746</b>	<b>73,532</b>

**8. OTHER GAINS AND LOSSES**

	2025 RMB'000	2024 RMB'000
Fair value gains (losses) on financial assets at FVTPL	450	(160)
Net foreign exchange (losses) gains	(190)	39
Losses on disposal of property, plant and equipment	(372)	(1,653)
Gain on disposal of right-of-use assets	2,020	—
Impairment losses recognised in respect of property, plant and equipment	—	(1,091)
Impairment losses recognised in respect of goodwill	(1,921)	(8,967)
Allowance recognised on inventories	(677)	(2,693)
	<b>(690)</b>	<b>(14,525)</b>

**9. OTHER EXPENSES**

	2025 RMB'000	2024 RMB'000
Research expenses	48,847	53,424
Donation expenses	4,564	4,982
Cost of scrap and packaging materials sold	14,725	15,731
Building lease expenses	1,947	2,401
Other non-operating expenses	4,225	1,461
	<b>74,308</b>	<b>77,999</b>

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

**10. IMPAIRMENT LOSSES (INCLUDING REVERSALS OF IMPAIRMENT LOSSES OR IMPAIRMENT GAINS) ON FINANCIAL ASSETS**

	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
Impairment losses (reversed) recognised on:		
– loan receivables	<b>(5,035)</b>	21,863
– loans to associates	<b>265</b>	–
– loans to non-controlling shareholders of subsidiaries	<b>180</b>	1,579
– amounts due from associates	<b>941</b>	–
– amounts due from non-controlling shareholders of subsidiaries	<b>(784)</b>	323
– trade receivables	<b>3,642</b>	2,831
– other receivables	<b>(211)</b>	6,606
	<b>(1,002)</b>	33,202

Details of impairment assessment are set out in note 41(b).

**11. FINANCE COSTS**

	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
Interest expenses on		
– bank borrowings	<b>21,541</b>	28,583
– other borrowing	<b>84</b>	288
– lease liabilities	<b>2,266</b>	2,355
Total borrowing costs	<b>23,891</b>	31,226
Less: amounts capitalised in the cost of qualifying assets	<b>(1,813)</b>	(2,592)
	<b>22,078</b>	28,634

Borrowing costs capitalised during the year arose on the general borrowing pool and are calculated by applying a capitalisation rate of 2.77% (2024: 3.27%) per annum to expenditure on qualifying assets.

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

**12. INCOME TAX EXPENSE**

	2025 RMB'000	2024 RMB'000
Current tax:		
PRC Enterprise Income Tax ("EIT")		
— Current year	31,141	33,544
— Under(over)provision in prior years	263	(490)
Withholding tax on distributed profits	5,250	—
	<b>36,654</b>	33,054
Deferred tax (note 38):	<b>(5,701)</b>	(3,944)
	<b>30,953</b>	29,110

No provision for Hong Kong Profits Tax has been made for both years as the Group has no assessable profits arising in Hong Kong.

Guangdong Jiashili Food Group Company Limited\* (廣東嘉士利食品集團有限公司) ("Guangdong Jiashili") and Guangdong Kangli Food Group Co. Limited\* (廣東康力食品集團有限公司) ("Kangli") were accredited as a High-New Technology Enterprise by the Science and Technology Bureau of Guangdong Province (廣東省科學技術廳) and relevant authorities in the PRC with effect from January 2025 and 2023 for a term of three years, respectively. Guangdong Jiashili and Kangli were registered with the local tax authority to be eligible to the reduced 15% EIT rate for three years from 2025 to 2027 and 2023 to 2025.

Guangdong Kailan Flour Co. Limited\* 廣東開蘭麵粉有限公司 ("Kailan Flour") engages in manufacture and sale of flour. According to Cai Shui 2008 No.149, a joint circular of Ministry of Finance and State Administration of Taxation, wheat preliminary processing for flour is in the scope of EIT exemption. Kailan Flour is registered with Kaiping Administration for Market Regulation to be eligible to grain processing.

For other group entities in the PRC, under the Law of the PRC on EIT (the "EIT Law") and Implementation Regulations of the EIT Law, the EIT rate was 25% for both years.

According to Cai Shui 2008 No.1, a joint circular of Ministry of Finance and State Administration of Taxation, dividend distributed out of the profits generated since January 1, 2008 by a PRC entity to a non-PRC tax resident shall be subject to withholding EIT pursuant to Articles 3 and 19 of the EIT Law.

The Company's subsidiaries that are PRC tax resident are required to withhold the PRC withholding EIT of 10% on dividend payment to their non-PRC resident immediate holding company, unless such dividend payment is qualified for the 5% reduced tax rate under the Arrangement between Chinese Mainland and Hong Kong for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (the "PRC-HK DTA").

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

**12. INCOME TAX EXPENSE** (continued)

Jiashili (Hong Kong) Limited (“Jiashili HK”) is qualified as a Hong Kong tax resident. During the year ended December 31, 2025, Jiashili HK has obtained the Hong Kong resident certificate for the calendar year 2024 and would be valid for three years until December 31, 2026. Jiashili HK enjoys a reduced withholding tax rate of 5%, under State Administration of Taxation Bulletin [2018] No. 9 (國家稅務總局公告2018年第9號) on dividend income for the years ended December 31, 2025 and 2024, pursuant to the PRC-HK DTA.

The Group is operating in certain jurisdictions where the Global Anti-base Erosion Rules (“Pillar Two Rules”) are effective. However, as the Group’s consolidated annual revenue is expected to be less than Euro 750 million in at least two of the four fiscal years preceding the tested year, the management of the Group has not made relevant disclosures of qualitative and quantitative information about the Group’s exposure to the Pillar Two income taxes.

\* English name for identification purpose only.

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

	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
Profit before tax	<b>137,473</b>	77,395
Tax at PRC Tax rate of 25% (2024: 25%)	<b>34,368</b>	19,349
Tax effect on concessionary tax rate	<b>(11,855)</b>	(7,313)
Tax effect on concessionary policy on research and development expenses (note)	<b>(7,661)</b>	(9,673)
Tax effect of expenses not deductible for tax purpose	<b>2,717</b>	2,948
Tax effect of different tax rates of subsidiaries operating in other jurisdictions	<b>1,225</b>	1,596
Tax effect of deductible temporary differences not recognised	<b>3,172</b>	12,185
Tax effect of tax losses not recognised	<b>11,869</b>	12,964
Utilisation of tax losses previously not recognised	<b>—</b>	(765)
Utilisation of deductible temporary differences previously not recognised	<b>(7,212)</b>	(1,283)
Tax effect on share of results of associates	<b>61</b>	290
Tax effect of withholding tax on distributed profits of the PRC subsidiaries	<b>5,250</b>	—
Tax effect of withholding tax on undistributed profits of the PRC subsidiaries	<b>(1,917)</b>	(1,403)
Under(over)provision in prior years	<b>263</b>	(490)
Others	<b>673</b>	705
Income tax expense recognised in profit or loss	<b>30,953</b>	29,110

Note: It represents additional 100% (2024: 100%) tax deduction in respect of qualifying research and development expenses incurred for the year.

In addition to the amount charged to profit or loss, no amount relating to tax has been recognised in other comprehensive income or directly in equity.

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

**13. PROFIT FOR THE YEAR**

Profit for the year has been arrived at after charging:

	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
Directors' and chief executive's emoluments (note 15)	<b>4,543</b>	5,912
Other employee benefits expenses:		
Salaries and allowances	<b>226,276</b>	256,591
Contributions to retirement benefits scheme	<b>27,900</b>	27,403
<b>Total employee benefits expenses</b>	<b>258,719</b>	289,906
Depreciation of property, plant and equipment	<b>71,565</b>	69,983
Depreciation of right-of-use assets	<b>11,302</b>	12,083
Depreciation of investment properties	<b>886</b>	1,864
Amortisation of other intangible assets (included in cost of sales)	<b>13,371</b>	13,149
<b>Total depreciation and amortisation</b>	<b>97,124</b>	97,079
Auditors' remuneration	<b>1,939</b>	1,924
Cost of inventories recognised as an expense (including recognition of allowance on inventories amounting to RMB677,000 (2024: RMB2,693,000))	<b>1,138,492</b>	1,284,297

**14. ASSETS AND LIABILITIES HELD FOR SALE**

In November 2024 and April 2025, the Group entered into an equity transfer agreement and a revised equity transfer agreement with a third party, respectively, and pursuant to the revised equity transfer agreement, the Group agreed to dispose of its 100% equity interest in Jiangsu Jiashili Food Co. Limited\* 江蘇嘉士利食品有限公司 ("Jiangsu Jiashili") for a total cash consideration of RMB48,190,000. Jiangsu Jiashili is engaged in leasing of factory building in the PRC.

The assets and liabilities attributable to Jiangsu Jiashili, which is expected to be sold within twelve months, have been classified as assets and liabilities held for sale and are presented separately in the consolidated statement of financial position. During the year ended December 31, 2025, the Group received a deposit of RMB1,000,000 for the equity transfer. This disposal is still in process as at the report date.

The net proceeds of disposal are expected to exceed the net carrying amount of the relevant assets and liabilities and accordingly, no impairment loss has been recognised.

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

**14. ASSETS AND LIABILITIES HELD FOR SALE** *(continued)*

The major classes of assets and liabilities of the disposal group classified as held for sale are as follows:

	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
Property, plant and equipment	—	82
Right-of-use assets	<b>1,875</b>	1,875
Investment properties	<b>8,885</b>	8,885
Trade, bills and other receivables	—	4
Income tax recoverable	<b>290</b>	290
Cash and cash equivalents	<b>1,245</b>	10,614
<b>Total assets classified as held for sale</b>	<b>12,295</b>	21,750
Trade and other payables	<b>(343)</b>	(399)
Deferred income	<b>(64)</b>	(64)
<b>Total liabilities directly associated with assets classified as held for sale</b>	<b>(407)</b>	(463)

\* English name for identification purpose only.

**15. DIRECTORS' AND CHIEF EXECUTIVE'S AND EMPLOYEES' REMUNERATION****Directors' and chief executive's emoluments**

Details of the emoluments paid or payable to the directors of the Company and chief executive of the Group during the year, disclosed pursuant to the applicable Listing Rules and the Hong Kong Companies Ordinance, are as follows:

	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
Director's fee	<b>1,820</b>	1,980
Salaries and allowances	<b>2,617</b>	3,634
Performance related bonus	<b>21</b>	272
Contributions to retirement benefits scheme	<b>85</b>	26
	<b>4,543</b>	5,912

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

**15. DIRECTORS' AND CHIEF EXECUTIVE'S AND EMPLOYEES' REMUNERATION***(continued)***Directors' and chief executive's emoluments** *(continued)***Year ended December 31, 2025**

	Director's fee RMB'000	Salaries and allowances, and benefit in kind RMB'000	Performance related bonus RMB'000	Retirement benefits contributions RMB'000	Total RMB'000
<b>Executive Directors (note a)</b>					
Mr. Huang Xianming 黃銑銘 <i>(Chairman and chief executive officer)</i>	163	496	6	—	665
Mr. Tan Chaojun 譚朝均 <i>(Vice chairman)</i>	163	343	1	—	507
Mr. Chen Songhuan 陳松浣	163	388	—	9	560
Mr. Huang Zekun 黃澤坤 <i>(Resigned on August 6, 2025)</i>	95	333	—	11	439
Mr. Li Fuliang 黎福良	163	—	14	—	177
Mr. Lu Jianxiong 盧建雄	163	193	—	9	365
Ms. Huang Rujiao 黃如嬌	163	485	—	—	648
Mr. Zhao Gang 趙剛	163	379	—	56	598
<b>Independent Non-executive Directors (note b)</b>					
Mr. Kam Robert 甘廷仲	163	—	—	—	163
Mr. Ma Xiao Qiang 馬曉強	163	—	—	—	163
Mr. Wan Ngar Yin 溫雅言	163	—	—	—	163
Mr. Zhang Ziwen 張子文 <i>(Resigned on August 6, 2025)</i>	95	—	—	—	95
	1,820	2,617	21	85	4,543

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

**15. DIRECTORS' AND CHIEF EXECUTIVE'S AND EMPLOYEES' REMUNERATION***(continued)***Directors' and chief executive's emoluments** *(continued)***Year ended December 31, 2024**

	Director's fee RMB'000	Salaries and allowances, and benefit in kind RMB'000	Performance related bonus RMB'000	Retirement benefits contributions RMB'000	Total RMB'000
<b>Executive Directors (note a)</b>					
Mr. Huang Xianming 黃銑銘 <i>(Chairman and chief executive officer)</i>	165	665	70	—	900
Mr. Tan Chaojun 譚朝均 <i>(Vice chairman)</i>	165	473	54	—	692
Mr. Chen Songhuan 陳松澆	165	548	50	8	771
Mr. Huang Zekun 黃澤坤	165	360	5	10	540
Mr. Li Fuliang 黎福良	165	—	—	—	165
Mr. Lu Jianxiong 盧建雄	165	233	33	8	439
Ms. Huang Rujiao 黃如嬌	165	260	—	—	425
Mr. Zhao Gang 趙剛	165	1,095	51	—	1,311
<b>Independent Non-executive Directors (note b)</b>					
Mr. Kam Robert 甘廷仲	165	—	9	—	174
Mr. Ma Xiao Qiang 馬曉強	165	—	—	—	165
Mr. Wan Ngar Yin 溫雅言	165	—	—	—	165
Mr. Zhang Ziwen 張子文	165	—	—	—	165
	1,980	3,634	272	26	5,912

Notes:

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

Mr. Huang Xianming is a director and also the chief executive officer of the Company. The emoluments disclosed above are inclusive of services rendered by him as the chief executive officer.

Performance related bonus for the years ended December 31, 2025 and 2024 were determined by the management having regard to the performance of the directors of the Company and the Group's results from operation. Certain executive directors of the Company are entitled to bonus payments for the year ended December 31, 2025 and 2024. During the year ended December 31, 2024, one independent non-executive director acquired performance related bonus due to special proposal on the operation of certain projects.

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

**15. DIRECTORS' AND CHIEF EXECUTIVE'S AND EMPLOYEES' REMUNERATION***(continued)***Directors' and chief executive's emoluments** *(continued)*

Mr. Huang Xianming has also been employed by Guangdong Zhongchen Industrial Group Co. Limited\* 廣東中晨實業集團有限公司 ("Zhongchen"), which is owned by Mr. Huang Xianming, the ultimate controlling shareholder of the Company.

