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# 康師傅控股

TINGYI (CAYMAN ISLANDS) HOLDING CORP.

康師傅控股有限公司\*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 0322)

## ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

<b>RMB'000</b>	<b>2024</b>	<b>2023</b>	<b>Change</b>
• Revenue	<b>80,650,914</b>	80,418,075	↑ 0.3%
• Gross margin (%)	<b>33.1%</b>	30.4%	↑ 2.7 ppt
• Gross profit	<b>26,695,643</b>	24,467,089	↑ 9.1%
• EBITDA	<b>9,627,802</b>	8,206,526	↑ 17.3%
• Profit for the year	<b>4,322,135</b>	3,516,667	↑ 22.9%
• Profit attributable to owners of the Company	<b>3,734,429</b>	3,117,461	↑ 19.8%
• Earnings per share (RMB cents)			
Basic	<b>66.28</b>	55.33	↑ 10.95 cents
Diluted	<b>66.28</b>	55.31	↑ 10.97 cents

At 31 December 2024, cash at bank and on hand (including long-term time deposits) was RMB16,002.668 million, with an increase of RMB1,264.287 million when compared to 31 December 2023. Gearing ratio was -19.3%.

## CHAIRMAN'S STATEMENT

Master Kong, as a company of the leading national brand in China's food and beverage industry, has consistently upheld the mission of "Life+Delicacy", taken consumer demand as the orientation, and been pressing ahead with innovations, thus driving the "high-quality development" of the company.

In retrospect of the 2024, the global economy was complex and volatile, and the food and beverage industry faced opportunities and challenges of fluctuations in raw material prices, intensified market competition and channel transformations, among others. In the face of changes in the internal and external environment, the Group maintained a sound development momentum and delivered resilient growth in performance by leveraging its prudent strategies and team efforts.

Over the past year, guided by long-termism principle, the Group has been continuously promoting product upgrades and structural adjustments, increasing investment in research and development, and launching a series of healthy and delicious products to meet the diverse needs of consumers for different occasions. Efforts have been made to strengthening the emotional bond between our brand and young consumer groups, refining channel operation and marketing, and improving cost efficiency. In the meanwhile, the Group accelerated integration of system platforms and further strengthened application of digital technologies. The bottom line of food safety has been uncompromisingly commit, and the concept of green development been practiced to fully support consumers' pursuit of a better life.

The outlook to 2025 heralds that Master Kong will firmly stay the course of comprehensive and coordinated development, featuring both "quality" and "quantity". We will keep bolstering our investment in product innovation, branding and channel expansion for a robust operation. With excellent quality and premium service, Master Kong will be built into a comprehensive food and beverage "National Brand" that instills confidence in the government, brings joys to partners, and reassures consumers, thus making greater contributions to the society.

Here, on behalf of Tingyi Holding, I would like to extend my sincere gratitude to the shareholders and the Board of Directors who have consistently supported us, all our dedicated colleagues who have put in great efforts, the vast audience of consumers, and our esteemed business partners.

**Wei Hong-Ming**

*Chairman of the Board*

Hong Kong, China

March 24, 2025

## RESULTS

The Board of Directors of Tingyi (Cayman Islands) Holding Corp. (the “Company”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2024 together with the comparative figures for the corresponding period in 2023 as follows:

### CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2024

		<b>2024</b>	2023
	<i>Note</i>	<b><i>RMB'000</i></b>	<i>RMB'000</i>
<b>Revenue</b>	4	<b>80,650,914</b>	80,418,075
Cost of sales		<u>(53,955,271)</u>	<u>(55,950,986)</u>
Gross profit		<b>26,695,643</b>	24,467,089
Other revenue	5	<b>356,972</b>	540,694
Other net income	6	<b>440,079</b>	893,447
Distribution costs		<b>(18,041,843)</b>	(17,883,440)
Administrative expenses		<b>(2,827,531)</b>	(2,615,681)
Other operating expenses		<b>(270,294)</b>	(230,480)
Finance costs	7	<b>(423,313)</b>	(519,122)
Share of results of an associate and joint ventures		<u><b>129,941</b></u>	<u>126,954</u>
<b>Profit before taxation</b>	7	<b>6,059,654</b>	4,779,461
Taxation	8	<u><b>(1,737,519)</b></u>	<u>(1,262,794)</u>
<b>Profit for the year</b>		<u><b>4,322,135</b></u>	<u>3,516,667</u>
<b>Profit attributable to:</b>			
Owners of the Company		<b>3,734,429</b>	3,117,461
Non-controlling interests		<u><b>587,706</b></u>	<u>399,206</u>
<b>Profit for the year</b>		<u><b>4,322,135</b></u>	<u>3,516,667</u>
<b>Earnings per share</b>	10	<b><i>RMB</i></b>	<i>RMB</i>
Basic		<u><b>66.28 cents</b></u>	<u>55.33 cents</u>
Diluted		<u><b>66.28 cents</b></u>	<u>55.31 cents</u>

<b>CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME</b>
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For the year ended 31 December 2024

	<b>2024</b>	2023
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
<b>Profit for the year</b>	<b>4,322,135</b>	3,516,667
<b>Other comprehensive (loss) income:</b>		
<b>Items that will not be reclassified to profit or loss:</b>		
Remeasurement of defined benefit obligations	(19,812)	(9,596)
Fair value changes in equity instruments designated as at fair value through other comprehensive income	(347)	(3,611)
	<u>(20,159)</u>	<u>(13,207)</u>
<b>Items that are or may be reclassified     subsequently to profit or loss:</b>		
Exchange differences on consolidation	(616)	11,617
Cash flow hedges	(26,805)	39,664
	<u>(27,421)</u>	<u>51,281</u>
<b>Other comprehensive (loss) income for the year</b>	<u>(47,580)</u>	38,074
<b>Total comprehensive income for the year</b>	<u><b>4,274,555</b></u>	<u>3,554,741</u>
<b>Total comprehensive income attributable to:</b>		
Owners of the Company	3,685,976	3,153,917
Non-controlling interests	588,579	400,824
	<u><b>4,274,555</b></u>	<u>3,554,741</u>

<b>CONSOLIDATED STATEMENT OF FINANCIAL POSITION</b>
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At 31 December 2024

	<i>Note</i>	<b>2024</b>	2023
		<b>RMB'000</b>	<b>RMB'000</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment properties		<b>1,778,500</b>	1,825,170
Property, plant and equipment		<b>21,521,843</b>	21,454,802
Right-of-use assets		<b>3,450,553</b>	3,554,237
Intangible assets		<b>148,800</b>	155,640
Goodwill		<b>97,910</b>	97,910
Interest in an associate		<b>101,377</b>	95,378
Interest in joint ventures		<b>577,003</b>	529,323
Financial assets at fair value through profit or loss		<b>408,205</b>	325,113
Equity instruments designated as at fair value through other comprehensive income		<b>154,560</b>	154,907
Derivative financial instruments		—	169,185
Deferred tax assets		<b>305,963</b>	339,411
Long-term time deposits		<b>6,618,400</b>	3,975,000
		<b>35,163,114</b>	32,676,076
<b>Current assets</b>			
Inventories		<b>4,015,218</b>	4,385,268
Trade receivables	11	<b>1,596,456</b>	1,579,983
Tax recoverable		<b>10,973</b>	42,364
Prepayments and other receivables		<b>2,311,068</b>	3,037,372
Financial assets at fair value through profit or loss		<b>329,041</b>	665,210
Derivative financial instruments		<b>338,717</b>	—
Current portion of long-term time deposits		<b>1,840,000</b>	3,976,900
Pledged bank deposits		<b>24,870</b>	32,015
Bank balances and cash		<b>7,519,398</b>	6,754,466
		<b>17,985,741</b>	20,473,578
<b>Total assets</b>		<b>53,148,855</b>	53,149,654