The payments of executive directors' contributions to retirement benefits scheme, including Mr. Tan Chaojun, Li Fuliang, Ms. Huang Rujiao and Mr. Zhao Gang were made by Zhongchen or other related companies for the year in which the amount are considered to be insignificant.

For the years ended December 31, 2025 and 2024, none of the directors of the Company has waived or agreed to waive any emoluments.

\* English name for identification purpose only.

**Employees' remuneration**

The five highest paid individuals of the Group included two (2024: four) directors for the year ended December 31, 2025. The emoluments of the remaining three (2024: one) individual for the year ended December 31, 2025, who are neither a director nor chief executive of the Company, are as follows:

	2025 RMB'000	2024 RMB'000
Salaries and allowances	1,186	557
Performance related bonus	—	30
Retirement benefits contributions	18	8
	<b>1,204</b>	595

The number of the five highest paid employees including directors of the Company whose emoluments fell within the following bands is as follows:

	No. of individuals	
	2025	2024
Nil to HK\$1,000,000 (equivalent to nil to RMB915,000) (2024: equivalent to nil to RMB916,000)	5	4
HK\$1,000,001 to HK\$1,500,000 (equivalent to more than RMB915,000 to RMB1,372,000) (2024: equivalent to more than RMB916,000 to RMB1,374,000)	—	1

During the year, no emoluments were paid by the Group to any of the directors of the Company or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

**16. DIVIDENDS**

	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
Dividends for ordinary shareholders of the Company recognised as distribution during the year:		
2025 Interim — HK5 cents (2024: 2024 Interim — nil) per share	<b>18,944</b>	—
2024 Final — HK10 cents (2024: 2023 Final — HK10 cents) per share	<b>37,889</b>	37,802
	<b>56,833</b>	37,802

Subsequent to the end of the reporting period, a final dividend in respect of the year ended December 31, 2025 of HK10 cents (2024: HK10 cents) per share, amounting to approximately HK\$41,500,000 (equivalent to approximately RMB36,642,000) (2024: approximately HK\$41,500,000 (equivalent to approximately RMB37,889,000)), has been proposed by the directors of the Company and is subject to the approval by the shareholders at the forthcoming Annual General Meeting of the Company.

**17. EARNINGS PER SHARE**

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

	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
<b>Earnings</b>		
Profit for the year attributable to owners of the Company for the purpose of basic earnings per share	<b>108,763</b>	54,461
	<b>2025</b>	2024
	<b>'000</b>	<b>'000</b>
<b>Number of shares</b>		
Number of ordinary shares for the purpose of basic earnings per share	<b>415,000</b>	415,000

No diluted earnings per share for both 2025 and 2024 were presented as there were no potential ordinary shares in issue for both 2025 and 2024.

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

## 18. PROPERTY, PLANT AND EQUIPMENT

	Buildings RMB'000	Leasehold improvement RMB'000	Plant and machinery RMB'000	Office equipment RMB'000	Motor vehicles RMB'000	Construction in progress RMB'000	Total RMB'000
<b>COST</b>							
At January 1, 2024	475,583	36,431	484,563	55,227	27,293	74,581	1,153,678
Additions	2,728	4,287	3,031	2,130	290	64,351	76,817
Disposals	(1,668)	—	(5,110)	(420)	(2)	—	(7,200)
Transfer	11,022	—	15,943	5,153	—	(32,118)	—
Reclassified as investment properties	(1,197)	—	—	—	—	—	(1,197)
Reclassified as held of sale	—	—	(2,359)	(183)	—	—	(2,542)
At December 31, 2024	486,468	40,718	496,068	61,907	27,581	106,814	1,219,556
Additions	597	2,677	3,272	1,225	1,530	21,611	30,912
Disposals	—	—	(3,988)	(563)	(1,258)	—	(5,809)
Transfer	73,151	—	48,532	2,897	319	(124,899)	—
Transfer from investment properties	3,638	—	—	—	—	—	3,638
At December 31, 2025	563,854	43,395	543,884	65,466	28,172	3,526	1,248,297
<b>DEPRECIATION AND IMPAIRMENT</b>							
At January 1, 2024	117,887	28,996	241,594	48,402	19,908	—	456,787
Provided for the year	18,206	5,093	39,129	5,362	2,193	—	69,983
Impairment loss recognised in profit or loss	—	—	831	260	—	—	1,091
Eliminated on disposals	(201)	—	(3,030)	(255)	(2)	—	(3,488)
Reclassified as investment properties	(66)	—	—	—	—	—	(66)
Reclassified as held of sale	—	—	(2,284)	(176)	—	—	(2,460)
At December 31, 2024	135,826	34,089	276,240	53,593	22,099	—	521,847
Provided for the year	21,013	2,612	41,293	4,144	2,503	—	71,565
Eliminated on disposals	—	—	(2,337)	(369)	(1,165)	—	(3,871)
Transfer from investment properties	554	—	—	—	—	—	554
At December 31, 2025	157,393	36,701	315,196	57,368	23,437	—	590,095
<b>CARRYING VALUES</b>							
At December 31, 2025	406,461	6,694	228,688	8,098	4,735	3,526	658,202
At December 31, 2024	350,642	6,629	219,828	8,314	5,482	106,814	697,709

The above items of property, plant and equipment, except for construction in progress, after taking into account the residual values, are depreciated on a straight-line basis over the following useful lives:

Buildings	20 years
Leasehold improvement	Over the shorter of the term of the lease, or 3 to 5 years
Plant and machinery	5 to 10 years
Office equipment	3 to 5 years
Motor vehicles	5 years

All the Group's buildings are located in Chinese Mainland.

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

**18. PROPERTY, PLANT AND EQUIPMENT** (continued)**Impairment assessment**

As at December 31, 2025, the Group estimates the recoverable amounts of the owned property plant and equipment, based on higher of fair value less costs of disposal and value in use. The carrying amount of the relevant assets does not exceed the recoverable amount based on fair value less costs of disposal or value in use and no impairment has been recognised.

As at December 31, 2024, as the business model changed of the soymilk cash-generating unit (“CGU”), the management of the Group concluded there was indication for impairment to the property, plant and equipment attributed to the soymilk business and conducted an impairment assessment on the property, plant and equipment. Based on the Group’s impairment assessment, an impairment loss of RMB1,091,000 has been recognised against the carrying amount of these property, plant and equipment for the year ended December 31, 2024.

**19. RIGHT-OF-USE ASSETS**

	<b>Land use rights</b> RMB'000	<b>Leased properties</b> RMB'000	<b>Total</b> RMB'000
<b>As at December 31, 2025</b>			
Carrying amount	118,453	105,418	223,871
<b>As at December 31, 2024</b>			
Carrying amount	136,931	110,346	247,277
<b>For the year ended December 31, 2025</b>			
Depreciation charge	4,552	6,750	11,302
<b>For the year ended December 31, 2024</b>			
Depreciation charge	4,606	7,477	12,083
		<b>2025</b>	2024
		<b>RMB'000</b>	RMB'000
Expense relating to short-term leases		<b>662</b>	1,302
Total cash outflow for leases		<b>7,370</b>	7,998
Additions to right-of-use assets		<b>2,688</b>	3,921
Disposal to right-of-use assets		<b>(14,792)</b>	(14)
Reclassified as held for sale (note 14)		<b>—</b>	(1,875)

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

### 19. RIGHT-OF-USE ASSETS *(continued)*

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

For both years, the Group leases various factory buildings and offices premises for its operation. Lease contracts are entered into for fixed term of 1 year to 23 years with fixed payment. Lease terms are negotiated on an individual basis and contain different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

In addition, the Group owns several industrial buildings where its manufacturing facilities are primarily located and office buildings. The Group is the registered owner of these property interests, including the underlying leasehold lands. Leasehold lands are entered into for fixed term of 30 to 50 years with fixed payment. Lump sum payments were made upfront to acquire these property interests. The leasehold land components of these owned properties are presented separately only if the payments made can be allocated reliably.

The Group regularly entered into short-term leases for office premises, accommodation and parking space. As at December 31, 2025 and 2024, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed in above.

#### Restrictions on leases

In addition, lease liabilities of RMB48,216,000 (2024: RMB50,960,000) were recognised with related right-of-use assets of RMB45,146,000 (2024: RMB48,661,000) as at December 31, 2025. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Details of the lease maturity analysis of lease liabilities are set out in notes 37 and 41(b).

#### Impairment assessment

As at December 31, 2025 and 2024, the Group estimates the recoverable amounts of right-of-use assets, based on higher of fair value less costs of disposal and value in use. The carrying amount of the relevant assets does not exceed the recoverable amount based on fair value less costs of disposal or value in use and no impairment have been recognised.

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

**20. INVESTMENT PROPERTIES**

The Group leases out factory buildings and commercial properties under operating leases with rentals payable monthly or quarterly. The leases typically run for a period of three to ten years (2024: three to ten years).

The Group is not exposed to foreign currency risk as a result of the lease arrangements, as all leases are denominated in the respective functional currencies of group entities. The lease contracts do not contain residual value guarantee and/or lessee's option to purchase the properties at the end of lease term.

The Group uses the cost model to measure investment properties.

	<b>Total</b> RMB'000
<b>COST</b>	
At January 1, 2024	32,701
Transfer from property, plant and equipment	1,131
Reclassified as held for sale	(11,275)
At December 31, 2024	<b>22,557</b>
Transfer to property, plant and equipment	<b>(3,638)</b>
At December 31, 2025	<b>18,919</b>
<b>DEPRECIATION</b>	
At January 1, 2024	2,618
Provided for the year	1,864
Reclassified as held for sale	(2,390)
At December 31, 2024	<b>2,092</b>
Provided for the year	<b>886</b>
Transfer to property, plant and equipment	<b>(554)</b>
At December 31, 2025	<b>2,424</b>
<b>CARRYING VALUES</b>	
At December 31, 2025	<b>16,495</b>
At December 31, 2024	20,465

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

**20. INVESTMENT PROPERTIES** *(continued)*

The fair value of the Group's investment properties at December 31, 2025 was RMB44,240,000 (2024: RMB52,240,000). The fair value has been arrived at based on a valuation carried out by the directors of the Company.

The fair value was determined based on the income approach, where the market rental of the properties are assessed and discounted at the market yield expected by investors for this type of properties. The market rental is assessed by reference to the rental achieved in the whole properties as well as other lettings of similar properties in the neighbourhood. The discount rate is determined by reference to the yields derived from analysing the sales transactions of similar commercial properties in the locality and adjusted to take into account the market expectation from property investors to reflect factors specific to the Group's investment properties.

In estimating the fair value of the properties, the highest and best use of the properties are their current use.

Details of the Group's investment properties and information about the fair value hierarchy as at the end of the reporting period are as follows:

	2025		2024	
	Carrying amount RMB'000	Fair value at Level 3 hierarchy RMB'000	Carrying amount RMB'000	Fair value at Level 3 hierarchy RMB'000
Factory buildings located in Kaiping City, Guangdong Province	1,893	4,140	5,128	11,140
Commercial properties located in Kaiping City, Guangdong Province	14,602	40,100	15,337	41,100
	<b>16,495</b>	<b>44,240</b>	20,465	52,240

The above investment properties are depreciated on a straight-line basis over the term of the lease per annum.

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

**21. GOODWILL AND IMPAIRMENT TESTING ON GOODWILL**

	<b>Total</b> RMB'000
<b>COST</b>	
At January 1, 2024, December 31, 2024 and 2025	<b>65,085</b>
<b>IMPAIRMENT</b>	
At January 1, 2024	—
Impairment loss recognised in the year	8,967
December 31, 2024	<b>8,967</b>
Impairment loss recognised in the year	<b>1,921</b>
At December 31, 2025	<b>10,888</b>
<b>CARRYING VALUES</b>	
At December 31, 2025	<b>54,197</b>
At December 31, 2024	56,118

For the purposes of impairment testing, goodwill has been allocated to three (2024: three) individual CGUs. The carrying amounts of goodwill allocated to these units are as follows:

	<b>2025</b> RMB'000	2024 RMB'000
Biscuits CGU	<b>27,449</b>	27,449
Flour CGU	<b>26,748</b>	26,748
Soy milk CGU	—	1,921
	<b>54,197</b>	56,118

In addition to goodwill above, property, plant and equipment, investment properties, other intangible assets and right-of-use assets (including allocation of corporate assets) that generate cash flows together with the related goodwill are also included in the respective CGUs for the purpose of impairment assessment.

The recoverable amounts of the above CGUs were determined based on value in use calculations. Those calculations use cash flow projections based on financial budgets approved by the management of the Group covering a 5-year (2024: 5-year) period.

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

**21. GOODWILL AND IMPAIRMENT TESTING ON GOODWILL** *(continued)*

The following table sets out the key assumptions for the value in use calculation of the CGUs that have significant goodwill with indefinite useful lives.

	2025			2024		
	Biscuits CGU	Flour CGU	Soymilk CGU	Biscuits CGU	Flour CGU	Soymilk CGU
Pre-tax discount rate	11%	10%	15%	11%	10%	15%
Long-term growth rate	2%	2%	2%	2%	2%	2%
Revenue growth rate	2%	5%	2%	2%	5%	5%
Gross margin	32%	12%	22%	30%	12%	21%

Pre-tax discount rate applied reflects the current market assessments of the time value of money and the risks specific to each of the CGUs.

Cash flows beyond the 5-year (2024: 5-year) period are extrapolated using the estimated long-term growth rates and revenue growth rate stated above. These growth rates are based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry. The cash flows projections, growth rates, gross margin and discount rate as at December 31, 2025 and 2024 have been reassessed taking into consideration the change due to ongoing uncertain macroeconomic, geopolitical environment and management's expectations for the market development.

The recoverable amount is significantly above the carrying amount of biscuits CGU and Flour CGU. Management believes that any reasonably possible change in any of these assumptions would not result in impairment.

During the years ended December 31, 2025 and 2024, the operation result of soymilk CGU declined. The directors of the Company have consequently determined impairment of goodwill directly related to soymilk CGU amounting to RMB1,921,000 (2024: RMB8,967,000). The impairment loss has been included in profit or loss in the other gains and losses line item. The Group considered other individual write-down of the property, plant and equipment of soymilk CGU. Details of impairment assessment are set out in note 18.