	<i>Note</i>	<b>2024</b> <i>RMB'000</i>	2023 <i>RMB'000</i>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Issued capital		<b>196,684</b>	196,681
Share premium		<b>787,836</b>	787,091
Reserves		<b>13,244,526</b>	12,910,832
		<hr/>	<hr/>
<b>Total capital and reserves attributable to owners of the Company</b>		<b>14,229,046</b>	13,894,604
<b>Non-controlling interests</b>		<b>3,386,305</b>	3,327,640
		<hr/>	<hr/>
<b>Total equity</b>		<b>17,615,351</b>	17,222,244
		<hr/>	<hr/>
<b>Non-current liabilities</b>			
Long-term interest-bearing borrowings		<b>1,670,256</b>	5,247,194
Lease liabilities		<b>111,003</b>	180,424
Employee benefit obligations		<b>64,972</b>	52,898
Deferred tax liabilities		<b>1,264,048</b>	1,253,880
		<hr/>	<hr/>
		<b>3,110,279</b>	6,734,396
		<hr/>	<hr/>
<b>Current liabilities</b>			
Trade payables	12	<b>8,136,600</b>	8,572,717
Other payables and deposits received		<b>10,040,648</b>	8,869,473
Current portion of interest-bearing borrowings		<b>11,584,561</b>	8,481,501
Lease liabilities		<b>152,935</b>	146,268
Advance payments from customers		<b>1,974,762</b>	2,821,969
Taxation		<b>533,719</b>	301,086
		<hr/>	<hr/>
		<b>32,423,225</b>	29,193,014
		<hr/>	<hr/>
<b>Total liabilities</b>		<b>35,533,504</b>	35,927,410
		<hr/>	<hr/>
<b>Total equity and liabilities</b>		<b>53,148,855</b>	53,149,654
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<b>Net current liabilities</b>		<b>(14,437,484)</b>	(8,719,436)
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<b>Total assets less current liabilities</b>		<b>20,725,630</b>	23,956,640
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*Notes:*

## **1. BASIS OF PREPARATION**

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”), accounting principles generally accepted in Hong Kong and the applicable disclosure requirements of the Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”). All amounts have been rounded to the nearest thousand, unless otherwise indicated.

These consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2023 consolidated financial statements except for the adoption of the revised HKFRSs that are relevant to the Group and effective from the current year as detailed in note 3.

## **2. BASIS OF CONSOLIDATION**

The consolidated financial statements comprise the financial statements of the Company and all of its subsidiaries. The financial statements of the subsidiaries are prepared for the same reporting year as that of the Company using consistent accounting policies.

All intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions are eliminated in full. The results of subsidiaries are consolidated from the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

Non-controlling interests are presented, separately from owners of the Company, in the consolidated income statement and the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position.

### 3. ADOPTION OF REVISED HKFRSs

The HKICPA has issued a number of revised HKFRSs that are first effective for the current accounting period of the Group. Of these, the changes in accounting policy relevant to the consolidated financial statements are as follows:

#### ***Amendments to HKAS 1: Classification of Liabilities as Current or Non-current***

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments include clarifying the classification requirements for debt a company might settle by converting it into equity.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

#### ***Amendments to HKAS 1: Non-current Liabilities with Covenants***

The amendments specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require a company to disclose information about these covenants in the notes to the consolidated financial statements.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

#### ***Amendments to Hong Kong Interpretation 5: Presentation of Financial Statements - Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause***

The interpretation is revised as a consequence of the above Amendments to HKAS 1 to align the corresponding wording with no change in conclusion.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

#### ***Amendments to HKAS 7 and HKFRS 7: Supplier Finance Arrangements***

The amendments introduce new disclosure requirements to enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.



### ***Amendments to HKFRS 16: Lease Liability in a Sale and Leaseback***

The amendments require a seller-lessee to subsequently determine lease payments arising from a sale and leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

## **4. REVENUE AND SEGMENT INFORMATION**

The Company's executive directors have been identified as the chief operating decision-maker of the Group. The Group has identified its operating segments and prepared segment information based on the regular internal financial information reported to the Company's executive directors for their decisions about resources allocation to the Group's business components and review of these components' performance. The Company's executive directors consider the business principally from a product perspective which forms a basis for business segment information as over 99% of the Group's sales and business are conducted in the People's Republic of China ("PRC") from a geographical perspective. Business reportable operating segments identified are instant noodles, beverages, and others. The segment of others includes instant food, investment holding, properties investment for rental purpose and supportive functions.

For the purposes of assessing the performance of the operating segments and allocating resources between segments, the Company's executive directors assess the performance of reportable segments based on profit (loss) for the year and profit (loss) before taxation, share of results of an associate and joint ventures and unallocated expense, net.

Segment assets include all assets with the exception of interest in an associate and joint ventures and unallocated assets which include certain financial assets at fair value through profit or loss ("FVPL") and equity instruments designated as at fair value through other comprehensive income ("Designated FVOCI"). Segment liabilities include all liabilities with the exception of employee benefit obligations.

Inter-segment sales are priced at cost plus profit margin. The accounting policies of the reporting segments are the same as the Group's accounting policies.

The geographical location of the Group's customers is based on the location at which the goods are delivered. Over 99% of the revenues from external customers of the Group are attributable to customers located in the PRC, the place of domicile of the Group's operating entities. Meanwhile, all of the Group's non-current assets, other than certain land and buildings, certain financial assets at FVPL and Designated FVOCI, are located in Mainland China. No revenue from a single external customer amounted to 10% or more of the Group's revenue.

## Segment results

	2024				
	<b>Instant noodles</b>	<b>Beverages</b>	<b>Others</b>	<b>Inter- segment elimination</b>	<b>Total</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Revenue</b>					
Revenue from contracts with customers	28,306,049	51,615,930	660,038	—	80,582,017
<b>Timing of revenue recognition:</b>					
Recognised at a point in time	28,306,049	51,615,930	660,038	—	80,582,017
Revenue from other sources:					
Rental income from investment properties	—	—	68,897	—	68,897
Inter-segment revenue	108,382	5,063	687,343	(800,788)	—
Segment revenue	<u>28,414,431</u>	<u>51,620,993</u>	<u>1,416,278</u>	<u>(800,788)</u>	<u>80,650,914</u>
<b>Segment result after finance costs</b>	2,739,871	3,399,473	(225,870)	16,273	5,929,747
Share of results of an associate and joint ventures	(51)	129,992	—	—	129,941
Unallocated expenses, net	—	—	(34)	—	(34)
<b>Profit (Loss) before taxation</b>	2,739,820	3,529,465	(225,904)	16,273	6,059,654
Taxation	(694,979)	(1,023,031)	(19,509)	—	(1,737,519)
<b>Profit (Loss) for the year</b>	<u>2,044,841</u>	<u>2,506,434</u>	<u>(245,413)</u>	<u>16,273</u>	<u>4,322,135</u>

2023

	<b>Instant noodles</b> <i>RMB'000</i>	<b>Beverages</b> <i>RMB'000</i>	<b>Others</b> <i>RMB'000</i>	<b>Inter- segment elimination</b> <i>RMB'000</i>	<b>Total</b> <i>RMB'000</i>
<b>Revenue</b>					
Revenue from contracts with customers	28,720,554	50,930,604	697,005	—	80,348,163
<b>Timing of revenue recognition:</b>					
Recognised at a point in time	28,720,554	50,930,604	697,005	—	80,348,163
Revenue from other sources:					
Rental income from investment properties	—	—	69,912	—	69,912
Inter-segment revenue	72,134	8,036	650,354	(730,524)	—
Segment revenue	<u>28,792,688</u>	<u>50,938,640</u>	<u>1,417,271</u>	<u>(730,524)</u>	<u>80,418,075</u>
<b>Segment result after finance costs</b>	2,701,577	2,077,137	(141,657)	20,122	4,657,179
Share of results of an associate and joint ventures	(387)	128,450	(1,109)	—	126,954
Unallocated expenses, net	—	—	(4,672)	—	(4,672)
<b>Profit (Loss) before taxation</b>	2,701,190	2,205,587	(147,438)	20,122	4,779,461
Taxation	(692,933)	(546,270)	(23,591)	—	(1,262,794)
<b>Profit (Loss) for the year</b>	<u>2,008,257</u>	<u>1,659,317</u>	<u>(171,029)</u>	<u>20,122</u>	<u>3,516,667</u>

## Segment assets and liabilities

	2024				
	<b>Instant noodles</b>	<b>Beverages</b>	<b>Others</b>	<b>Inter- segment elimination</b>	<b>Total</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Assets</b>					
Segment assets	18,211,527	31,893,555	4,753,664	(2,855,744)	52,003,002
Interest in an associate	—	101,377	—	—	101,377
Interest in joint ventures	25	576,978	—	—	577,003
Unallocated assets					467,473
<b>Total assets</b>					<u>53,148,855</u>
<b>Liabilities</b>					
Segment liabilities	8,214,247	18,026,915	11,920,966	(2,693,596)	35,468,532
Unallocated liabilities					64,972
<b>Total liabilities</b>					<u>35,533,504</u>
<b>Other information</b>					
Depreciation and amortisation	<u>884,891</u>	<u>2,565,909</u>	<u>168,291</u>	<u>(117,284)</u>	<u>3,501,807</u>
Capital expenditures	<u>1,023,569</u>	<u>2,585,442</u>	<u>17,024</u>	<u>—</u>	<u>3,626,035</u>
Interest income	<u>177,949</u>	<u>250,912</u>	<u>18,641</u>	<u>(90,530)</u>	<u>356,972</u>
Interest expenses	<u>21,219</u>	<u>185,906</u>	<u>313,580</u>	<u>(97,392)</u>	<u>423,313</u>
Gain on disposal of a subsidiary	<u>—</u>	<u>49,374</u>	<u>—</u>	<u>—</u>	<u>49,374</u>

**2023**

	<b>Instant noodles</b>	<b>Beverages</b>	<b>Others</b>	<b>Inter- segment elimination</b>	<b>Total</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Assets</b>					
Segment assets	18,102,147	32,415,379	4,467,320	(2,793,861)	52,190,985
Interest in an associate	—	95,378	—	—	95,378
Interest in joint ventures	76	529,247	—	—	529,323
Unallocated assets					333,968
<b>Total assets</b>					<b>53,149,654</b>
<b>Liabilities</b>					
Segment liabilities	8,801,039	18,981,068	10,692,799	(2,600,394)	35,874,512
Unallocated liabilities					52,898
<b>Total liabilities</b>					<b>35,927,410</b>
<b>Other information</b>					
Depreciation and amortisation	868,412	2,527,121	167,806	(114,702)	3,448,637
Capital expenditures	699,708	2,967,555	20,442	—	3,687,705
Interest income	211,343	350,856	34,753	(56,258)	540,694
Interest expenses	39,750	233,759	306,100	(60,487)	519,122
Gain on disposal of subsidiaries	259,306	154,416	—	—	413,722

## 5. OTHER REVENUE

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Interest income	<u>356,972</u>	<u>540,694</u>

## 6. OTHER NET INCOME

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
<b>Income (Expenses):</b>		
Gain on sales of scrapped materials	176,073	195,251
Change in fair value of financial assets at FVPL, net	14,964	(133)
Dividend income from financial assets at FVPL and designated FVOCI	2,545	127
Gain on disposal of subsidiaries	49,374	413,722
Government grants	150,063	201,306
Loss on disposal of property, plant and equipment and right-of-use assets	(58,479)	(113,295)
Exchange gain (loss), net	3,502	(2,632)
Others, net	<u>102,037</u>	<u>199,101</u>
	<u>440,079</u>	<u>893,447</u>

## 7. PROFIT BEFORE TAXATION

*This is stated after charging:*

	<b>2024</b>	2023
	<b>RMB'000</b>	RMB'000
<b>Finance costs</b>		
Interest on bank and other borrowings wholly repayable within five years	<b>408,750</b>	503,088
Finance costs on lease liabilities	<b>14,563</b>	16,034
	<b>423,313</b>	519,122
<b>Other items</b>		
Depreciation:		
Property, plant and equipment	<b>3,178,310</b>	3,111,300
Right-of-use assets	<b>316,657</b>	330,497
Amortisation of intangible assets	<b>6,840</b>	6,840

## 8. TAXATION

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
<b>Current tax</b>		
<b>PRC Enterprise income tax</b>		
Current year	1,486,491	1,036,223
Over provision in prior years	(130)	(24,694)
	<u>1,486,361</u>	<u>1,011,529</u>
<b>Hong Kong profits tax</b>		
Current year	<u>3,745</u>	<u>6,774</u>
<b>Singapore corporate income tax</b>		
Current year	<u>1,125</u>	<u>251</u>
<b>Deferred taxation</b>		
Origination and reversal of temporary differences, net	(124,457)	45,433
Write down of deferred tax assets related to tax loss	27,782	—
Effect of withholding tax on the net distributable earnings of the Group's PRC subsidiaries	<u>342,963</u>	<u>198,807</u>
	<u>246,288</u>	<u>244,240</u>
Total tax charge for the year	<u><u>1,737,519</u></u>	<u><u>1,262,794</u></u>

The Cayman Islands levies no tax on the income of the Company and the Group.

For the year ended 31 December 2024 and 2023, Hong Kong Profits Tax is calculated in accordance with the two-tiered profits tax regime. Under the two-tiered profits tax regime, the first HK\$2 million of profits of qualifying corporations will be taxed at 8.25% (2023: 8.25%), and profits above HK\$2 million will be taxed at 16.5% (2023: 16.5%).

Singapore Corporate Income Tax is charged at 17% (2023: 17%). The subsidiaries of the Group qualify for the Partial Tax Exemption Scheme (the "Scheme") in which the Scheme allows for 75% (2023: 75%) tax exemption on the first SGD10,000 of normal chargeable income and a further 50% (2023: 50%) tax exemption on the next SGD190,000 of normal chargeable income.



The statutory PRC Enterprise Income Tax rate for the Group’s PRC subsidiaries is 25% (2023: 25%). According to the Announcement on Continuing the Enterprise Income Tax Policy for Western Development jointly issued by the Ministry of Finance (“MOF”), the State Taxation Administration (“STA”), and the National Development and Reform Commission (“NDRC”) (Announcement No. 23 [2020] of MOF, STA, and NDRC), enterprises located in the Western Region of the PRC (the “Western Region”) with over 60% (2023: 60%) of principal revenue generated from the encouraged business activities are continuously entitled to a preferential income tax rate of 15% from 1 January 2021 to 31 December 2030. Accordingly, certain subsidiaries located in the Western Region are entitled to an income tax rate of 15% (2023: 15%).

### **Pillar Two model rules**

The Group has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to the income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development, including tax law that implements qualified domestic minimum top-up taxes described in those rules (“Pillar Two income taxes”).

Under the legislation, the Group has assessed the potential risks related to Pillar Two income taxes. The assessment of potential risks associated with Pillar Two income taxes is based on the most recent financial statements and the draft country-by-country reporting (“CbCR”) of the Group’s constituent entities. Based on the assessment of Transitional CbCR Safe Harbour under the inclusive framework on Base Erosion and Profit Shifting, it is indicated that all tax jurisdictions in which the Group operates this year can pass the Transitional CbCR Safe Harbour test. The Group anticipates no significant risks of Pillar Two income taxes in these tax jurisdictions.

Due to the complexities in the application of the Pillar Two legislation and calculation of Global Anti-Base Erosion Proposal income, the Group has engaged with tax experts to closely monitor the legislative process and promptly evaluate the impact of relevant legislation on the Group and ensure compliance obligations are met.