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

**22. OTHER INTANGIBLE ASSETS**

	Trademarks RMB'000	Licenses RMB'000	Total RMB'000
<b>COST</b>			
At January 1, 2024	134,191	3,000	137,191
Addition	—	2,434	2,434
At December 31, 2024 and 2025	<b>134,191</b>	<b>5,434</b>	<b>139,625</b>
<b>AMORTISATION</b>			
At January 1, 2024	39,753	150	39,903
Charge for the year	12,929	220	13,149
At December 31, 2024	<b>52,682</b>	<b>370</b>	<b>53,052</b>
Charge for the year	<b>12,929</b>	<b>442</b>	<b>13,371</b>
At December 31, 2025	<b>65,611</b>	<b>812</b>	<b>66,423</b>
<b>CARRYING VALUES</b>			
At December 31, 2025	<b>68,580</b>	<b>4,622</b>	<b>73,202</b>
At December 31, 2024	81,509	5,064	86,573

The above trademark were purchased as part of a business combination in prior years. All of the Group's licenses were acquired from third parties.

The above intangible assets have estimated useful lives. Such intangible assets are amortised on a straight-line basis over the following periods:

Trademarks	10 years
Licenses	10–15 years

**23. INTERESTS IN ASSOCIATES**

	2025 RMB'000	2024 RMB'000
Cost of investments in associates — unlisted	<b>24,121</b>	23,321
Share of post-acquisition results of associates	<b>(3,493)</b>	(3,248)
Exchange adjustments	<b>40</b>	72
	<b>20,668</b>	20,145

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

**23. INTERESTS IN ASSOCIATES** (continued)

Details of the Group's associates at the end of the reporting periods are as follows:

Name of associates	Place of incorporation/ establishment/ principal place of business	Proportion of ownership interest held by the Group		Proportion of voting rights held by the Group		Principal activities
		2025	2024	2025	2024	
Hong Kong Ruishiyue (International) Food Co., Limited 香港瑞士樂(國際) 食品有限公司 ("Hong Kong Ruishiyue") (note a)	Hong Kong	5%	5%	33%	33%	Investment holding and sale of candy and biscuits
Chengdu Tianjianjun Agricultural Technology Co., Limited* 成都天健 君農業科技有限公司 ("Tianjianjun") (note b)	The PRC	35%	35%	20%	20%	Manufacture and sale of rice with low glycaemic index
Henan Jiashili Brand Marketing Co., Limited* 河南嘉士利品牌營銷有 限公司 ("Henan Brand Marketing")	The PRC	20%	20%	20%	20%	Marketing business
Jiangmen Shiborun Food Co., Limited* 江門市施博 潤食品有限公司	The PRC	30%	—	30%	—	Marketing business

Notes:

- (a) The board composition of Hong Kong Ruishiyue comprised of three directors, in which one of the directors are appointed by the Group and the remaining two directors are appointed by the other shareholder. The resolution of the board of directors of Hong Kong Ruishiyue requires approval by simple majority. As such, the Group can exercise significant influence in deciding Hong Kong Ruishiyue's financial or operating policies and accordingly the Group accounts for its interest in Hong Kong Ruishiyue as an associate.

Hong Kong Ruishiyue has a non-wholly foreign-owned subsidiary, namely Guangdong Ruishiyue Food Co., Limited\* 廣東瑞士樂食品有限公司 ("Guangdong Ruishiyue"), in the PRC, which is principally engaged in manufacturing and selling of candy and biscuits.

- (b) Pursuant to the Articles of Association of Tianjianjun, the board composition of Tianjianjun consists of five directors, in which one of the directors is appointed by the Group and the remaining four directors were appointed by other four shareholders of Tianjianjun. The resolution of the board of directors of Tianjianjun requires approval by simple majority. The Group can exercise significant influence in deciding Tianjianjun's financial or operating policies. Accordingly, the Group accounts for its interest in Tianjianjun as an associate.

\* English name for identification purpose only.

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

**23. INTERESTS IN ASSOCIATES** (continued)**Summarised financial information of material associates**

Summarised financial information in respect of the Group's material associates is set out below. The summarised financial information below represents amounts in associates' financial statements prepared in accordance with IFRS Accounting Standards. The associates are accounted for using the equity method in these consolidated financial statements.

**Tianjianjun**

	<b>2025</b> <b>RMB'000</b>	2024 RMB'000
Current assets	<b>7,997</b>	8,147
Non-current assets	<b>13,854</b>	13,184
Current liabilities	<b>(5,407)</b>	(2,762)
Revenue	<b>2,531</b>	6,064
Loss and total comprehensive expense for the year	<b>(1,806)</b>	(1,696)

Reconciliation of the above summarised financial information to the carrying amount of the Group's interest in Tianjianjun recognised in the consolidated financial statements:

	<b>2025</b> <b>RMB'000</b>	2024 RMB'000
Net assets of Tianjianjun	<b>16,444</b>	18,569
Non-controlling interests of Tianjianjun	<b>—</b>	(319)
Proportion of the Group's ownership interest in Tianjianjun	<b>35%</b>	35%
The Group's share of net assets of Tianjianjun	<b>5,755</b>	6,388
Adjustment for share of result during 20% of ownership interest held by the Group	<b>279</b>	279
Goodwill	<b>12,560</b>	12,560
Carrying amount of the Group's interest in Tianjianjun	<b>18,594</b>	19,227

**Aggregate information of associates that are not individually material**

	<b>2025</b> <b>RMB'000</b>	2024 RMB'000
The Group's share of total comprehensive income (expense)	<b>387</b>	(729)
Aggregate carrying amount of the Group's interests in these associates	<b>2,074</b>	918

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

**24. LOANS TO ASSOCIATES/NON-CONTROLLING SHAREHOLDERS OF SUBSIDIARIES****(a) Loans to associates**

	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
Principal and interest receivables	<b>4,104</b>	—
Less: allowance for ECL	<b>(265)</b>	—
	<b>3,839</b>	—

The amount represents loan advanced to associates with aggregated principal value of RMB4,100,000 (2024: nil) and relevant accrued interest of RMB4,000 (2024: nil). During the year ended December 31, 2025, an impairment loss under ECL model of RMB265,000 (2024: not applicable) was recognised in the profit or loss for the loans to associates.

The loans receivables are non-trade in nature, unsecured, repayable within one year and interest bearing at 3% per annum.

**(b) Loans to non-controlling shareholders of subsidiaries**

	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
Principal and interest receivables	<b>21,494</b>	22,894
Less: allowance for ECL	<b>(20,774)</b>	(20,594)
	<b>720</b>	2,300
Analysed as		
Current	<b>80</b>	2,300
Non-current	<b>640</b>	—
	<b>720</b>	2,300

Included in the loans advanced to non-controlling shareholders of subsidiaries with aggregated principal value of RMB20,594,000 (2024: RMB20,594,000) has been past due as at the report date. During the year ended December 31, 2025, an impairment loss under ECL model of RMB180,000 (2024: RMB1,579,000) was recognised in the profit or loss for the loans to non-controlling shareholders of subsidiaries.

The loans receivables are non-trade in nature, secured with equity interests in the PRC and interest bearing at range from 4.8% to 8.0% per annum.

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

**24. LOANS TO ASSOCIATES/NON-CONTROLLING SHAREHOLDERS OF SUBSIDIARIES** (continued)**(b) Loans to non-controlling shareholders of subsidiaries** (continued)

The exposure of the Group's fixed-rate loans to non-controlling shareholders of subsidiaries to interest rate risks and their contractual maturity dates are as follows:

	2025 RMB'000	2024 RMB'000
Fixed-rate loans to non-controlling shareholders of subsidiaries		
Within one year	20,854	22,894
In more than one year but not more than two years	160	—
In more than two years but not more than five years	480	—
	<b>21,494</b>	22,894

Details of impairment assessment of loans to associates and non-controlling shareholders of subsidiaries subject to ECL model are disclosed in note 41(b).

**25. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**

	2025 RMB'000	2024 RMB'000
Financial assets designated at FVTPL:		
— unlisted equity investment fund in the PRC (note a)	128,856	128,806
— unlisted equity investment in the PRC (note b)	26,400	26,000
	<b>155,256</b>	154,806

Notes:

- (a) The Group entered into a limited partnership agreement for setting up an unlisted equity investment fund, 青島嘉匯股權投資基金合夥企業(有限合夥) Tsingtao Jia Hui Equity Investment Fund (Limited Partnership)\* ("Jia Hui LLP"), with three independent third parties. The unlisted equity investment fund is classified as a non-current asset and accounted for as a financial asset at FVTPL.

As at December 31, 2025, the fair value of Jia Hui LLP is amounting to RMB128,856,000 (2024: RMB128,806,000) with fair value gain recognised in profit or loss of RMB50,000 (2024: gain of RMB640,000) for the year ended December 31, 2025.

- (b) The Group entered into a capital increase agreement with other two independent third parties to invest in 佛山市三水區運發有限公司 Foshan Sanshui Yunfa Co., Limited\* ("Yunfa"), which engages in transportation services in the PRC. The unlisted equity investment is classified as a non-current asset and accounted for as a financial asset at FVTPL.

As at December 31, 2025, the fair value of Yunfa is amounting to RMB26,400,000 (2024: RMB26,000,000) with fair value gain recognised in profit or loss of RMB400,000 (2024: loss of RMB800,000) for the year ended December 31, 2025.

The fair value of the Group's unlisted equity investment fund at December 31, 2025 and 2024 has been arrived at on the basis of valuation carried out by Asset Appraisal Limited ("Asset Appraisal") (2024: Asset Appraisal), an independent qualified professional valuer not connected with the Group. Asset Appraisal is a registered firm of the Hong Kong Institute of Surveyors, and has appropriate qualifications and experience.

Details of the valuation techniques and key inputs adopted for their fair value measurements are disclosed in note 41(c).

## Notes to the Consolidated Financial Statements

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**26. TRADE, BILLS AND OTHER RECEIVABLES/OTHER RECEIVABLES AND DEPOSITS**

	<b>2025</b> <b>RMB'000</b>	2024 RMB'000
Trade and bills receivables	<b>73,276</b>	56,341
Less: allowance for ECL	<b>(11,487)</b>	(10,700)
Total trade and bills receivables, net	<b>61,789</b>	45,641
Prepayments for purchase of raw materials (note a)	<b>49,932</b>	17,643
Other tax recoverable (note b)	<b>39,407</b>	35,368
Other receivables, net of allowance (note c)	<b>37,026</b>	34,187
Other prepayments (note d)	<b>15,606</b>	30,687
Temporary payment on behalf of bakery stores	<b>4,574</b>	7,649
Deposits paid for acquisition of unlisted equity investments	<b>19,400</b>	—
Deposits paid for acquisition of right-of-use assets and property, plant and equipment	<b>11,961</b>	544
	<b>239,695</b>	171,719
Less: amount shown under current assets	<b>(207,563)</b>	(170,168)
Amount shown under non-current assets as other receivables and deposits (note e)	<b>32,132</b>	1,551

**Trade and bills receivables**

As at January 1, 2024, trade and bills receivables from contracts with customers amounted to RMB55,240,000.

The following is an analysis of trade and bills receivables by age, net of allowance for ECL, presented based on the date of delivery of goods, which approximated the respective revenue recognition, at the end of the reporting period.

	<b>2025</b> <b>RMB'000</b>	2024 RMB'000
Within 2 months	<b>54,604</b>	29,020
Over 2 months but within 3 months	<b>2,776</b>	9,754
Over 3 months but within 6 months	<b>3,044</b>	5,374
Over 6 months but within 1 year	<b>1,331</b>	1,276
Over 1 year	<b>34</b>	217
	<b>61,789</b>	45,641

As at December 31, 2025, total bills receivables amounting to RMB2,230,000 (2024: RMB1,610,000) are held by the Group for future settlement of trade receivables. The Group continues to recognise their full carrying amounts at the end of the reporting period. All bills receivables held by the Group are with a maturity period of less than one year.

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

**26. TRADE, BILLS AND OTHER RECEIVABLES/OTHER RECEIVABLES AND DEPOSITS** *(continued)***Trade and bills receivables** *(continued)*

As at December 31, 2025, included in the Group's trade and bills receivables balance are debtors with aggregate carrying amount of RMB4,374,000 (2024: RMB8,005,000) which are past due as at the reporting date. Out of the past due balances, RMB1,365,000 (2024: RMB1,493,000) has been past due 90 days or more and is not considered as in default.

The Group does not hold any collateral over trade and bills receivables.

**Prepayments, other receivables and deposits**

Notes:

- (a) Prepayments for purchase of goods mainly comprised of prepayments for candy and biscuit for trading and raw materials mainly comprised of prepayments for sugar, palm oil, flour, wheat and packaging materials.
- (b) The amount mainly comprised of value added tax deductible to be certified.
- (c) Other receivables net of allowance represent logistic deposits, advances to staff and other miscellaneous deposits, which are unsecured and non-interest bearing.

During the year ended December 31, 2025, the Group has reversed an impairment loss of RMB211,000 (2024: recognition of RMB6,606,000) on other receivables in the profit or loss.

- (d) Other prepayments represent prepaid logistic fee and fuel, water, electricity charges and other miscellaneous fee for production.
- (e) The amount mainly represents deposits paid for acquisition of unlisted equity investments, right-of-use assets and property, plant and equipment and other rental and utility deposits due after one year and therefore, classified as non-current.

Details of impairment assessment of trade, bills and other receivables are set out in note 41(b).

**27. INVENTORIES**

	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
Raw materials and packing materials	<b>133,114</b>	144,655
Work-in-progress	<b>9,922</b>	10,515
Finished goods	<b>58,437</b>	65,313
	<b>201,473</b>	220,483

All inventories for both years are expected to be recovered within 12 months.

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

**28. LOAN RECEIVABLES**

	<b>2025</b> <b>RMB'000</b>	2024 RMB'000
Fixed-rate loan receivables	<b>175,665</b>	177,018
Less: allowance for ECL	<b>(55,111)</b>	(60,146)
	<b>120,554</b>	116,872
Analysed as		
Current	<b>47,595</b>	22,900
Non-current	<b>72,959</b>	93,972
	<b>120,554</b>	116,872

The effective interest rate of the loan receivables is ranged from 0.0% to 18.0% (2024: 0.0% to 18.0%) per annum.

As at December 31, 2025, included in the Group's loan receivables balance are debtors with aggregate carrying amount of RMB56,235,000 (2024: RMB56,235,000) which are past due 90 days or more. The directors of the Company consider credit risks have increased significantly and those past due more than 90 days are considered as credit-impaired.