## **9. DIVIDENDS**

### **Dividends payable to owners of the Company attributable to the year:**

	<b>2024</b>	2023
	<b>RMB’000</b>	RMB’000
Proposed final dividend of RMB33.14 cents (2023: RMB27.66 cents) per ordinary share	<b>1,867,215</b>	1,558,731
Proposed special final dividend of RMB33.14 cents (2023: RMB27.66 cents) per ordinary share	<b>1,867,214</b>	1,558,730
	<b><u>3,734,429</u></b>	<u>3,117,461</u>

At Board meeting held on 24 March 2025, the directors recommended the payment of a special final dividend and a final dividend of RMB33.14 cents and RMB33.14 cents per ordinary share respectively. The proposed special final dividend and final dividend have not been recognised as dividend payables in the consolidated statement of financial position.

## 10. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is as follows:

### (a) Basic earnings per share

	2024	2023
Profit attributable to ordinary equity shareholders (RMB'000)	<u>3,734,429</u>	<u>3,117,461</u>
Weighted average number of ordinary shares ('000)	<u>5,634,395</u>	<u>5,634,288</u>
Basic earnings per share (RMB cents)	<u>66.28</u>	<u>55.33</u>

### (b) Diluted earnings per share

	2024	2023
Profit attributable to ordinary equity shareholders (RMB'000)	<u>3,734,429</u>	<u>3,117,461</u>
<i>Weighted average number of ordinary shares (diluted) ('000)</i>		
Weighted average number of ordinary shares	<u>5,634,395</u>	<u>5,634,288</u>
Effect of the Company's share option scheme	<u>329</u>	<u>1,558</u>
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	<u>5,634,724</u>	<u>5,635,846</u>
Diluted earnings per share (RMB cents)	<u>66.28</u>	<u>55.31</u>

## 11. TRADE RECEIVABLES

The majority of the Group's sales is cash-before-delivery and the corresponding cash receipt is recognised as advance payments from customers. The remaining balances of sales are mainly at credit terms ranging from 30 to 90 days. The aging analysis of the trade receivables (net of loss allowance) based on invoice date, at the end of the reporting period is as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
0 – 90 days	1,501,726	1,490,555
Over 90 days	94,730	89,428
	<u>1,596,456</u>	<u>1,579,983</u>

## 12. TRADE PAYABLES

The trade payables to third parties, related parties, an associate and joint ventures are unsecured, interest-free and with credit period of 30 to 90 days. The ageing analysis of trade payables based on the invoice date at the end of the reporting period is as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
0 – 90 days	7,338,115	7,748,297
Over 90 days	798,485	824,420
	<u>8,136,600</u>	<u>8,572,717</u>

## 13. COMMITMENTS

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
<b>Capital expenditure commitments</b>		
<i>Contracted but not provided for:</i>		
Expenditures on property, plant and equipment	1,044,846	1,076,179
Capital contribution on investment funds	150,135	242,781
	<u>1,194,981</u>	<u>1,318,960</u>

## MANAGEMENT DISCUSSION AND ANALYSIS

### Macro And Industry Review

In 2024, China's domestic economy maintained steady growth, with GDP growing by 5.0% year-on-year and CPI increasing slightly by 0.2%. Consumption sentiment turned more cautious and rational, focusing on emotional value, health, green environmental protection, quality and cost effectiveness. The channels kept evolving, where offline hypermarkets were declining, warehouse membership stores kept growing, and proximity-based small-format retail, including grocery stores and small supermarkets, still witnessed growth. In the face of new consumption trends and channel changes, enterprises needed to gain insights to the demands with precision, grasp the direction of channel development, deepen understanding of consumption scenarios, enhance interactions with consumers, and make innovations on products, with a view to embracing new opportunities and challenges.

### Business Review

For the full-year 2024, the Group's revenue grew 0.3% year-on-year to RMB80.651 billion. The revenue from instant noodles declined 1.3% year-on-year, while the revenue from beverages grew 1.3% year-on-year. For the full year, the gross profit margin grew 2.7 percentage points year-on-year to 33.1%. The ratio of distribution costs to revenue grew 0.2 percentage points year-on-year to 22.4%. EBITDA grew 17.3% year-on-year to RMB9.628 billion; driven by an increase in gross profit margin, the profit attributable to shareholders of the Company grew 19.8% year-on-year to RMB3.734 billion; basic earnings per share grew RMB10.95 cents to RMB66.28 cents.

The table below shows the breakdown of revenues and proportion of total revenue for each product category during the reporting period:

	Year Ended December 31					
	2024		2023		Change	
	Revenue (RMB in Million)	Prop. (%)	Revenue (RMB in Million)	Prop. (%)	Amount (RMB in Million)	Percentage (%)
Instant Noodles Business	28,414.43	35.2	28,792.69	35.8	-378.26	-1.3
Beverage Business	51,620.99	64.0	50,938.64	63.3	682.35	1.3
Others	615.49	0.8	686.75	0.9	-71.26	-10.4
<b>Total</b>	<b>80,650.91</b>	<b>100.0</b>	<b>80,418.08</b>	<b>100.0</b>	<b>232.83</b>	<b>0.3</b>

During the period, the improvement in selling prices and the decline in raw material prices drove the Group's gross profit margin to improve year-on-year. The following table shows the breakdown of the gross profit and gross profit margin of each product category during the reporting period:

	Year Ended December 31					
	2024		2023		Change	
	Gross Profit		Gross Profit		Gross Profit	
	Gross Profit	Margin	Gross Profit	Margin	Gross Profit	Margin
	(RMB in Million)	(%)	(RMB in Million)	(%)	(%)	(percentage point)
Instant Noodles Business	8,140.40	28.6	7,774.87	27.0	4.7	1.6
Beverage Business	18,236.19	35.3	16,352.73	32.1	11.5	3.2
Others	319.05	51.8	339.49	49.4	-6.0	2.4
<b>Total</b>	<b>26,695.64</b>	<b>33.1</b>	<b>24,467.09</b>	<b>30.4</b>	<b>9.1</b>	<b>2.7</b>

### Instant Noodles Business

In 2024, the Group's revenue from the instant noodles business was RMB28.414 billion, with a year-on-year decline of 1.3%, accounting for 35.2% of the Group's total revenue. During the period, due to the tailwinds in selling prices and raw material prices, the gross profit margin of instant noodles grew 1.6 percentage points to 28.6% year-on-year, which offset the impact of revenue decline, and bolstered the profit attributable to shareholders of the Company to grow 1.8% year-on-year to RMB2.045 billion for the full-year 2024.

Facing the bifurcation of consumption trends, the instant noodles business continued to consolidate its core products, promote upgrading and optimize its gross profit structure. Efforts were made to actively innovate on products. Efforts were made to enhance cooperation with reputable IP/brand ambassadors, launch "brand vehicle" featured mobile marketing model, seep deeply into crowd scenarios such as on campus, and carry out efficient interaction with young consumer groups to enhance brand influence. Efforts were made to stay on top of the transformation of consumers' shopping mode and seize the emerging channels for operation on the momentum. Adherence to benchmark against the bar of aerospace quality resulted in the introduction of advanced aerospace food technology, which made the Company the first in the segment of instant noodles to obtain the patent for aerospace application, thus further consolidating product quality and scientific and technological strength, and leading the high-quality development of the industry.

## **High-priced Noodles**

With “Roasted Beef Noodles” as the core, the classic product upgrade strategy was implemented to meet consumers’ pursuit of high quality. The marketing for diverse scenarios was strengthened, such as for school starting, traveling season and midnight snacks, giving full play to the advantages of diverse flavors and various sizes, so as to meet the needs of a variety of scenarios for food. “Traditional Pickled Vegetables Beef Noodles” joint hands with the national-grade IP “Making Havoc in Heaven” to communicate the idea of “Visible Sour and Refreshing Flavor”, strengthening the branded sour and refreshing taste and peace of mind for safety, thus regaining a foothold in consumers’ minds, and enhancing brand preference and reputation. “Chicken Soup” invited the brand ambassador to be the guest in the livestreaming studio at DouYin, triggering widespread dissemination of related topics, and leveraged offline momentum of the ambassador’s national tour, which rapidly enhanced brand awareness. “Tomato Egg Beef Noodles”-related microblogging topics reached hundreds of millions of views, and sales grew steadily. With its cute image of a fish strip and fresh and spicy taste, the “Chopped Pepper Fish Soup Noodles” attracted many young people to go for a new flavor. The “Golden Stock Beef Noodles” co-branded with the IP “Minions”, gained popularity by consumers, and sales showed steadily positive trend. The “Master Kong Mini Bucket” aimed at scenarios of outdoor settings, between-meal snacks and mid-night snacks; the exquisite and compact product design and various flavors won consumers’ favor and sales kept rising. The “BIG Bucket/Packet” met the needs of consumers for large portions with higher quality.

## **Premium Noodles/Super-Premium Noodles**

With the strength of cutting-edge technology of delivering “a fresh and chewy texture, just like freshly cooked”, the “Fresh Q Noodles” was staged in grandeur, and had set a new benchmark in the non-fried noodle market, leading the innovation and upgrading of the industry. The three flavors of minced meat noodles, well-stewed beef brisket noodles and assorted seafood noodles excited young people’s taste buds, and by using the marketing instrument of brand vehicles and igniting online and offline socializing topic discussion, consumers were taking the initiative to go for a new taste and started a wave of recommendation. The offering in buckets and cups as two specifications targeted at and met the needs of scenarios for proper meals and craving satisfaction. “Soup Chef” was restaged and upgraded, with the core on “Chef-grade Good Soup” to seize the market of soup flavors. The new flavor “Golden Stock Beef” was widely praised by consumers. “Dried Noodles Collection” converged the signature techniques of preparing dried noodles from all over the places, among which “Shanghai Scallion Oil Mixed Noodles” was successfully selected as the 15th Shanghai Special Tourism Food in 2024, demonstrating the brand strength. “Yu-Pin Banquet” doubled down on investments in premium-quality short video streaming and created live-streaming stages, thus continuously boosting natural search and brand exposure.

## **Mid-priced Noodles/Snack Noodles**

The large-portion product of “Master Kong 50% Plus” was affordable and delicious, focused on the core taste operation, so as to meet the consumer demand for high cost-effectiveness with precision. Through the co-creation of packaging and branded merchandize, the Snack Noodles, “Flavored and Crunchy”, in dynamic association with the well-known IP “Pokémon”, reached the student community at the root, while deploying leisure snacks and membership store channels with various flavors, thus continuously enhancing brand awareness and consumers’ popularity.

## **Beverages Business**

For the full-year 2024, the revenue from beverages business was RMB51.621 billion, with a year-on-year growth of 1.3%, accounting for 64.0% of the Group’s total revenue. Due to the tailwind of selling prices during the period, the gross profit margin of beverages grew 3.2 percentage point year-on-year to 35.3%. As a result of the increase in gross profit margin, the profit attributable to the shareholders of the Company in the beverages segment grew 52.3% year-on-year to RMB1.919 billion for the full-year 2024.

The beverages business was committed to accelerating the establishment of scale advantages. The core categories were consolidated and strategic categories were deployed. The beverages business was closely aligned with health and functional benefits, by continually introducing sugar-free products and broadening product categories. By implementing multi-dimensional initiatives – such as optimizing category management, expanding emerging channels, enhancing distribution services, exercising precise cost control, and improving capital turnover and supply chain efficiency – the segment comprehensively boosted operational efficiency. These efforts promoted steady progress and sustainable development of the business.

## **RTD Tea**

“Master Kong Iced Tea” strengthened the refreshing and pleasant sensation of the product experience, continuously penetrated the two major youth segments (music and sports), expanded the dining scenarios throughout the year, and was growing steadily. The “Jasmine Series” was restaged with the ACGN images to strengthen the brand proposition of “loving this jasmine”, realizing double-digit growth throughout the year. “Green Tea” worked with the brand ambassador Wu Lei and advocated “Original Leaves for Good Tea”, sharing the tea of high quality with enriching fragrance and natural freshness. “Dahongpao Milk Tea”, co-branded with Palace Culture IP from the Forbidden City, catered to the popular Chinese chic trend, communicated “Dahongpao is the milk tea for Chinese”, and was profoundly adored by the younger generation who loved traditional culture. Following closely the healthy sugar-free trend, the “Sugar-free Jasmine Green Tea”, made from 100% hand-picked Hengzhou jasmine and processed with the traditional scenting system, was launched, bringing a pure and natural fragrance experience. “Sugar-free Oolong Tea” upgraded its formula by adding premium Wuyi Mountain tea leaves, thereby creating an authentic rock tea flavor. “InheriTea” aligned closely with consumers’ demands for good-looking, tasty and healthy products. The design style of the original patented bottle of hammered pattern and a “Jia Ma” woodblock print of blessings won the Red Dot Design Award for Visual Communication; it perfectly retained the authentic mellow flavor of Chinese tea, restoring the freshly brewed taste.

## **Carbonated Soft Drinks**

Pepsi deeply engaged with the Spring Festival scene, collaborating with Mirinda and 7 up to launch the “Auspicious Beast Family Can” and festive packaging products. It partnered with CCTV - 6 Movie Channel to release the 2024 New Year public welfare short film “The Ultimate Happiness is Hometown”. In March, Pepsi’s brand visual system in China was refreshed, filled with aspirations, and set to embrace the next era. The “Pepsi Music Academy” campaign covered over 150 cities, recruiting 130,000 participants and impacting more than 10 million students. The campaign of “Pepsi WoW” was launched for meal accompaniment marketing. “Pepsi No Sugar” accurately identified the spiritual needs and emotional attitudes of young users, collaborating with “Black Myth: Wukong” to break through product boundaries. “Pepsi No Sugar Sheng” reinforced its marketing in key markets and expanded into potential markets. Mirinda sponsored Mango TV’s variety show “City Hideout”, exploring outdoor competitive game scenarios favored by young people for penetration and conversion. To capture the demand for peach-flavored products, it introduced the BaiFeng Peach flavor. “7 up”, with its products of no sugar clementine & lemon flavor, expanded its scope of sales and contributed to performance growth.



## **Juices**

With the view to carrying forward the “Chinese Food & Beverage” culture and staying on top of the trend of functional juices, the formula of “Master Kong Rock Candy Pear” was upgraded, by stewing two high-quality Chinese pear varieties with rock sugar, it delivers a refreshing and soothing experience with every sip. “Master Kong Sweet-Sour Plum Juice” selected ingredients such as Chinese black plums, hawthorns, licorice roots and tangerine peels to slowly simmer to bring out the classic sweet and sour flavor, quenching thirst and refreshing palate when pairing with food. Western-style juice offerings were also improved. “Fresh Orange” was fortified with extra Vitamin C to meet consumer demand. Additionally, the ingredients of “Peach” and “Crystal Grape” were upgraded to accommodate consumers’ demand for healthy ingredients and ingredients with recognized regional origins. Tropicana selected high-quality fruits from around the world and collaborated with the mobile party game “YMZX” to stimulate consumer purchases. The new products, Lemon Party and Sunshine Peach, were launched to enrich product lines. “Tropicana 100%” enhanced  $\beta$ -carotene content and developed communication strategies for home dining, gatherings at home, and gifting scenarios to boost sales

## **Bottled Water**

“Master Kong Bottled Drinking Water” continued to communicate the household water use scenario and promote the business development of its full-case home delivery service. “Drink Boiled Water” seized the momentum for the popular genre of rap among young consumers, and the catchy single “Boiled Water is China’s go-to Beverage” had gone viral on social media. Aquafina tapped into the travel sentiments of young people, collaborating with Xiaohongshu and Chinese National Geography to create the ‘Journey of Purity’ across multiple platforms. The campaign focused on promoting public welfare, new energy travel, and ESG initiatives, conveying the concept of sustainable development. The versatile and differentiated characteristics of ‘Sparkling Soda Water’ aligned well with customized scenarios. In addition, Aquafina jointly co-sponsored Mango’s S-level variety show IP “Entering the Workforce: Captain Season,” focusing on hard advertisements within the interest circles of workplace individuals and multi-scenario placements, resulting in significant performance growth.