Included in the carrying amount of loan receivables as at December 31, 2025 is accumulated impairment losses of RMB55,111,000 (2024: RMB60,146,000). Details of impairment assessment are set out in note 41(b).

As at December 31, 2025, the carrying amount of loan receivables amounting to RMB21,074,000 (2024: RMB21,512,000) are secured by collaterals including retail stores properties and parking spaces (2024: retail stores properties and parking spaces). The Group is not permitted to sell or repledge the collaterals in the absence of default by the borrower. There has not been any significant change in the quality of the collaterals held for the loan receivables. The Group has recognized a loss allowance of RMB8,438,000 (2024: RMB8,000,000) for the loan receivables as a result of reassessment on the realisation probability of these collaterals.

The Group grants loans to these unrelated parties because the management utilises idle funds. The loans meet the Group's business strategies because the management targets to maximise the Group's profitability.

The exposure of the Group's fixed-rate loan receivables to interest rate risks and their contractual maturity dates are as follows:

	<b>2025</b> <b>RMB'000</b>	2024 RMB'000
Fixed-rate loan receivables		
Within one year	<b>89,265</b>	58,366
In more than one year but not more than two years	<b>86,400</b>	32,052
In more than two years but not more than five years	—	86,600
	<b>175,665</b>	177,018

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

**29. AMOUNTS DUE FROM ASSOCIATES/NON-CONTROLLING SHAREHOLDERS OF SUBSIDIARIES/RELATED PARTIES****(a) Amounts due from associates**

	<b>2025</b> <b>RMB'000</b>	2024 RMB'000
Trade receivables	<b>14,559</b>	1,985
Less: allowance for ECL	<b>(941)</b>	—
Total trade receivables, net	<b>13,618</b>	1,985
Prepayment for purchase of goods	<b>4,084</b>	37,470
Distribution deposit	<b>7,000</b>	7,000
	<b>24,702</b>	46,455
Analysed as		
Current	<b>24,702</b>	39,455
Non-current (note)	<b>—</b>	7,000
	<b>24,702</b>	46,455

The amounts are unsecured, non-interest bearing and in the opinion of the directors of the Company. Except for the note mentioned below, the amounts will be repaid or utilised to set off the Group's future purchase from or sales to the associates within one year.

Note: The amount represents distribution deposit due after one year and therefore, classified as non-current.

The following is an analysis of trade receivables by age, net of allowance for ECL, presented based on the delivery of goods, which approximated the respective revenue recognition dates at the end of the reporting period.

	<b>2025</b> <b>RMB'000</b>	2024 RMB'000
Within 2 months	<b>13,193</b>	1,985
Over 2 months but within 3 months	<b>425</b>	—
	<b>13,618</b>	1,985

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

**29. AMOUNTS DUE FROM ASSOCIATES/NON-CONTROLLING SHAREHOLDERS OF SUBSIDIARIES/RELATED PARTIES** *(continued)***(b) Amounts due from non-controlling shareholders of subsidiaries**

	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
Trade receivables	<b>29,861</b>	26,766
Less: allowance for ECL	<b>(14,624)</b>	(15,408)
Total trade receivables, net	<b>15,237</b>	11,358
Other receivables, net of allowance	<b>—</b>	—
Amounts due from non-controlling shareholders of subsidiaries, net	<b>15,237</b>	11,358

The amounts are unsecured, non-interest bearing and repayable on demand. The amounts are expected to recover within one year.

The following is an analysis of trade receivables by age, net of allowance for ECL, presented based on the delivery of goods, which approximated the respective revenue recognition dates at the end of the reporting period.

	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
Within 2 months	<b>15,237</b>	841
Over 2 months but within 3 months	<b>—</b>	10,517
	<b>15,237</b>	11,358

**(c) Amounts due from related parties**

	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
Trade receivables	<b>61</b>	—
Other receivables	<b>36</b>	36
	<b>97</b>	36

The amounts are unsecured, non-interest bearing and repayable on demand. The amounts are expected to recover within one year.

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

**29. AMOUNTS DUE FROM ASSOCIATES/NON-CONTROLLING SHAREHOLDERS OF SUBSIDIARIES/RELATED PARTIES** *(continued)***(c) Amounts due from related parties** *(continued)*

The following is an analysis of trade receivables by age, presented based on the delivery of goods, which approximated the respective revenue recognition dates at the end of the reporting period.

	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
Within 2 months	<b>61</b>	—

Details of impairment assessment of amounts due from associates, non-controlling shareholders of subsidiaries and related parties are set out in note 41(b).

**30. PLEDGED/RESTRICTED BANK DEPOSITS/CASH AND CASH EQUIVALENTS**

As at December 31, 2025, there were no restrictions on bank deposits.

As at December 31, 2024, the restricted bank deposit of RMB1,620,000 was frozen by court for a dispute case of labor relation. The remaining balance of restricted bank deposit of RMB2,098,000 was frozen by court for a dispute case of business contract. These balances carry interest at range from 1.00% to 1.05% per annum. All of these restricted bank deposits have been released in 2025.

Bank balances of RMB447,588,000 (2024: RMB379,028,000) carry interest at floating interest rates per annum as follows:

	<b>Bank balances</b>
At December 31, 2025	0.0001%–1.05%
At December 31, 2024	0.0001%–1.05%

Pledged/restricted bank deposits/bank balances and cash are denominated in the following currencies:

	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
RMB	<b>438,128</b>	378,011
Hong Kong Dollars ("HK\$")	<b>1,714</b>	969
Canada Dollars ("CAD\$")	<b>1,117</b>	274
US Dollars ("US\$")	<b>7,577</b>	3,593
	<b>448,536</b>	382,847

RMB is not freely convertible currency and the remittance of funds out of the PRC is subject to foreign exchange restrictions imposed by the PRC government.

Details of impairment assessment of pledged/restricted bank deposits and bank balances are set out in note 41(b).

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

**31. TRADE AND OTHER PAYABLES**

	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
Trade payables	<b>134,980</b>	191,020
Transportation fee payables	<b>11,206</b>	19,427
Payroll and welfare payables	<b>29,086</b>	39,354
Accrued expenses	<b>30,836</b>	49,497
Other payables	<b>31,151</b>	31,707
Other tax payables	<b>8,033</b>	12,834
	<b>245,292</b>	343,839

**Trade payables**

The following is an analysis of trade payables by age, presented based on the invoice date at the end of each reporting period:

	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
Within 3 months	<b>132,594</b>	182,381
Over 3 months but within 6 months	<b>551</b>	6,697
Over 6 months but within 1 year	<b>477</b>	468
Over 1 year	<b>1,358</b>	1,474
	<b>134,980</b>	191,020

The credit period on purchase of goods is mainly ranged from 30 to 60 days from the invoice date. The Group has financial risk management policies in place to ensure that all payables are settled within the credit limit frame.

**32. CONTRACT LIABILITIES**

	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
Sales of biscuit and other products	<b>197,628</b>	100,936
Hotel services	<b>1,190</b>	792
	<b>198,818</b>	101,728

As at January 1, 2024, contract liabilities amount to RMB90,264,000.

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

**32. CONTRACT LIABILITIES** *(continued)*

The following table shows how much of the revenue recognised in the current year relates to carried-forward contract liabilities.

	<b>2025</b> <b>RMB'000</b>	2024 RMB'000
Revenue recognised that was included in the contract liability balance at the beginning of the year	<b>96,087</b>	87,195

A contract liability represents the Group's obligation to sell biscuit and other products or render hotel services to customers for which the Group has received consideration (or an amount of consideration is due to) from customers while revenue has yet been recognised.

The Group generally requires advance payment from majority of the customers before the delivery of goods or rendering of hotel services. When the Group receives an advance from customer before the goods delivered or hotel services rendered, this will give rise to contract liabilities at the start of a contract, until the revenue recognised on the relevant contract exceeds the amount received.

The increase (2024: increase) in contract liabilities in the current year was mainly due to the fact that the Spring Festival in 2026 is later than that in 2025, as a result of that, more sales orders and related consideration were received from customers but not delivered close to the year end of 2025 while the biscuit and other products were delivered to the distributors subsequently.

**33. BANK BORROWINGS**

	<b>2025</b> <b>RMB'000</b>	2024 RMB'000
Bank borrowings	<b>535,774</b>	514,172
Bills payable (note a)	<b>136,900</b>	170,900
	<b>672,674</b>	685,072
Analysed as		
Secured (note b)	<b>31,759</b>	34,320
Unsecured	<b>640,915</b>	650,752
	<b>672,674</b>	685,072

Notes:

- (a) The amount represents the bills discounted by the Group on bills payable issued by a group entity to another group entity for intercompany purchase of goods.
- (b) As at December 31, 2025, bank borrowings of RMB45,000 (2024: nil) was guaranteed by a related party.

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

**33. BANK BORROWINGS** (continued)

The carrying amounts of the above borrowings are analysed based on contractual repayment date as follows:

	2025 RMB'000	2024 RMB'000
The carrying amounts of the above bank borrowings are repayable:		
Within one year	533,398	539,338
Within a period of more than one year but not exceeding two years	38,258	63,258
Within a period of more than two years but not exceeding five years	74,318	42,876
Within a period of more than five years	26,700	—
	<b>672,674</b>	645,472
The carrying amount of above borrowings that are repayable on demand due to breach of loan covenant (shown under current liabilities)	—	39,600
	<b>672,674</b>	685,072
Less: amount due within one year shown under current liabilities	<b>(533,398)</b>	(578,938)
Amounts shown under non-current liabilities	<b>139,276</b>	106,134

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

	2025 RMB'000	2024 RMB'000
Fixed-rate bank borrowings	380,115	434,000
Variable-rate bank borrowings	292,559	251,072
	<b>672,674</b>	685,072

The ranges of effective interest rates (which are also equal to contracted interest rates) on the Group's bank borrowings are as follows:

	2025	2024
Effective interest rate:		
Fixed-rate bank borrowings	<b>2.30% to 2.76%</b>	2.90% to 3.25%
Variable-rate bank borrowings	<b>2.35% to 3.10%</b>	2.37% to 4.20%
Fixed-rate bills payable	<b>1.40% to 2.75%</b>	2.80% to 3.25%
Variable-rate bills payable	<b>1.30%</b>	3.25%

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

**33. BANK BORROWINGS** (continued)

As at the end of the reporting period, the Group has the following undrawn borrowing facilities:

	2025 RMB'000	2024 RMB'000
Fixed-rate		
– unsecured, expiring within one year	—	110,000
– unsecured, expiring beyond one year	40,000	30,000
	40,000	140,000

As at December 31, 2025, the group entity meets all of financial covenants.

As at December 31, 2024, pursuant to bank borrowings agreement of a group entity, the group entity breached one of the financial covenants, mainly related to the period-to-period change in profits ratio of that group entity. This caused the bank has the right to demand immediate repayment of the bank borrowing with principal of RMB39,600,000 with original repayment term within one year and related interest by the group entity. Subsequent to the year ended December 31, 2024, the lender did not exercise the right of demand of immediate repayment of this bank borrowing.

**34. OTHER BORROWING**

	2025 RMB'000	2024 RMB'000
Unsecured borrowing from a third party	—	1,640

The carrying amounts of the above borrowings are analysed based on contractual repayment date as follows:

	2025 RMB'000	2024 RMB'000
The carrying amounts of the above borrowings are repayable:		
Within one year	—	1,059
Within a period of more than one year but not exceeding two years	—	581
	—	1,640
Less: amount due within one year shown under current liabilities	—	(1,059)
Amounts shown under non-current liabilities (note)	—	581

Note: During the year ended December 31, 2025, the Group repaid all outstanding other borrowing in advance.

The effective interest rate on the Group's other borrowing is 13.35% for the year ended December 31, 2024.

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

**35. AMOUNTS DUE TO A NON-CONTROLLING SHAREHOLDER OF A SUBSIDIARY/RELATED PARTIES/ASSOCIATES****(a) Amounts due to a non-controlling shareholder of a subsidiary**

	<b>2025</b> <b>RMB'000</b>	2024 RMB'000
Trade payables	<b>3</b>	7
Other payables	<b>—</b>	9
	<b>3</b>	16

The amounts are unsecured, non-interest bearing which represent trade payables for purchase from a non-controlling shareholder of a subsidiary and other payables for operating expenses paid by a non-controlling shareholder of a subsidiary on behalf of the Group.

The credit period on the trade payables with the non-controlling shareholder of a subsidiary is 60 days from the invoice date. The following is an analysis of trade payables to a non-controlling shareholder of a subsidiary by age, presented based on the invoice date at the end of each reporting period:

	<b>2025</b> <b>RMB'000</b>	2024 RMB'000
Within 3 months	<b>3</b>	7

**(b) Amounts due to related parties**

	<b>2025</b> <b>RMB'000</b>	2024 RMB'000
Trade payables	<b>—</b>	81
Other payables	<b>8</b>	8
Contract liabilities	<b>30</b>	28
	<b>38</b>	117

The amounts are unsecured, non-interest bearing which represent trade payables for purchase from a related party, other payables for employee benefits expenses paid by related parties on behalf of the Group and receipts in advance for sale to a related party. All of these related parties are controlled by Mr. Huang Xianming.

The credit period on the trade payables with the related party is 60 days from the invoice date. The following is an analysis of trade payables to a related party by age, presented based on the invoice date at the end of each reporting period:

	<b>2025</b> <b>RMB'000</b>	2024 RMB'000
Within 3 months	<b>—</b>	81

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

**35. AMOUNTS DUE TO A NON-CONTROLLING SHAREHOLDER OF A SUBSIDIARY/RELATED PARTIES/ASSOCIATES** *(continued)***(c) Amounts due to associates**

	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
Trade payables	<b>965</b>	1,040
Contract liabilities	<b>11</b>	13
	<b>976</b>	1,053

The amounts are unsecured, non-interest bearing which represent trade payables for purchase from associates and receipts in advance for sale to associates.

The credit period on the trade payables with the associates are 60 days from the invoice date. The following is an analysis of trade payables to associates by age, presented based on the invoice date at the end of each reporting period:

	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
Within 3 months	<b>—</b>	1,040
Over 6 months but within 1 year	<b>505</b>	—
Over 1 year	<b>460</b>	—
	<b>965</b>	1,040

**36. DEFERRED INCOME**

Amounts credited to other income (note 7) during the year:

	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
Incentive subsidies (note a)	<b>7,793</b>	30,954
Released from asset-related government subsidies (note b)	<b>1,994</b>	2,063
	<b>9,787</b>	33,017

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

**36. DEFERRED INCOME** (continued)

The movement of deferred income is as follows:

	2025 RMB'000	2024 RMB'000
At beginning of year	44,790	46,917
Released to profit or loss (note b)	(1,994)	(2,063)
Release of subsidies related to disposed right-of-use assets	(12,971)	—
Reclassified as held for sale (note 14)	—	(64)
At end of year	29,825	44,790
Analysed for reporting purpose:		
Current liabilities	1,704	1,994
Non-current liabilities	28,121	42,796
	29,825	44,790

Notes:

- (a) Incentive subsidies were received from local governments for improvement of working capital and compensation for research and development expenses incurred. There are no unfulfilled conditions or other contingencies attached to the grants. The subsidies were granted on a discretionary basis to the Group.
- (b) The Group received government subsidies for the compensation of capital expenditures on the plant and machinery and land use rights which are deferred and released to profit or loss over the estimated useful lives of the respective assets since they are ready to use.

**37. LEASE LIABILITIES**

	2025 RMB'000	2024 RMB'000
Lease liabilities payable:		
Within one year	5,174	4,476
Within a period of more than one year but not exceeding two years	4,839	5,207
Within a period of more than two years but not exceeding five years	15,059	13,334
Within a period of more than five years	23,144	27,943
Less: amount due for settlement within 12 months shown under current liabilities	48,216 (5,174)	50,960 (4,476)
Amount due for settlement after 12 months shown under non-current liabilities	43,042	46,484

All lease obligations are denominated in the functional currencies of the relevant group entities.

The weighted average incremental borrowing rate applied to lease liabilities was 4.89% (2024: 4.89%).

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

**38. DEFERRED TAX ASSETS/LIABILITIES**

The following is the analysis of the deferred tax balances for financial reporting purposes:

	<b>2025</b> <b>RMB'000</b>	2024 RMB'000
Deferred tax assets	<b>7,059</b>	4,340
Deferred tax liabilities	<b>(1,548)</b>	(4,530)
	<b>5,511</b>	(190)

The following is the major deferred tax assets (liabilities) recognised and movements thereon during the current and prior year:

	<b>ECL</b> <b>provision</b> RMB'000	<b>Fair value</b> <b>adjustment</b> <b>on property,</b> <b>plant and</b> <b>equipment</b> <b>and other</b> <b>intangible</b> <b>assets</b> RMB'000	<b>Undistributed</b> <b>profit of</b> <b>subsidiaries</b> RMB'000	<b>Other</b> RMB'000	<b>Total</b> RMB'000
At January 1, 2024	3,465	(3,624)	(4,786)	811	(4,134)
Credit (charge) to profit or loss	113	2,865	1,403	(437)	3,944
At December 31, 2024	<b>3,578</b>	<b>(759)</b>	<b>(3,383)</b>	<b>374</b>	<b>(190)</b>
(Charge) credit to profit or loss	<b>(117)</b>	<b>1,337</b>	<b>1,917</b>	<b>2,564</b>	<b>5,701</b>
At December 31, 2025	<b>3,461</b>	<b>578</b>	<b>(1,466)</b>	<b>2,938</b>	<b>5,511</b>

As at December 31, 2025, the Group has unrecognised deferred tax liability in relation to the PRC withholding EIT on undistributed profits in certain of its PRC subsidiaries of RMB864,441,000 (2024: RMB821,186,000), as it is the intention of the directors of the Company to retain the remaining undistributed profits with these subsidiaries for their future business development.

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

**38. DEFERRED TAX ASSETS/LIABILITIES** (continued)

At December 31, 2025, the Group has unused tax losses of RMB185,236,000 (2024: RMB148,564,000) available for offset against future profits. No deferred tax asset has been recognised due to the unpredictability of future profit streams. Included in unrecognised tax losses are losses of approximately RMB165,499,000 (2024: RMB128,827,000) with expiry dates as disclosed in the following table. Other losses may be carried forward indefinitely.

	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
2026	<b>18,580</b>	18,580
2027	<b>21,600</b>	21,600
2028	<b>25,986</b>	25,987
2029	<b>51,857</b>	51,857
2030	<b>47,476</b>	—
	<b>165,499</b>	118,024

At December 31, 2025, the Group has deductible temporary differences of RMB193,859,000 (2024: RMB211,686,000). A deferred tax asset has been recognised in respect of approximately RMB27,263,000 (2024: RMB28,934,000) of such deductible temporary differences. No deferred tax asset has been recognised in respect of the remaining approximately RMB166,596,000 (2024: RMB182,752,000) as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

**39. SHARE CAPITAL**

The movements in the Company's authorised and issued ordinary share capital are as follows:

	<b>Number of shares</b>	<b>Share capital HK\$</b>
Authorised:		
At January 1, 2024, December 31, 2024 and December 31, 2025		
– Ordinary shares of HK\$0.01 each	8,000,000,000	80,000,000
Issued and fully paid:		
At January 1, 2024, December 31, 2024 and December 31, 2025		
– Ordinary shares of HK\$0.01 each	415,000,000	4,150,000
		<b>At December 31, 2025 and 2024</b>
		RMB'000
Presented in the consolidated financial statements		3,285

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

**40. CAPITAL RISK MANAGEMENT**

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to equity owners through the optimisation of the debt and equity balances. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debt, which includes the bank borrowings, other borrowing and lease liabilities disclosed in notes 33, 34 and 37, net of cash and cash equivalents and equity of the Group, comprising share capital, accumulated profits, other reserves and non-controlling interests.

The management of the Group reviews the capital structure periodically. As part of this review, the management considers the cost of capital and the risks associated with the capital. Based on recommendations of the management, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

**41. FINANCIAL INSTRUMENTS****(a) Categories of financial instruments**

	2025 RMB'000	2024 RMB'000
<b>Financial assets</b>		
Financial assets at amortised cost	712,042	609,774
Financial asset mandatorily measured at FVTPL	155,256	154,806
<b>Financial liabilities</b>		
Amortised cost	880,117	969,406

**(b) Financial risk management objectives and policies**

The Group's major financial instruments include trade, bills and other receivables, loan receivables, amounts due from associates, non-controlling shareholders of subsidiaries and related parties, loans to associates and non-controlling shareholders of subsidiaries, pledged/restricted bank deposits, cash and cash equivalents, trade and other payables, bank borrowings, other borrowing, amounts due to a non-controlling shareholder of a subsidiary, related parties and associates and financial assets at FVTPL. The risks associated with these financial instruments include market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

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**41. FINANCIAL INSTRUMENTS** (continued)**(b) Financial risk management objectives and policies** (continued)**Market risk**

## Currency risk

Several group entities of the Company have foreign currency bank balances which expose the Group to foreign currency risk. In addition, several group entities have intra-group balances denominated in foreign currency which also expose the Group to foreign currency risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	Liabilities		Assets	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
<b>The Group</b>				
US\$	—	—	7,577	3,593
CAD\$	—	—	1,117	274
HK\$	—	—	1,714	969
<b>Inter-group balances</b>				
HK\$	879,414	763,460	833,787	869,020

The Group currently does not have a foreign exchange hedging policy. However, the management of the Group monitors foreign exchange exposure and will consider hedging significant foreign exchange exposure should the need arises.

## Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed-rate bank borrowings (note 33), fixed-rate other borrowing (note 34), fixed-rate loan receivables (note 28), fixed-rate loans to associates and non-controlling shareholders of subsidiaries (note 24) and lease liabilities (note 37). The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank balances (note 30), pledged/restricted bank deposits (note 30) and variable-rate bank borrowings (note 33). The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of interest rates on bank balances, pledged/restricted bank deposits and variable-rate bank borrowings. The Group manages its interest rate exposures by assessing the potential impact arising from any interest rate movements based on interest rate level and outlook. The management will review the proportion of borrowings in fixed and floating rates and ensure they are within reasonable range.

Interest income from financial assets that are measured at amortised cost is as follows:

	2025 RMB'000	2024 RMB'000
Other income		
Financial assets at amortised cost	10,536	12,182

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

**41. FINANCIAL INSTRUMENTS** *(continued)***(b) Financial risk management objectives and policies** *(continued)***Market risk** *(continued)*Interest rate risk *(continued)*

Interest expense on financial liabilities not measured at FVTPL:

	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
Interest expense		
Financial liabilities at amortised cost	<b>21,625</b>	28,871

**Sensitivity analysis**

The sensitivity analysis below has been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. The following sensitivity analysis represents the management's assessment of the reasonably possible change in interest rates.

**Variable-rate bank balances and bank borrowings**

If interest rates had been 10 basis points higher/lower and all other variables were held constant, the Group's profit after tax for the year ended December 31, 2025 would increase/decrease by approximately RMB1,044,000 (2024: increase/decrease by approximately RMB100,000). This is mainly attributable to the Group's exposure to interest rates on its variable-rate bank balances and bank borrowings.

## Other price risk

The Group is exposed to equity price risk through its investments in unlisted equity investment fund and unlisted equity investment measured at FVTPL. The management of the Group monitors the price risk and will consider lowering the risk exposure by selling its equity interest to other parties.

**Sensitivity analysis**

The sensitivity analyses have been determined based on the exposure to equity price risk at the reporting date. Sensitivity analyses for unlisted equity investment fund and unlisted equity investment with fair value measurement categorised within Level 3 were disclosed in note 41(c).

**Credit risk and impairment assessment**

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's credit risk exposures are primarily attributable to trade receivables, bills receivables, other receivables, loan receivables, amounts due from associates, non-controlling shareholders of subsidiaries and related parties, loans to associates and non-controlling shareholders of subsidiaries, pledged/restricted bank deposits and bank balances. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets, except that the credit risk associated with certain loan receivables and loans to associates and non-controlling shareholders of subsidiaries is mitigated because they are secured over land, retail store properties, manufacturing plant, residential building or the equity interest of investments and settlement of certain trade receivables are backed by bills issued by reputable financial institutions.

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

### 41. FINANCIAL INSTRUMENTS *(continued)*

#### (b) Financial risk management objectives and policies *(continued)*

##### **Credit risk and impairment assessment** *(continued)*

The Group performed impairment assessment for financial assets under ECL model. Information about the Group's credit risk management, maximum credit risk exposures and the related impairment assessment, if applicable, are summarised as below:

Trade receivables arising from contracts with customers

In order to minimise the credit risk, the Group generally adopts a policy to require advance payment from majority of customers before the delivery of goods or service. Before granting credit to customers, the management of the Group has delegated a team responsible for determination of credit limits and credit approvals and to determine any debt recovery action on those delinquent accounts receivable arising from contracts with customers. The Group also reviews the credit quality and defines credit limits by these customers. Limits attributed to these customers are reviewed once a year and each customer has a maximum credit limit. The Group maintains a defined credit policy to assess the credit quality of these customers and seeks to maintain strict control over its outstanding receivables so as to minimise credit risk. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The trade receivables balance at the end of each reporting period represented credit sales to certain customers. With respect to these credit sales, the Group has concentration of credit risk as 38% (2024: 33%) of the Group's total trade receivables as at December 31, 2025, were due from five customers. Those five customers are with good creditworthiness based on historical settlement record.

In addition, the Group performs impairment assessment under ECL model on non credit-impaired trade receivables balance by using provision matrix. These non credit-impaired trade receivables are grouped under a provision matrix based on shared credit risk characteristics by reference to repayment histories for recurring customers. For items that are subject to individual evaluation, the Group assesses for impairment individually. Impairment loss of RMB3,642,000 (2024: RMB2,831,000) was recognised during the year ended December 31, 2025. Details of the quantitative disclosures are set out below in this note.

Loan receivables and loans to associates and non-controlling shareholders of subsidiaries

Before accepting any new borrower, the Group conducted credit check to assess the borrowers' credit quality and periodically review borrowers' financial information in order to mitigate the credit risk of loan receivables and loans to associates and non-controlling shareholders of subsidiaries. The Group performs impairment assessment under ECL model on loan receivables and loans to associates and non-controlling shareholders of subsidiaries individually. For the unsecured loan receivables, the directors of the Company estimate the estimated loss rates based on the financial information of the borrowers in view of their financial position and the market data. For the remaining loan receivables and loans to associates and non-controlling shareholders of subsidiaries with collaterals, the directors of the Company will estimate the estimated loss rate based on the financial information of the borrowers as well as the fair value of the collaterals pledged by the borrowers. Having considered the financial position, risk characteristics, past repayment history and other factors of loan receivables and loans to associates and non-controlling shareholders of subsidiaries, the Group reversed an impairment loss on loan receivables of RMB5,035,000 (2024: provided an impairment loss of RMB21,863,000), provided an impairment loss on loans to associates of RMB265,000 (2024: nil) and provided an impairment loss on loans to non-controlling shareholders of subsidiaries of RMB180,000 (2024: RMB1,579,000) during the year ended December 31, 2025. Details of the quantitative disclosures are set out below in this note.

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

### 41. FINANCIAL INSTRUMENTS *(continued)*

#### (b) Financial risk management objectives and policies *(continued)*

##### **Credit risk and impairment assessment** *(continued)*

Pledged/restricted bank deposits, bank balances and bills receivables

Credit risk on pledged/restricted bank deposits, bank balances and bills receivables is limited because the counterparties are reputable banks with high credit ratings assigned by credit agencies. The Group assessed 12m ECL for bank balances and bills receivables by reference to information relating to probability of default and loss given default of the respective credit rating grades published by external credit rating agencies. Based on the average loss rates from reputable credit agencies, the 12m ECL on pledged/restricted bank deposits, bank balances and bills receivables is considered to be insignificant.

Other receivables

The management of the Group makes periodic individual assessment on the recoverability of other receivables based on historical settlement records, past experience, and also available reasonable and supportive forward-looking information under ECL model. During the year ended December 31, 2025, impairment loss on other receivables of RMB211,000 was reversed (2024: RMB6,606,000 was recognised). Details of the quantitative disclosures are set out below in this note.