## Coffee Drinks/Functional Drinks/Probiotics Drinks

“Starbucks Ready-to-Drink Coffee” launched the flavor of Flat White for the Starbucks Select Series. Efforts were consistently put on strengthening the development of special channels, and new products of “Mini Starbucks” series were launched in leisure snacks channels, whilst strengthening branding in expressway service areas and campus channels. “Bernachon” focused on the convenience store channels frequented by white-collar middle-class consumers and launched seasonal limited-edition product “Jasmine Latte”, which was favored by young people. “Gatorade” actively collaborated with major sports associations across the country to create the “G-Challenge” event IP, strengthening its image as a professional sports drink brand. The launch of Gatorade Low Sugar expanded the daily hydration category and drove overall brand growth. “Xiao Lao Duo Duo” continued to solidify its position in the refreshing probiotic beverage segment, by working with Tmall campus and percolating into the young population.

## Financial Operation

The Group has actively promoted the digital transformation of finance, consolidated the internal control system, established a risk prevention and control mechanism adapted to the digital environment by building a shared financial service center, and gradually moved towards the integration of business and finance, which has strongly supported the strategic implementation and sustainable development of the Group; at the same time, with pursuit of a prudent cash strategy, it has been characterized with proficient control of capital expenditures and effective promotion of asset activation, and is expected to generate stable net cash inflows.

During the year, the Group generated a net cash inflow of RMB8.264 billion from operating activities and a net cash outflow of RMB2.856 billion from investing activities. The net increase in bank deposits and cash (including long-term time deposits) was RMB1.264 billion.

The Group continued to maintain a robust financial structure through effective control on the trade receivables, trade payables and inventories, with sufficient cash holdings. As of December 31, 2024, the Group’s bank deposits and cash amounted to RMB16.003 billion, with an increase of RMB1.264 billion versus December 31, 2023. As of December 31, 2024, the Group’s interest-bearing borrowings amounted to RMB13.255 billion, with a decrease of RMB474 million versus December 31, 2023. The net cash totaled RMB2.748 billion, with an increase of RMB1.738 billion versus December 31, 2023. At the end of the period, the ratio of borrowings denominated in foreign currency to RMB was 35%:65%, versus 33%:67% at the end of the previous year (Borrowings denominated in foreign currency were mainly 5-year unsecured notes with a principal of US\$500 million issued on September 24, 2020. Derivative financial instruments have been used to hedge the currency risks between RMB and US\$). The ratio of long-term to short-term borrowings was 13%:87% versus 38%:62% at the end of the previous year.

The Group's total assets and total liabilities are RMB53.149 billion and RMB35.534 billion respectively as of December 31, 2024, with a decrease of RMB1 million and RMB394 million respectively versus December 31, 2023. The debt ratio was 66.9%, down by 0.7 percentage points versus December 31, 2023. The gearing ratio declined from -7.3% as of December 31, 2023 to -19.3% in the current period.

## Financial Ratio

	<b>December 31 2024</b>	December 31 2023
Turnover of Finished Goods	<b>17.6 days</b>	19.5 days
Turnover of Trade Receivables	<b>7.2 days</b>	7.7 days
Current Ratio	<b>0.6 times</b>	0.7 times
Debt ratio (Total liabilities to Total assets)	<b>66.9%</b>	67.6%
Gearing ratio (Net borrowings to shareholders' equity) <sup>1</sup>	<b>-19.3%</b>	-7.3%

## Human Resources

The Group had 64,802 employees, as of December 31, 2024.

We have consistently placed talent development at the core of our strategy. The Leadership Empowerment Center of the Group was officially launched in May 2024, which was supported with software and hardware upgrades, and focused on the empowerment of core talent backbone in management, operation, strategy and leadership. Empowerment had been tightly integrated with business operation strategies to support front-line businesses through “training to support practice on the ground and combining training with practice”, and to pursue growth sources for corporate operations in the short term, medium term and long term.

HR digital integration had been driven by the goal of improving efficiency and experience. The Group had built the “Human Resources Data Index Dictionary”, empowering HRBP on the ground and strengthening BI self-service analysis capabilities. HR/compensation workflow had been optimized and online management of the whole process of personnel operation realized. Intelligent customer service system had been upgraded to improve employees' experience. The Group had been actively exploring the application and practice of AI large model in HR services.

<sup>1</sup> Long-term time deposits were also taken into account for the calculation of the Group's gearing ratio, as management believed that this basis of calculation reflected more accurately the Group's capital structure.

Partnerships with universities and colleges were deepened, where the cooperation was enhanced with over 200 universities and colleges nationwide. In total, more than 100 teaching and training bases and 11 cooperative dedicated education classes were set up nationwide. More than 3500 fresh graduates were recruited to strengthen the team of grass-roots talents throughout the year, whilst also hosting nearly a thousand college students for internships in the company. Thousands of campus-enterprise events such as recruitment presentations, senior management lectures and campus challenges were held, covering hundreds of thousands of students; the Group participated in the CCTV program of “National Recruitment Action”, and showcased its image as a high-quality employer appealing to younger talent via the central media network, with more than 50 million views across the whole network.

The cooperation with Yuanpei College, Peking University was rolled out for ideological and political practice. The collaboration with the School of Economics and Management, Tsinghua University was rolled out on the Integrative Practical Projects (IPP) to jointly create new business strategy of the Group. The collaboration with Harvard Business School worked on developing beverages business cases to summarize corporate innovation experience. The talent training programs such as GMIX summer internship and elite summer camps, were jointly rolled out with Stanford University and Waseda University, among other top universities around the globe. At the same time, the Group had also set up scholarships for students and awards for faculty in a number of universities, established endowed chair professorships, supported research in various fields such as big data in health, and assisted discipline development and scientific research talent cultivation with practical actions.

### **Corporate Social Responsibility**

The Group has been practicing the concept of “Keep Our Nature Green”, implementing the five satisfaction strategies of “consumers, society, partners, employees, and shareholders”, taking food safety and nutritional health as the foundation and green innovation as the driving force, to promote the high-quality development of the food and beverage industry.

Quality of products safeguards people’s livelihood and health. The Group has been actively supporting the national development strategy of “Healthy China” by translating aerospace science and technology into products benefiting the people, driving the development of food safety across the whole industry chain. The Group focused on salt-reduced, oil-reduced, sugar-free and low-fat offerings, and developed new nutritional and healthy products such as products of “Express Chef’s Noodles” with scientific nutritional formula and sugar-free tea “InheriTea”, to accommodate the dual demand of consumers for health and flavors.

Green and low-carbon approach drives industrial transformation. Taking the opportunity of “Master Kong’s Comprehensive ESG Strategy: Leading Efforts in Sustainable Value Chain Development”, the industry chain model of “enterprise + base + farmers” has been created. The Group introduced smart agricultural technology jointly with suppliers and adopted biodegradable mulch technology to achieve a win-win situation for the economy and environmental protection. The Group has been continuously optimizing production processes and equipment, improving energy efficiency through digital intelligence systems, facilitating green factory certification, promoting the use of green electricity, developing lightweight and environmentally friendly packaging materials, and contributing practical experience of carbon reduction to the industry.