Amounts due from associates and non-controlling shareholders of subsidiaries

The management of the Group makes periodic individual assessment on the recoverability of the amounts due from associates and non-controlling shareholders of subsidiaries based on historical settlement records, past experience, and also available reasonable and supportive forward-looking information under ECL model. During the year ended December 31, 2025, the Group provided an impairment loss on amounts due from associates of RMB941,000 (2024: nil) and reversed an impairment loss on amounts due from non-controlling shareholders of subsidiaries of RMB784,000 (2024: provided an impairment loss of RMB323,000). Details of the quantitative disclosures are set out below in this note.

Amounts due from related parties

The credit risks on amounts due from related parties are insignificant as the management of the Group periodically monitors the balances to ensure that the counterparties are viable to settle the debts.

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

**41. FINANCIAL INSTRUMENTS** *(continued)***(b) Financial risk management objectives and policies** *(continued)***Credit risk and impairment assessment** *(continued)*

The Group's internal credit risk grading assessment comprises the following categories:

<b>Internal credit rating</b>	<b>Description</b>	<b>Trade receivables</b>	<b>Other financial assets</b>
Low risk	The counterparty has a low risk of default and does not have any past-due amounts	Lifetime ECL — not credit-impaired	12m ECL
Watch list	Debtor frequently repays after due date but usually settle in full	Lifetime ECL — not credit-impaired	12m ECL
Doubtful	Amount is >30 days past due or there have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL — not credit-impaired	Lifetime ECL — not credit-impaired
Loss	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired	Lifetime ECL — credit-impaired	Lifetime ECL — credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

**41. FINANCIAL INSTRUMENTS** (continued)**(b) Financial risk management objectives and policies** (continued)**Credit risk and impairment assessment** (continued)

The tables below detail the credit risk exposures of the Group's financial assets, which are subject to ECL assessment:

	Notes	Internal credit rating	12m or lifetime ECL	2025 Gross carrying amount RMB'000	2024 Gross carrying amount RMB'000
<b>Financial assets at amortised cost</b>					
Trade receivables	26	Low risk (note 2) Watch list (note 2) Loss (note 2)	Lifetime ECL (provision matrix) Lifetime ECL (provision matrix) Lifetime ECL (credit-impaired)	50,475 9,149 11,422	29,540 14,236 10,955
Bills receivables	26	Low risk (note 1)	12m ECL	2,230	1,610
Other receivables	26	Low risk (note 3) Loss (note 3)	12m ECL Lifetime ECL (credit-impaired)	41,600 16,258	37,836 25,682
Loan receivables	28	Watch list (note 4) Doubtful (note 4) Loss (note 4)	12m ECL Lifetime ECL (not credit-impaired) Lifetime ECL (credit-impaired)	562 115,669 59,434	750 118,834 57,434
Amounts due from associates	29a	Low risk (note 1) Low risk (note 7)	12m ECL Lifetime ECL (not credit-impaired)	7,000 14,559	8,985 —
Amounts due from non-controlling shareholders of subsidiaries	29b	Low risk (note 8) Watch list (note 8) Loss (note 8)	Lifetime ECL (not credit-impaired) 12m ECL Lifetime ECL (credit-impaired)	15,240 — 14,651	— 12,145 14,651
Amounts due from related parties	29c	Low risk (note 1)	12m ECL	97	36
Loans to associates	24a	Watch risk (note 5)	12m ECL	4,104	—
Loans to non-controlling shareholders of subsidiaries	24b	Watch list (note 6) Loss (note 6)	12m ECL Lifetime ECL (credit-impaired)	900 20,594	2,300 20,594
Pledged/restricted bank deposits	30	Low risk	12m ECL	—	3,718
Bank balances	30	Low risk	12m ECL	447,588	379,028
				<b>831,532</b>	<b>738,334</b>

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

**41. FINANCIAL INSTRUMENTS** (continued)**(b) Financial risk management objectives and policies** (continued)**Credit risk and impairment assessment** (continued)

Notes:

- (1) For the purposes of internal credit risk management, the Group uses past due information to assess whether credit risk has increased significantly since initial recognition.

	<b>2025</b> <b>Not past due/ no fixed repayment terms</b> <b>RMB'000</b>	2024 Not past due/ no fixed repayment terms RMB'000
Bills receivables	2,230	1,610
Amounts due from associates	7,000	8,985
Amounts due from related parties	97	36

- (2) The Group applies the simplified approach to provide for ECL prescribed by IFRS 9 for trade receivables, which permits the use of the lifetime ECL provision for these trade receivables. Except for trade receivables that are credit-impaired, the Group determines the expected credit losses on these items by using a provision matrix for customers by internal credit rating. As part of the Group's credit risk management, the Group applies internal credit rating for its customers in relation to its operation. Trade receivables that are credit-impaired with an aggregate gross carrying amount of RMB11,422,000 (2024: RMB10,955,000) as at December 31, 2025 are assessed individually. The exposure to credit risk for these balances are assessed within lifetime ECL (credit-impaired) and impairment allowance of RMB11,389,000 (2024: RMB10,555,000) was provided by the Group as at December 31, 2025. The following table provides information about the exposure to credit risk for the remaining trade receivables which are assessed based on provision matrix as at December 31, 2025 and 2024 within lifetime ECL (not credit-impaired).

**Gross carrying amount**

<b>Internal credit rating</b>	<b>2025</b>		<b>2024</b>	
	<b>Average loss rate</b>	<b>Trade receivables RMB'000</b>	Average loss rate	Trade receivables RMB'000
Low risk	0.02%	50,475	0.02%	29,540
Watch list	1.00%	9,149	1.00%	14,236
		<b>59,624</b>		<b>43,776</b>

The estimated loss rates are estimated based on historical observed default rates over the expected life of the trade receivables and are adjusted for forward-looking information that is available without undue cost or effort. Such forward-looking information is used by the management of the Group to assess both the current as well as the forecast direction of conditions at the reporting date. The grouping is regularly reviewed by the management of the Group to ensure relevant information about specific debtors is updated.

As at December 31, 2025, for trade receivables, the Group provided approximately RMB98,000 (2024: RMB145,000) impairment allowance based on the provision matrix and impairment allowance of RMB11,389,000 (2024: RMB10,555,000) was made on credit-impaired debtors.

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

**41. FINANCIAL INSTRUMENTS** (continued)**(b) Financial risk management objectives and policies** (continued)**Credit risk and impairment assessment** (continued)

Notes: (continued)

(2) (continued)

The following table shows the movement in lifetime ECL that has been recognised for trade receivables:

	<b>Lifetime ECL – simplified approach (not credit- impaired) RMB'000</b>	<b>Lifetime ECL – individual assessment (credit- impaired) RMB'000</b>	<b>Total RMB'000</b>
As at January 1, 2024	58	7,826	7,884
Changes due to financial instruments recognised as at January 1, 2024:			
– Transfer to credit-impaired	(18)	18	–
– Impairment losses recognised	–	1,774	1,774
– Impairment losses reversed	(40)	(4,608)	(4,648)
– Write-offs	–	(15)	(15)
New financial assets originated	145	5,560	5,705
<b>As at December 31, 2024</b>	<b>145</b>	<b>10,555</b>	<b>10,700</b>
Changes due to financial instruments recognised as at January 1, 2025:			
– Transfer to credit-impaired	(72)	72	–
– Impairment losses recognised	–	3,065	3,065
– Impairment losses reversed	(73)	(5,307)	(5,380)
– Write-offs	–	(2,855)	(2,855)
New financial assets originated	98	5,859	5,957
<b>As at December 31, 2025</b>	<b>98</b>	<b>11,389</b>	<b>11,487</b>

Changes in the loss allowance for trade receivables are mainly due to:

	<b>2025 (Decrease) increase in lifetime ECL</b>		<b>2024 (Decrease) increase in lifetime ECL</b>	
	<b>Not credit- impaired RMB'000</b>	<b>Credit impaired RMB'000</b>	<b>Not credit- impaired RMB'000</b>	<b>Credit impaired RMB'000</b>
Twenty five (2024: thirty two) trade debtors with a gross carrying amount of RMB3,137,000 (2024: RMB1,792,000) defaulted and transferred to credit-impaired	(72)	3,137	(18)	1,792
Settlement in full of trade receivables with gross carrying amount of RMB45,721,000 (2024: RMB57,682,000)	(73)	(5,307)	(40)	(4,608)
New trade receivables with gross carrying amount of RMB64,891,000 (2024: RMB49,519,000)	98	5,859	145	5,560

The Group writes off trade receivables when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings.

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

**41. FINANCIAL INSTRUMENTS** (continued)**(b) Financial risk management objectives and policies** (continued)**Credit risk and impairment assessment** (continued)

Notes: (continued)

- (3) The Group assessed the loss allowance for other receivables on 12m ECL for internal credit rating of low risk and lifetime ECL basis for internal credit rating of loss (credit-impaired). In determining the ECL, the Group performs periodic review on the financial position of the debtors, its settlement status and other contractual conditions to ensure they are financially viable to settle the other receivables. The Group has applied nil to 100% (2024: nil to 100%) of credit loss rate as at the December 31, 2025 and concluded that adequate impairment loss is made for irrecoverable amount. No impairment loss has been provided for the remaining other receivables with internal credit rating of low risk for the years ended December 31, 2025 and 2024.

The following table shows reconciliation of loss allowances that has been recognised for other receivables:

	12m ECL RMB'000	Lifetime ECL (not credit- impaired) RMB'000	Lifetime ECL (credit-impaired) RMB'000	Total RMB'000
As at January 1, 2024	—	—	15,076	15,076
Changes due to financial instruments recognised as at January 1, 2024:				
— Impairment losses recognised	—	—	778	778
— Impairment losses reversed	—	—	(285)	(285)
New financial assets originated	—	—	6,113	6,113
As at December 31, 2024	—	—	<b>21,682</b>	<b>21,682</b>
Changes due to financial instruments recognised as at January 1, 2025:				
— Impairment losses reversed	—	—	<b>(4,007)</b>	<b>(4,007)</b>
— Write-offs	—	—	<b>(5,213)</b>	<b>(5,213)</b>
New financial assets originated	—	—	<b>3,796</b>	<b>3,796</b>
As at December 31, 2025	—	—	<b>16,258</b>	<b>16,258</b>

Changes in the loss allowance for other receivables are mainly due to:

	2025 (Decrease) increase in lifetime ECL		
	12m ECL RMB'000	Not credit- impaired RMB'000	Credit- impaired RMB'000
Settlement in other receivables	—	—	<b>(4,007)</b>
New other receivables	—	—	<b>3,796</b>
	2024 (Decrease) increase in lifetime ECL		
	12m ECL RMB'000	Not credit- impaired RMB'000	Credit- impaired RMB'000
Settlement in other receivables	—	—	(285)
Transfer to lifetime ECL	—	—	778
New other receivables	—	—	6,113

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

**41. FINANCIAL INSTRUMENTS** (continued)**(b) Financial risk management objectives and policies** (continued)**Credit risk and impairment assessment** (continued)

Notes: (continued)

- (4) The Group assessed the loss allowance for loan receivables on 12m ECL for loan receivables without significant increase in credit risk (watch list in internal credit rating) and on lifetime ECL for internal credit rating of doubtful (not credit-impaired) and loss (credit-impaired). In determining the ECL, the Group performs periodic review on the financial position on each of the debtors individually, its settlement status and other contractual conditions to ensure it is financially viable to settle the loan receivables. The Group has applied 6.46% to 100% (2024: 6.66% to 100%) of credit loss rate and concluded that adequate impairment loss is made for irrecoverable amount.

The following table shows reconciliation of loss allowances that has been recognised for loan receivables:

	12m ECL RMB'000	Lifetime ECL (not credit- impaired) RMB'000	Lifetime ECL (credit-impaired) RMB'000	Total RMB'000
As at January 1, 2024	1,622	11,387	25,274	38,283
Changes due to financial instruments recognised as at January 1, 2024:				
– Transfer to lifetime ECL	(1,622)	1,622	–	–
– Impairment losses recognised	–	4,156	9,448	13,604
– Impairment losses reversed	–	(11,387)	–	(11,387)
New financial assets originated	148	18,298	1,200	19,646
As at December 31, 2024	<b>148</b>	<b>24,076</b>	<b>35,922</b>	<b>60,146</b>
Changes due to financial instruments recognised as at January 1, 2025:				
– Transfer to credit-impaired	–	(326)	326	–
– Impairment losses recognised	–	–	2,112	2,112
– Impairment losses reversed	(112)	(7,632)	–	(7,744)
New financial assets originated	–	597	–	597
As at December 31, 2025	<b>36</b>	<b>16,715</b>	<b>38,360</b>	<b>55,111</b>

Changes in the loss allowance for loan receivables are mainly due to:

	2025 (Decrease) increase in lifetime ECL		
	12m ECL RMB'000	Not credit- impaired RMB'000	Credit- impaired RMB'000
(Decrease) increase in credit loss rate	(73)	(7,018)	438
Increase in credit rating	–	(326)	2,000
Settlement in loan receivables	(39)	(614)	–
New loan receivables	–	597	–
	2024 Increase (decrease) in lifetime ECL		
	12m ECL RMB'000	Not credit- impaired RMB'000	Credit- impaired RMB'000
(Decrease) increase in credit loss rate	(1,622)	5,778	9,448
Settlement in loan receivables	–	(11,387)	–
New loan receivables	148	18,298	1,200

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

**41. FINANCIAL INSTRUMENTS** (continued)**(b) Financial risk management objectives and policies** (continued)**Credit risk and impairment assessment** (continued)

Notes: (continued)

- (5) The Group assessed the loss allowance for loans to associates on 12m ECL for loans to associates without significant increase in credit risk (watch list in internal credit rating). In determining the ECL, the Group performs periodic review on the financial position on the debtor, its settlement status and other contractual conditions to ensure it is financially viable to settle the loans to associates. The Group has applied 6.46% (2024: not applicable) of credit loss rate and concluded that adequate impairment loss is made for irrecoverable amount.

The following table shows reconciliation of loss allowances that has been recognised for loans to associates:

	12m ECL RMB'000	Lifetime ECL (not credit- impaired) RMB'000	Lifetime ECL (credit-impaired) RMB'000	Total RMB'000
As at January 1, 2024 and December 31, 2024	—	—	—	—
New financial assets originated	265	—	—	265
As at December 31, 2025	<b>265</b>	—	—	<b>265</b>

Changes in the loss allowance for loans to associates are mainly due to:

	12m ECL RMB'000	2025 Increase in lifetime ECL Not credit- impaired RMB'000	Credit- impaired RMB'000
New loans to associates	<b>265</b>	—	—

- (6) The Group assessed the loss allowance for loans to non-controlling shareholders of subsidiaries on 12m ECL for loans to non-controlling shareholders of subsidiaries without significant increase in credit risk (watch list in internal credit rating) and on lifetime ECL for internal credit rating of loss (credit-impaired). In determining the ECL, the Group performs periodic review on the financial position on the debtor, its settlement status and other contractual conditions to ensure it is financially viable to settle the loans to non-controlling shareholders of subsidiaries. The Group has applied 20.00% to 100% (2024: 6.48% to 100%) of credit loss rate and concluded that adequate impairment loss is made for irrecoverable amount.