Undertaking social responsibility demonstrates sense of commitment and honor. Joining hands with public welfare partners, the Group supported large-scale disaster relief for the earthquake in Shigatse, Xizang, heavy snow in Hubei Province, and rainstorm in Liaoning Province, etc. The Group mobilized emergency rescue vehicles nationwide to provide instant noodles, drinking water and other supplies to the people and rescue teams in affected areas among first responders. The Group delivered caring for vulnerable groups in society, carried out food safety science popularization campaigns, and supported sports events at various locations.

The Group’s achievements in the field of sustainable development have been commended and recognized by many authoritative organizations at home and abroad. It has become a founding member of the United Nations Steering Committee of the Collective Action on Sustainable Food System and been included in the “20 Case Examples for 20 Years” by the United Nations Global Compact (UNGC). For 12 consecutive years, the Group has been ranked in the Top 3 of the “Most Chosen Brands in China”. The Group was selected as “2024 China Brand Innovation Case” by People’s Daily, “2024 Environmental, Social and Governance (ESG) Annual Case” by People’s Daily, and the “New Quality Productive Forces Development Case” by XINHUANET. The Group was selected as Forbes China’s “ESG50”, “Annual Inspiring Cases Relating to ESG” and “Best Employer”. The Group was honored the title of “2024 Low-Carbon Pioneer” by Southern Weekly and the “Ram Charan Management Practice Award” for Corporate ESG by *Harvard Business Review*. In the future, the Group will continue to actively make positive contributions to the society. By leveraging sound and sustainable high-quality development, the Group will promote the food and beverage industry and its upstream and downstream sectors towards a greener and healthier future.

## Prospects

In 2025, the global economic environment will be complex and volatile, and the powerhouse of China's economic growth still comes from domestic demand. The food and beverage industry is expected to maintain steady growth, while consumer demand will continue upgrading, and attention to health, sustainability and cost effectiveness will grow significantly. Enterprises with innovation capabilities, which focus on nutrition and health, and practice sustainable development, will gain more market opportunities and stride towards a new stage of high-quality development.

The Group will persistently advance its strategy to “Consolidate, Reform and Develop,” and stay committed to expanding and strengthening its main operating business and promoting sustainable development. The instant noodles business will give full play to its scale advantage, increase investment in branding and marketing, strengthen interactions with consumers, and lead the industry to achieve greater long-term development. The beverages business will accelerate the establishment of scale advantages, actively promote the adjustment of product structure, uphold the innovation concept of consumer-centered research and development, accelerate the category deployment, and meet the demands of consumers for a variety of scenarios.

The Group will continue investing in product innovation, branding and channel expansion. Efforts will be made to accurately capture market trends, strengthen basic research and development, build demand-driven product innovation mechanisms, and deepen the emotional bond between the brand and target consumers. The Group will improve channel efficiency and service capabilities through refined market insights and scientific channel investment strategy. The Group will also implement lean procurement management, optimize procurement processes, deepen collaboration with suppliers and effectively reduce the procurement costs. The Group will widely apply digitalization and AI technology, integrate system platforms, and improve operational efficiency and intelligent management capabilities.

By upholding the concept of sustainable development, actively practicing social responsibility, the Group is committed to providing prominent service to customers, creating lasting values for consumers, realizing rich returns for shareholders and contributing positive energy to society. Master Kong will be built into a comprehensive food and beverage “National Brand” that instills confidence in the government, brings joys to partners, and reassures consumers.

## **CORPORATE GOVERNANCE**

The Company has always been maintaining and improving the governance standard of the Company, so as to enhance the Group's accountability and transparency and increase long-term return for shareholders. We have, throughout the year ended 31 December 2024, complied with the code provisions of the Corporate Governance Code which become effective in the year (the "CG Code") as set out in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), except for the deviation from code provision B.2.2. The reason for this deviation is explained below.

### **Code Provision B.2.2**

According to code provision B.2.2, each director (including those with a specific appointment period) shall be subject to retirement by rotation at least once every three years. According to the Company's Memorandum Articles of Association, the chairman of the Board is not subject to retirement by rotation. He is not included in the number of directors who are required to retire each year. The Board believes that the continuity of the leadership of the chairman of the Board is critical to the stability of the Group's development and the planning, formulation and implementation of long-term strategies and business plans. Accordingly, the Board considers that although the provisions of the above rules deviate from Code Provision B.2.2, it is in the best interests of the Company.

We will periodically review and improve our corporate governance practices with reference to the latest corporate governance developments.

### **Directors' Responsibility for the Financial Statements**

The directors acknowledge their responsibility for preparing the financial statements of the Group. With the assistance of the Finance and Accounting Department which is under the supervision of the Chief Financial Officer of the Company, the directors ensure that the preparation of the financial statements of the Group is in accordance with statutory requirements and applicable accounting standards. The directors also ensure that the publication of the financial statements of the Group is in a timely manner.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

### **Scope of Work of Third Party Auditor**

The figures contained in the preliminary announcement of our Group's results for the year have been agreed by our Group's auditor, Forvis Mazars CPA Limited, to the amounts set out in our Group's consolidated financial statements for the year ended 31 December 2024. The work performed by Forvis Mazars CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements, or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently, no assurance has been expressed by Forvis Mazars CPA Limited on the preliminary announcement.

### **Audit Committee**

The Audit Committee currently has three Independent Non-executive Directors, Mr. Lee Tiong-Hock, Mr. Hsu Shin-Chun and Mr. Masaya Tochio. Mr. Lee Tiong-Hock is the chairman of the Committee. The latest meeting of the Committee was held to review the results of the Group for the year ended 31 December 2024.

### **Risk Management and Internal Control**

The principal spirit of the internal control and risk management procedures established by the Group is in compliance with five elements in the COSO structure, i.e. control environment, risk assessment, control activities, information and communication, and monitoring. The goal of risk management is to keep the overall risk of the Group within acceptable levels and to lay a good foundation for the Group's long-term development. Meanwhile, it can achieve the goal of defining the management structure and authorization so as to enhance the operational performance and efficiency as well as asset safety protection, which ensures the reliability of financial reports while complies with the requirements of national regulations.

Under the supervision of the Board, the Group has established an organization structure, responsibility and authority in the construction of three lines of defense for risk management. The Audit Committee will assist the Board to review the design and operation effectiveness of the risk management and internal control system of the Group. As of 31 December 2024, the Group has been carrying out self-assessment of internal control where a prudent and effective self-inspection system has been established to achieve full coverage of external and internal inspection on each aspect thought the management circle. Meanwhile, more efforts have been put in supervision over subsidiaries where management regulations have been formulated with a priority to processes of higher risk. In addition, the Group has been promoting the monitoring work in respect of laws and regulations, anti-corruption and the construction of internal control culture. According to the internal audit of the internal inspection department, we have not identified any material deficiency in risk management and internal control. Therefore, the Board and the Audit Committee believe that the Group's risk management and internal control system are effective.



## Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix C3 to the Listing Rules. All Directors have confirmed, following specific enquiry by the Company, that they fully complied with the required standard as set out in the Model Code during the year.

### PURCHASE, SALE OR REDEMPTION OF SECURITIES

There were no purchases, sales or redemptions of the Company’s listed securities by the Company or any of its subsidiaries during the year.

### SHARE OPTION SCHEME

At the extraordinary general meeting (the “EGM”) of the Company held on 20 March 2008, the shareholders approved the adoption of the share option scheme (the “2008 Share Option Scheme”), with a term of ten years from the date of adoption.

In view of the expiry of the 2008 Share Option Scheme, the shareholders of the Company adopted the new share option scheme (the “2018 Share Option Scheme”) at the EGM held on 26 April 2018, with a term of ten years from the date of adoption.

#### (a) 2008 Share Option Scheme

During the twelve months ended 31 December 2024, no share options were granted by the Company in accordance with the terms of the 2008 Share Option Scheme.