The following table shows reconciliation of loss allowances that has been recognised for loans to non-controlling shareholders of subsidiaries:

	12m ECL RMB'000	Lifetime ECL (not credit- impaired) RMB'000	Lifetime ECL (credit- impaired) RMB'000	Total RMB'000
As at January 1, 2024	337	—	18,678	19,015
Changes due to financial instruments recognised as at January 1, 2024:				
— Impairment losses reversed	(337)	—	—	(337)
— Impairment losses recognised	—	—	1,916	1,916
As at December 31, 2024	—	—	<b>20,594</b>	<b>20,594</b>
New financial assets originated	<b>180</b>	—	—	<b>180</b>
As at December 31, 2025	<b>180</b>	—	<b>20,594</b>	<b>20,774</b>

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

**41. FINANCIAL INSTRUMENTS** (continued)**(b) Financial risk management objectives and policies** (continued)**Credit risk and impairment assessment** (continued)

Notes: (continued)

(6) (continued)

Changes in the loss allowance for loans to non-controlling shareholders of subsidiaries are mainly due to:

	12m ECL RMB'000	2025 Increase in lifetime ECL Not credit- impaired RMB'000	Credit- impaired RMB'000
New loan to a non-controlling shareholders of a subsidiary	180	—	—
	12m ECL RMB'000	2024 Increase in lifetime ECL Not credit- impaired RMB'000	Credit- impaired RMB'000
(Decrease) increase in credit loss rate	(337)	—	1,916

- (7) The Group assessed the loss allowance for amounts due from associates on 12m ECL for internal credit rating of low risk and lifetime ECL for internal credit rating of watch list (not credit-impaired). In determining the ECL, the Group performs periodic review on the financial position on the debtor, its settlement status and other contractual conditions to ensure it is financially viable to settle the amounts due from associates. The Group has applied 0.02% to 6.46% (2024: 0.00%) of credit loss rate and concluded that adequate impairment loss is made for irrecoverable amount.

The following table shows reconciliation of loss allowances that has been recognised for amounts due from associates:

	12m ECL RMB'000	Lifetime ECL (not credit- impaired) RMB'000	Lifetime ECL (credit- impaired) RMB'000	Total RMB'000
As at January 1, 2024 and December 31, 2024	—	—	—	—
New financial assets originated	—	941	—	941
As at December 31, 2025	—	941	—	941

Changes in the loss allowance for amounts due from associates are mainly due to:

	12m ECL RMB'000	2025 Increase in lifetime ECL Not credit- impaired RMB'000	Credit- impaired RMB'000
New amounts due from associates	—	941	—

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

**41. FINANCIAL INSTRUMENTS** (continued)**(b) Financial risk management objectives and policies** (continued)**Credit risk and impairment assessment** (continued)

Notes: (continued)

- (8) The Group assessed the loss allowance for amounts due from non-controlling shareholders of subsidiaries on 12m ECL for internal credit rating of low risk and lifetime ECL for internal credit rating of watch list (not credit-impaired) and loss (credit-impaired). In determining the ECL, the Group performs periodic review on the financial position on the debtor, its settlement status and other contractual conditions to ensure it is financially viable to settle the amounts due from non-controlling shareholders of subsidiaries. The Group has applied 0.02% to 100% (2024: 6.48% to 100%) of credit loss rate and concluded that adequate impairment loss is made for irrecoverable amount.

The following table shows reconciliation of loss allowances that has been recognised for amounts due from non-controlling shareholders of subsidiaries:

	12m ECL RMB'000	Lifetime ECL (not credit- impaired) RMB'000	Lifetime ECL (credit- impaired) RMB'000	Total RMB'000
As at January 1, 2024	464	—	14,651	15,115
Changes due to financial instruments recognised as at January 1, 2024:				
— Impairment losses reversed	(464)	—	—	(464)
New financial assets originated	787	—	—	787
As at December 31, 2024	<b>787</b>	<b>—</b>	<b>14,651</b>	<b>15,438</b>
Changes due to financial instruments recognised as at January 1, 2025:				
— Impairment losses reversed	<b>(787)</b>	<b>—</b>	<b>—</b>	<b>(787)</b>
New financial assets originated	<b>—</b>	<b>3</b>	<b>—</b>	<b>3</b>
As at December 31, 2025	<b>—</b>	<b>3</b>	<b>14,651</b>	<b>14,654</b>

Changes in the loss allowance for amounts due from non-controlling shareholders of subsidiaries are mainly due to:

	12m ECL RMB'000	2025 Increase in lifetime ECL Not credit- impaired RMB'000	Credit- impaired RMB'000
Settlement in amounts due from non-controlling shareholders of subsidiaries	<b>(787)</b>	<b>—</b>	<b>—</b>
New amounts due from non-controlling shareholders of subsidiaries	<b>—</b>	<b>3</b>	<b>—</b>

	12m ECL RMB'000	2024 Increase in lifetime ECL Not credit- impaired RMB'000	Credit- impaired RMB'000
Settlement in amounts due from non-controlling shareholders of subsidiaries	(464)	—	—
New amounts due from non-controlling shareholders of subsidiaries	787	—	—

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

**41. FINANCIAL INSTRUMENTS** (continued)**(b) Financial risk management objectives and policies** (continued)**Liquidity risk**

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings as a significant source of liquidity. As at December 31, 2025, the Group has available unutilised bank facilities of RMB40,000,000 (2024: RMB140,000,000).

As at December 31, 2025, the Group had net current liabilities of RMB41,145,000 (2024: RMB175,509,000), which included contract liabilities of RMB198,818,000 (2024: RMB101,728,000) that would not have cash outflow. To mitigate the liquidity position and improve the financial position, certain plans and measures have been taken by the Group. Details are set out in note 3.1.

The following tables details the Group's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived based on management's best estimates at the end of the reporting period, taking into consideration interest rate curve, if available.

## Liquidity tables

	Weighted average interest rate %	Repayable on demand or within 3 months RMB'000	3-6 months RMB'000	6 months to 1 year RMB'000	1 to 5 years RMB'000	over 5 years RMB'000	Total undiscounted cash flows RMB'000	Carrying amount RMB'000
At December 31, 2025								
Trade and other payables	-	206,423	-	-	-	-	206,423	206,423
Amount due to a non-controlling shareholder of a subsidiary	-	3	-	-	-	-	3	3
Amounts due to related parties	-	38	-	-	-	-	38	38
Amounts due to associates	-	976	-	-	-	-	976	976
Bank borrowings	2.77	244,415	65,262	234,611	113,737	50,104	708,129	672,674
Lease liabilities	4.89	1,639	1,829	3,518	24,881	26,190	58,057	48,216
		453,494	67,091	238,129	138,618	76,294	973,626	928,330
At December 31, 2024								
Trade and other payables	-	281,508	-	-	-	-	281,508	281,508
Amount due to a non-controlling shareholder of a subsidiary	-	16	-	-	-	-	16	16
Amounts due to related parties	-	117	-	-	-	-	117	117
Amounts due to associates	-	1,053	-	-	-	-	1,053	1,053
Bank borrowings	3.27	252,771	103,729	238,124	112,242	-	706,866	685,072
Other borrowing	13.35	304	304	607	604	-	1,819	1,640
Lease liabilities	4.89	1,569	1,359	3,608	24,945	26,190	57,671	50,960
		537,338	105,392	242,339	137,791	26,190	1,049,050	1,020,366

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

### 41. FINANCIAL INSTRUMENTS *(continued)*

#### (c) Fair value measurements of financial instruments

Some of the Group's financial instruments are measured at fair value for financial reporting purposes.

In estimating the fair value, the Group uses market-observable data to the extent it is available. For instruments with significant unobservable inputs under Level 3, the Group considers to engage third party qualified valuer to perform the valuation. The Group's chief financial officer works closely with the qualified external valuer to establish the appropriate valuation techniques and inputs to the model and reports the findings to the directors of the Company to explain the cause of fluctuations in the fair value.

Fair values are categorised into different fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3 fair value measurements are those derived from valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable (significant unobservable input).

#### (i) Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair value of the financial assets are determined (in particular, the valuation technique(s) and inputs used).

Financial assets	Fair value as at		Fair value hierarchy	Valuation techniques and key inputs	Relationship of unobservable inputs to fair value
	December 31, 2025	December 31, 2024			
Financial assets at FVTPL – unlisted equity investment fund in the PRC	<b>RMB128,856,000</b>	RMB128,806,000	Level 3	Asset based approach.  The net asset value is identified by subtracting the total liabilities of these investments from total assets.	The higher the net asset value, the higher the fair value. (note a)
Financial assets at FVTPL – unlisted equity investment in the PRC	<b>RMB26,400,000</b>	RMB26,000,000	Level 3	Market approach.  The market value is identified by similar market transaction after appropriate adjustment.	The higher the market value, the higher the fair value. (note b)

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

**41. FINANCIAL INSTRUMENTS** *(continued)***(c) Fair value measurements of financial instruments** *(continued)***(i) Fair value of the Group's financial assets that are measured at fair value on a recurring basis** *(continued)*

Notes:

- (a) An increase in the net assets of the unlisted equity investment fund would result in an increase in the fair value measurement of Jia Hui LLP, and vice versa. As a result of the volatility financial market in 2025, the management set the sensitivity rate to 3% of the net assets value for the purpose of performing the sensitivity analysis. A 3% (2024: 3%) increase in the net assets value, holding all other variables constant, would increase the fair value of the unlisted equity investment fund by approximately RMB3,866,000 (2024: RMB3,864,000).
- (b) An increase in market value of similar market transaction would result in an increase in the fair value measurement of Yunfa, and vice versa. As a result of the volatility financial market in 2025, the management set the sensitivity rate to 3% of the market value for the purpose of performing the sensitivity analysis. A 3% (2024: 3%) increase in the underlying market value, holding all other variables constant, would increase the fair value of Yunfa by approximately RMB792,000 (2024: RMB780,000).

There were no transfers amongst Level 1, 2 and 3 during both years.

**(ii) Reconciliation of Level 3 fair value measurements**

	<b>Financial assets at FVTPL RMB'000</b>
As at January 1, 2024	93,666
Additions	61,300
Fair value change recognised in profit or loss	(160)
As at December 31, 2024	<b>154,806</b>
Fair value change recognised in profit or loss	<b>450</b>
As at December 31, 2025	<b>155,256</b>

The fair value gains or losses on the financial assets at FVTPL are included in "other gains and losses" (note 8).

**(iii) Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis**

The directors of the Company consider that the carrying amounts of other financial assets and financial liabilities at amortised cost recognised in the consolidated financial statements approximate their fair values.

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

**42. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY**

	2025 RMB'000	2024 RMB'000
<b>NON-CURRENT ASSETS</b>		
Interests in subsidiaries	77,237	77,237
Amounts due from subsidiaries	34,824	56,857
	<b>112,061</b>	134,094
<b>CURRENT ASSET</b>		
Bank balances	22	23
<b>CURRENT LIABILITY</b>		
Accruals and other payables	3,302	3,434
<b>NET CURRENT LIABILITY</b>	<b>(3,280)</b>	(3,411)
<b>NET ASSETS</b>	<b>108,781</b>	130,683
<b>CAPITAL AND RESERVES</b>		
Share capital	3,285	3,285
Reserves	105,496	127,398
<b>TOTAL EQUITY</b>	<b>108,781</b>	130,683

**Movement in the Company's share capital and reserves:**

	Share capital RMB'000	Share premium RMB'000	Accumulated profit RMB'000	Total RMB'000
At January 1, 2024	3,285	161,420	10,089	174,794
Loss and total comprehensive expense for the year	—	—	(6,309)	(6,309)
Dividends recognised as distribution (note 16)	—	(37,802)	—	(37,802)
At December 31, 2024	<b>3,285</b>	<b>123,618</b>	<b>3,780</b>	<b>130,683</b>
Profit and total comprehensive income for the year	—	—	34,931	34,931
Dividends recognised as distribution (note 16)	—	(56,833)	—	(56,833)
At December 31, 2025	<b>3,285</b>	<b>66,785</b>	<b>38,711</b>	<b>108,781</b>

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

**43. OPERATING LEASING ARRANGEMENTS****The Group as lessor**

All of the properties held by the Group for rental purposes have committed lessees for the next 1 to 12 years, respectively.

Undiscounted lease payments receivable on leases are as follows:

	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
Within one year	<b>6,780</b>	6,716
In the second year	<b>6,484</b>	7,248
In the third year	<b>5,665</b>	6,952
In the fourth year	<b>2,513</b>	6,224
In the fifth year	<b>2,451</b>	2,994
Over five years	<b>9,355</b>	12,106
	<b>33,248</b>	42,240

**44. CAPITAL COMMITMENTS**

	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
Capital expenditure in respect of acquisition of property, plant and equipment contracted for but not provided in the consolidated financial statements	<b>19,131</b>	11,513
Capital expenditure in respect of the acquisition of an associate contracted for but not provided in the consolidated financial statements	—	500

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

**45. RELATED PARTY DISCLOSURES****Related Party Transactions**

	<b>Relationship</b>	<b>2025 RMB'000</b>	<b>2024 RMB'000</b>
<b>Sale of goods (note a)</b>			
Shenzhen Jianiushi Food Co. Limited* 深圳嘉牛士食品有限公司 (“Jianiushi”)	Non-controlling shareholder of a subsidiary	<b>54,604</b>	32,188
Henan Brand Marketing	Associate	<b>18,776</b>	1,486
Guangdong Ruishiyue	Associate	<b>241</b>	1,930
Tianjianjun	Associate	<b>12</b>	21
Zhongchen (note b)	Related party	<b>94</b>	118
		<b>73,727</b>	35,743
<b>Purchase of goods (note a)</b>			
Guangdong Ruishiyue	Associate	<b>1,905</b>	23,287
Henan Brand Marketing	Associate	<b>733</b>	571
Tianjianjun	Associate	<b>500</b>	3,018
Zhongchen (note b)	Related party	<b>990</b>	258
		<b>4,128</b>	27,134
<b>Interest income (note c)</b>			
Jianiushi	Non-controlling shareholder of a subsidiary	<b>127</b>	400
Guangdong Ruishiyue	Associate	<b>—</b>	24
Henan Brand Marketing	Associate	<b>23</b>	—
Tianjianjun	Associate	<b>18</b>	—
		<b>168</b>	424

\* English name for identification purpose only

Notes:

- (a) The amount represents the sales and purchases of biscuits, mooncakes, flour, pasta, rice and confectioneries. The transactions were entered into in the normal course of business of the Group at terms mutually agreed between the parties.
- (b) Zhongchen was the former immediate holding company of Guangdong Jiashili. It is owned by Mr. Huang Xianming, the ultimate controlling shareholder of the Group.
- (c) The amount represents the interest income on loans to associates and a non-controlling shareholder of a subsidiary.

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

## Notes to the Consolidated Financial Statements

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**45. RELATED PARTY DISCLOSURES** *(continued)***Related party balances**

Details of balances with the Group's related parties are set out in notes 24, 29 and 35, respectively.

**Compensation of key management personnel**

The remuneration of key management personnel including the directors' remuneration during the year were as follows:

	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
Short-term benefits	<b>6,082</b>	6,670
Post-employment benefits	<b>112</b>	34
	<b>6,194</b>	6,704

**46. RETIREMENT BENEFIT PLAN**

The employees of the Group are members of the state-managed retirement benefit scheme operated by the PRC government. The Group is required to contribute a certain percentage of basic payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the required contributions under the scheme.

The employee employed in Hong Kong is required to join the MPF Scheme. Contributions to the MPF Scheme are made in accordance with the statutory limits prescribed by the Mandatory Provident Fund Schemes Ordinance of Hong Kong.

The total expense recognised in profit or loss of RMB27,985,000 (2024: RMB27,429,000) represent contributions paid and payable to the retirement benefit scheme during the year ended December 31, 2025.

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**47. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY****(a) General information of subsidiaries**

Details of subsidiaries directly and indirectly hold by the Company at the end of the reporting period are set out below.

Name of subsidiaries	Place of establishment/ incorporations	Registered capital/issued share or paid-up capital	Equity interest attributable to the Company at December 31,		Principal activities
			2025	2024	
<b>Direct</b>					
Jiashili Limited 嘉士利有限公司	British Virgin Islands	Ordinary shares of US\$50,000 and paid-up capital of US\$1	100%	100%	Investment holding
<b>Indirect</b>					
Guangdong Jiashili	The PRC	Registered capital of RMB220,000,000 and paid-up capital of RMB220,000,000	100%	100%	Investment holding and manufacture and sale of biscuits
Jiangsu Jiashili	The PRC	Registered capital of RMB50,000,000 and paid-up capital of RMB50,000,000	100%	100%	Leasing of factory building
Henan Jiashili Food Co. Limited* 河南嘉士利食品有限公司	The PRC	Registered capital of RMB50,000,000 and paid-up capital of RMB50,000,000	100%	100%	Manufacture and sale of biscuits
Jiashili HK	Hong Kong	Ordinary shares of HK\$10,000 and paid-up capital of HK\$1	100%	100%	Investment holding
Kaiping Lijia Industrial Investment Company Limited* 開平市利嘉實業投資有限公司	The PRC	Registered capital of RMB30,000,000 and paid-up capital of RMB30,000,000	100%	100%	Investment holding and lending
Tangyin Lijia Property Co. Limited* 湯陰縣利嘉置業有限公司	The PRC	Registered capital of RMB8,000,000 and paid-up capital of RMB8,000,000	100%	100%	Investment holding
Silang Foods (Huaibei) Co. Limited* 思朗食品(淮北)有限公司	The PRC	Registered capital of US\$14,000,000 and paid-up capital of US\$11,619,700	85%	85%	Investment holding

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For the year ended December 31, 2025

**47. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY** (continued)**(a) General information of subsidiaries** (continued)

Name of subsidiaries	Place of establishment/ incorporations	Registered capital/issued share or paid-up capital	Equity interest attributable to the Company		Principal activities
			at December 31, 2025	2024	
<b>Indirect</b> (continued)					
Dongguan Kamtai Foods Co. Limited* 東莞錦泰食品有限公司	The PRC	Registered capital of HK\$108,130,000 and paid-up capital of HK\$108,130,000	85%	85%	Investment holding
Hunan Jiashili Food Co. Limited* 湖南嘉士利食品有限公司	The PRC	Registered capital of RMB100,000,000 and paid-up capital of RMB100,000,000	100%	100%	Manufacture and sale of biscuits
Guangzhou Jialixuan Food Co. Limited* 廣州嘉利軒食品有限公司	The PRC	Registered capital of RMB30,000,000 and paid-up capital of RMB30,000,000	100%	100%	Sale of fresh breads
Guangdong Jiajin Food Co. Limited* 廣東嘉金食品有限公司	The PRC	Registered capital of RMB19,607,800 and paid-up capital of RMB19,607,800	51%	51%	Sale of mooncakes
Guangzhou Jiakun Brand Marketing Co. Limited* 廣州嘉坤品牌營銷有限公司	The PRC	Registered capital of RMB10,000,000 and paid-up capital of RMB8,500,000	100%	100%	Marketing business
Kaiping Jiarun Investment Co., Limited* 開平市嘉潤投資有限公司	The PRC	Registered capital of RMB68,000,000 and paid-up capital of RMB21,000,000	100%	100%	Investment holding
Guangdong Quancheng Great Healthy Beverage Co. Limited* 廣東全成大健康飲品有限公司	The PRC	Registered capital of RMB10,000,000 and paid-up capital of RMB10,000,000	100%	100%	Manufacture and sale of soymilk
Guangdong Jiajian Agricultural Technology Co. Limited* 廣東嘉健農業科技有限公司	The PRC	Registered capital of RMB20,000,000 and paid-up capital of RMB16,000,000	65%	65%	Trading of rice

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

**47. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY** (continued)**(a) General information of subsidiaries** (continued)

Name of subsidiaries	Place of establishment/ incorporations	Registered capital/issued share or paid-up capital	Equity interest attributable to the Company		Principal activities
			at December 31, 2025	2024	
<b>Indirect</b> (continued)					
Kangli	The PRC	Registered capital of RMB132,000,000 and paid-up capital of RMB132,000,000	100%	100%	Manufacture and sale of pasta
Guangdong Liniushi Food Co. Limited* 廣東力牛士食品有限公司 ("Liniushi")	The PRC	Registered capital of RMB17,000,000 and paid-up capital of RMB17,000,000	51%	51%	Manufacture and sale of pasta
Guangzhou Lishi Catering Management Co. Limited* 廣州利士餐飲管理有限公司	The PRC	Registered capital of RMB10,000,000 and paid-up capital of RMB7,400,000	80%	80%	Investment holding
Guangzhou Jiakun Supply Chain Co., Ltd* 廣州嘉坤供應鏈有限公司	The PRC	Registered capital of RMB1,000,000 and paid-up capital of nil	100%	100%	Marketing business
Guangdong Kanglan Holiday Hotel* 廣東康蘭假日酒店有限公司	The PRC	Registered capital of RMB50,000,000 and paid-up capital of RMB50,000,000	100%	100%	Provision of hotel service
Guangdong Fengjia Food Co. Limited* 廣東豐嘉食品有限公司	The PRC	Registered capital of RMB230,000,000 and paid-up capital of RMB230,000,000	100%	100%	Investment holding
Kailan Flour	The PRC	Registered capital of RMB65,000,000 and paid-up capital of RMB65,000,000	100%	100%	Manufacture and sale of flour
Jiangmen Jiajihong Food Co. Limited* 江門市嘉吉鴻食品有限公司 ("Jiajihong") (note a)	The PRC	Registered capital of RMB10,000,000 and paid-up capital of RMB7,100,000	100%	70%	Manufacture and sale of mooncakes and fresh breads

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

**47. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY** (continued)**(a) General information of subsidiaries** (continued)

Name of subsidiaries	Place of establishment/ incorporations	Registered capital/issued share or paid-up capital	Equity interest attributable to the Company		Principal activities
			at December 31, 2025	2024	
<b>Indirect</b> (continued)					
Guangdong Jiajiali Food Co. Limited* 廣東嘉家利食品有限公司 (note b)	The PRC	Registered capital of RMB10,000,000 and paid-up capital of RMB7,600,000	100%	100%	Sale of mooncakes
Jilin Dulun Agricultural Technology Co., Ltd.* 吉林省杜倫農業科技有限公司 (established in 2025)	The PRC	Registered capital of RMB10,000,000 and paid-up capital of nil	51%	—	Manufacture of wheat
Guangdong Jiaquan Liquor Industry Co., Ltd.* 廣東嘉泉酒業有限公司 (established in 2025)	The PRC	Registered capital of RMB7,000,000 and paid-up capital of nil	100%	—	Manufacture and sale of liquor
Guangzhou Jiayixuan Baking Food Co., Ltd.* 廣州嘉德軒烘焙食品有限公司 (established in 2025)	The PRC	Registered capital of RMB100,000 and paid-up capital of nil	100%	—	Sale of fresh breads
Guangzhou Jiarenxuan Baking Food Co., Ltd.* 廣州嘉仁軒烘焙食品有限公司 (established in 2025)	The PRC	Registered capital of RMB100,000 and paid-up capital of nil	100%	—	Sale of fresh breads
Guangzhou Jiayuxuan Baking Food Co., Ltd.* 廣州嘉悅軒烘焙食品有限公司 (established in 2025)	The PRC	Registered capital of RMB100,000 and paid-up capital of nil	100%	—	Sale of fresh breads

## Notes:

- (a) On September 8, 2025, the Group entered into equity transfer agreements with other shareholders of Jiajihong. Pursuant to the equity transfer agreements, the Group agreed to purchase the remaining 30% equity interest in Jiajihong for a total cash consideration of RMB100,000. The registration of the change of shareholder of Jiajihong was completed on November 6, 2025. Jiajihong has become an indirect wholly-owned subsidiary of the Group since then.
- (b) During the year ended December 31, 2024, the Group set up Jiajiali with other third parties, and then on November 21, 2024, the Group entered into equity transfer agreements with other shareholders of Jiajiali. Pursuant to the equity transfer agreements, the Group agreed to purchase the remaining 30% equity interest in Jiajiali for a total cash consideration of RMB600,000. The registration of the change of shareholder of Jiajiali was completed on December 10, 2024. Jiajiali has become an indirect wholly-owned subsidiary of the Group since then.

## Notes to the Consolidated Financial Statements

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**47. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY** *(continued)***(b) Details of non-wholly owned subsidiaries that have material non-controlling interests**

The table below shows details of non-wholly-owned subsidiaries of the Group that have material non-controlling interests:

Name of subsidiaries	Place of establishment and principal place of business	Proportion of ownership interests and voting right held by non-controlling interests		Profit (loss) allocated to non-controlling interests		Accumulated non-controlling interests	
		2025	2024	2025	2024	2025	2024
				RMB'000	RMB'000	RMB'000	RMB'000
Liniushi	The PRC	49%	49%	2,610	1,694	11,160	10,020
Others	The PRC	15%-49%	15%-49%	(4,853)	(7,870)	16,676	20,285
				(2,243)	(6,176)	27,836	30,305

Summarised financial information in respect of the Group's material non-wholly owned subsidiary is set out below. The summarised financial information below represents amounts before intragroup eliminations.

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**47. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY** *(continued)***(b) Details of non-wholly owned subsidiaries that have material non-controlling interests** *(continued)***Liniushi**

	<b>2025</b> <b>RMB'000</b>	2024 RMB'000
Current assets	<b>21,283</b>	19,639
Non-current assets	<b>10,006</b>	10,504
Current liabilities	<b>8,516</b>	9,114
Non-current liabilities	—	581
Equity attributable to owners of the Company	<b>11,613</b>	10,428
Non-controlling interests of Liniushi	<b>11,160</b>	10,020
Revenue and other income	<b>48,691</b>	36,553
Expense	<b>43,365</b>	33,096
Total comprehensive income for the year	<b>5,326</b>	3,457
Total comprehensive income for the year attributable to:		
Owners of Liniushi	<b>2,716</b>	1,763
Non-controlling interests of Liniushi	<b>2,610</b>	1,694
	<b>5,326</b>	3,457
Dividends paid to non-controlling interests of Liniushi	<b>1,470</b>	—
Net cash inflow from operating activities	<b>8,526</b>	4,983
Net cash outflow from investing activities	<b>(1,050)</b>	(1,369)
Net cash outflow from financing activities	<b>(4,724)</b>	(1,222)
Net cash inflow	<b>2,752</b>	2,392

## Notes to the Consolidated Financial Statements

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**48. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES**

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	<b>Bank borrowings</b> RMB'000 (note 33)	<b>Other borrowing</b> RMB'000 (note 34)	<b>Lease liabilities</b> RMB'000 (note 37)	<b>Dividends payable</b> RMB'000 (note 16)	<b>Total</b> RMB'000
At January 1, 2024	696,160	2,574	51,428	—	750,162
Financing cash flows	(39,671)	(1,222)	(6,696)	(37,802)	(85,391)
New leases entered	—	—	3,887	—	3,887
Early termination on lease	—	—	(14)	—	(14)
Finance costs	28,583	288	2,355	—	31,226
Dividends	—	—	—	37,802	37,802
At December 31, 2024	<b>685,072</b>	<b>1,640</b>	<b>50,960</b>	<b>—</b>	<b>737,672</b>
Financing cash flows	<b>(33,939)</b>	<b>(1,724)</b>	<b>(6,708)</b>	<b>(56,833)</b>	<b>(99,204)</b>
New leases entered	—	—	<b>2,676</b>	—	<b>2,676</b>
Early termination on lease	—	—	<b>(978)</b>	—	<b>(978)</b>
Finance costs	<b>21,541</b>	<b>84</b>	<b>2,266</b>	—	<b>23,891</b>
Dividends	—	—	—	<b>56,833</b>	<b>56,833</b>
At December 31, 2025	<b>672,674</b>	<b>—</b>	<b>48,216</b>	<b>—</b>	<b>720,890</b>