The terms of the 2008 Share Option Scheme are in accordance with the provisions of Chapter 17 of the Listing Rules. Detailed arrangement for the 2008 Share Option Scheme is shown as below: (Table A)

<b>Date of grant</b>	<b>Number of share options granted</b>	<b>Exercisable period</b>	<b>Exercise price (HK\$)</b>
20 March 2008	11,760,000	21 March 2013 to 20 March 2018 (1)	\$9.28
22 April 2009	26,688,000	23 April 2014 to 22 April 2019 (2)	\$9.38
1 April 2010	15,044,000	1 April 2015 to 31 March 2020 (3)	\$18.57
12 April 2011	17,702,000	12 April 2016 to 11 April 2021 (4)	\$19.96
26 April 2012	9,700,000	26 April 2017 to 25 April 2022 (5)	\$20.54
27 May 2013	11,492,000	27 May 2018 to 26 May 2023 (6)	\$20.16
17 April 2014	12,718,500	17 April 2019 to 16 April 2024 (7)	\$22.38
5 June 2015	17,054,000	5 June 2020 to 4 June 2025 (8)	\$16.22
4 July 2016	10,148,000	4 July 2021 to 3 July 2026 (9)	\$7.54
21 April 2017	11,420,000	21 April 2022 to 20 April 2027 (10)	\$10.20

The summary below sets out the details of movement of the share options during the twelve months ended 31 December 2024 pursuant to the 2008 Share Option Scheme: (Table B)

Name	Date of grant	Exercise price HK\$	Closing price of the shares on the date of grant HK\$	Balance as at 1 January 2024	Granted during the period	Exercised during the period	Cancelled/lapsed during the period	Balance as at 31 December 2024	Weighted average closing price immediately before exercise HK\$	Note
<b>Executive Director</b>										
Wei Hong-Ming	21 April 2017	10.20	10.20	1,000,000	—	—	—	1,000,000	—	Table A (10)
Wei Hong-Chen	21 April 2017	10.20	10.20	1,000,000	—	—	—	1,000,000	—	Table A (10)
<b>Chief Executive Officer</b>										
Chen Yinjang	17 April 2014	22.38	22.35	262,000	—	—	262,000	—	—	Table A (7)
	5 June 2015	16.22	15.92	380,000	—	—	—	380,000	—	Table A (8)
	4 July 2016	7.54	7.54	500,000	—	—	—	500,000	—	Table A (9)
	21 April 2017	10.20	10.20	500,000	—	—	—	500,000	—	Table A (10)
<b>Former Director</b>										
Wei Ing-Chou	17 April 2014	22.38	22.35	1,486,000	—	—	1,486,000	—	—	Table A (7)
	5 June 2015	16.22	15.92	1,726,000	—	—	1,726,000	—	—	Table A (8)
<b>Other employees in aggregate</b>										
	17 April 2014	22.38	22.35	4,721,000	—	—	4,721,000	—	—	Table A (7)
	5 June 2015	16.22	15.92	7,554,000	—	—	942,000	6,612,000	—	Table A (8)
	4 July 2016	7.54	7.54	1,050,000	—	80,000	—	970,000	10.02	Table A (9)
	21 April 2017	10.20	10.20	4,680,000	—	—	—	4,680,000	—	Table A (10)
<b>Total</b>			<b>24,859,000</b>	<b>—</b>	<b>80,000</b>	<b>9,137,000</b>	<b>15,642,000</b>			

During the period of twelve months ended 31 December 2024, 80,000 options had been exercised under the 2008 Share Option Scheme. Weighted average exercise price was HK\$7.54 and the weighted average market closing price before the date of exercise was HK\$10.02.

## (b) 2018 Share Option Scheme

The terms of the 2018 Share Option Scheme are in accordance with the provisions of Chapter 17 of the Listing Rules. Detailed arrangement for the 2018 Share Option Scheme is shown as below: (Table C)

Date of grant	Number of share options granted	Exercisable period	Exercise price (HK\$)
27 April 2018	2,478,000	30 April 2021 to 26 April 2028 (1a)	\$16.18
27 April 2018	5,626,000	30 April 2021 to 26 April 2024 (1b)	\$16.18

The summary below sets out the details of movement of the share options during the twelve months ended 31 December 2024 pursuant to the 2018 Share Option Scheme: (Table D)

Name	Date of grant	Exercise price HK\$	Closing price of the shares on the date of grant HK\$	Number of share option					Balance as at 31 December 2024	Weighted average closing price immediately before exercise HK\$	Note
				Balance as at 1 January 2024	Granted during the period	Exercised during the period	Cancelled/lapsed during the period	Balance as at 31 December 2024			
<b>Executive Director</b>											
Wei Hong-Ming	27 April 2018	16.18	15.02	385,000	—	—	—	385,000	—	Table C (1a)	
	27 April 2018	16.18	15.02	98,000	—	—	98,000	—	—	Table C (1b)	
Wei Hong-Chen	27 April 2018	16.18	15.02	385,000	—	—	—	385,000	—	Table C (1a)	
	27 April 2018	16.18	15.02	98,000	—	—	98,000	—	—	Table C (1b)	
<b>Chief Executive Officer</b>											
Chen Yinjang	27 April 2018	16.18	15.02	144,000	—	—	144,000	—	—	Table C (1b)	
<b>Former Director</b>											
Wei Ing-Chou	27 April 2018	16.18	15.02	470,000	—	—	470,000	—	—	Table C (1b)	
<b>Other employees</b>											
in aggregate	27 April 2018	16.18	15.02	1,708,000	—	—	—	1,708,000	—	Table C (1a)	
	27 April 2018	16.18	15.02	2,975,000	—	—	2,975,000	—	—	Table C (1b)	
<b>Total</b>				<u>6,263,000</u>	<u>—</u>	<u>—</u>	<u>3,785,000</u>	<u>2,478,000</u>	<u>—</u>		

During the twelve months ended 31 December 2024, no share options were exercised under the terms of the 2018 Share Option Scheme.

## **ANNUAL GENERAL MEETING**

It is proposed that the forthcoming annual general meeting of the Company (the “Annual General Meeting”) be held on 5 June 2025. The notice of the Annual General Meeting will be published on the Company’s website and sent to the shareholders of the Company in due course.

## **PROPOSED FINAL DIVIDENDS, SPECIAL FINAL DIVIDENDS AND CLOSURE OF REGISTER OF MEMBERS**

The Board has recommended the payment of a final dividend of RMB33.14 cents per ordinary share of the Company and the payment of a special final dividend of RMB33.14 cents per ordinary share of the Company in respect of the year ended 31 December 2024. Subject to the approval of shareholders at the Annual General Meeting, the final dividends and the special final dividends will be paid on or about 9 July 2025.

### **(1) To attend and vote at the annual general meeting**

The register of members of the Company will be closed from 2 June 2025 to 5 June 2025 (both dates inclusive). In order to determine the identity of the shareholders who are entitled to attend and vote at the Annual General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited at Rooms 1712–1716, 17th floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 4:30 pm on Friday, 30 May 2025.

### **(2) To qualify for the final dividends and the special final dividends**

The register of members of the Company will be closed from 13 June 2025 to 17 June 2025 (both dates inclusive). In order to determine the identity of the shareholders who are entitled to qualify for the final dividends and the special dividends, all transfers accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited at Rooms 1712–1716, 17th floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 4:30 pm on Thursday, 12 June 2025.

<b>BOARD OF DIRECTORS</b>
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As at the date of this announcement, Mr. Wei Hong-Ming, Mr. Junichiro Ida, Mr. Wei Hong-Chen, Mr. Koji Shinohara, Mr. Yuko Takahashi and Ms. Tseng Chien are Executive Directors of the Company. Mr. Hsu Shin-Chun, Mr. Lee Tiong-Hock and Mr. Masaya Tochio are Independent Non-executive Directors of the Company.

By Order of the Board  
**Wei Hong-Ming**  
*Chairman*

Hong Kong, 24 March 2025

Website: <http://www.masterkong.com.cn>  
<http://www.irasia.com/listco/hk/tingyi>

\* *For identification purpose only*