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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 2025

SUMMARY

RMB'000	2025	2024	Change
• Revenue	79,068,022	80,650,914	↓ 2.0%
• Gross margin (%)	34.8%	33.1%	↑ 1.7ppt
• Gross profit	27,531,704	26,695,643	↑ 3.1%
• EBITDA	10,606,522	9,627,802	↑ 10.2%
• Profit for the year	5,175,852	4,322,135	↑ 19.8%
• Profit attributable to owners of the Company	4,500,698	3,734,429	↑ 20.5%
• Adjusted profit attributable to owners of the Company*	4,245,156	3,720,427	↑ 14.1%
• Earnings per share (RMB cents)			
Basic	79.86	66.28	↑ 13.58 cents
Diluted	79.84	66.28	↑ 13.56 cents

At 31 December 2025, cash at bank and on hand (including long-term time deposits) was RMB19,486.056 million, with an increase of RMB3,483.388 million when compared to 31 December 2024. Gearing ratio was -29.8%.

* Adjusted profit attributable to owners of the Company include all profit attributable to owners of the Company with the exception of the one-off gain on disposal of specific subsidiaries, property, plant and equipment and right-of-use assets ("Asset Activation Programme").

CHAIRMAN'S STATEMENT

Master Kong, as a leading national brand in China's food and beverage industry, has consistently upheld the corporate mission of "Life+Delicacy". Since the creation of the brand in 1992, we have always been oriented toward consumer demands, forging ahead with innovations in the dynamic market landscape, and committed to driving the enterprise to achieve robust and profound "high-quality development".

February 2026 marks the 30th anniversary of Master Kong's listing on the Hong Kong Stock Exchange. Over the past 30 years, we started from a bowl of instant noodles and have grown into a comprehensive food and beverage enterprise, covering the daily consumption of hundreds of millions of families. This journey is inseparable from the choices of every consumer, the trust of every partner, and the perseverance and dedication of generations of Master Kong's employees. On behalf of the Board of Directors, I would like to express my utmost gratitude to each and every one of you.

Over the past year, the global consumer market had recovered moderately, and the competitive landscape of the industry has been reshaped at an accelerated pace. Health focus and personalization have become the mainstream, and the channel format mix had grown more diverse. In the midst of such an environment, we did not choose shortcuts, but insisted on staying true to the essence: speaking through quality products and delivering with robust operations.

On the product side, we managed to cater to consumers' expectations for both deliciousness and health, and continued to promote formula optimization and category innovation. On the brand front, we maintained our efforts to interact with young people with more sincere communication methods, so that the brand could truly integrate into their daily life occasions. In terms of channel development, we focused on breaking down the boundaries between online and offline and improving supply chain efficiency. Digitalization has penetrated into the entire process of R&D, production and sales, and served as the underlying capability of the enterprise.

This year, we have also successfully executed a significant organizational transformation. In early 2026, the Group's Chief Executive Officer (CEO) position was handed over smoothly. The new management has taken over the baton and continues to steer the ship forward on a steady course.

Thirty years marks a milestone, with achievements built on a solid foundation and guided by a clear direction. Looking into the future, we will remain rooted in the Chinese consumer market, upholding reverence for our products, sincerity toward our users, and commitment to our partners. We believe that true growth comes from solid groundwork in operation day after day.

Finally, on behalf of Master Kong, please allow me to extend our deepest gratitude to our shareholders and board members for their unwavering support, to every Master Kong employee who has worked silently with dedication over the past three decades, to every consumer who has chosen us, and to all our partners who have walked alongside us on this journey. We will take this as a new starting point, remain committed to honoring every trust placed in us through down-to-earth efforts, and join hands with all of you in shaping a brighter future.

Wei Hong-Ming

Chairman of the Board

Hong Kong, China

March 23, 2026

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 2025 together with the comparative figures for the corresponding period in 2024 as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2025

		2025	2024
	<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	4	79,068,022	80,650,914
Cost of sales		<u>(51,536,318)</u>	<u>(53,955,271)</u>
Gross profit		27,531,704	26,695,643
Other revenue	5	310,513	356,972
Other net income	6	657,839	440,079
Distribution costs		(18,131,687)	(18,041,843)
Administrative expenses		(2,988,826)	(2,827,531)
Other operating expenses		(205,629)	(270,294)
Finance costs	7	(320,816)	(423,313)
Share of results of an associate and joint ventures		<u>112,818</u>	<u>129,941</u>
Profit before taxation	7	6,965,916	6,059,654
Taxation	8	<u>(1,790,064)</u>	<u>(1,737,519)</u>
Profit for the year		<u>5,175,852</u>	<u>4,322,135</u>
Profit attributable to:			
Owners of the Company		4,500,698	3,734,429
Non-controlling interests		<u>675,154</u>	<u>587,706</u>
Profit for the year		<u>5,175,852</u>	<u>4,322,135</u>
Earnings per share	10	<i>RMB</i>	<i>RMB</i>
Basic		<u>79.86 cents</u>	<u>66.28 cents</u>
Diluted		<u>79.84 cents</u>	<u>66.28 cents</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Profit for the year	5,175,852	4,322,135
Other comprehensive (loss) income:		
<i>Items that will not be reclassified to profit or loss:</i>		
Remeasurement of defined benefit obligations	3,639	(19,812)
Fair value changes in equity instruments designated as at fair value through other comprehensive income	(8,714)	(347)
	<u>(5,075)</u>	<u>(20,159)</u>
 <i>Items that are or may be reclassified subsequently to profit or loss:</i>		
Exchange differences on consolidation	(12,192)	(616)
Cash flow hedges	(16,320)	(26,805)
	<u>(28,512)</u>	<u>(27,421)</u>
Other comprehensive loss for the year	<u>(33,587)</u>	<u>(47,580)</u>
Total comprehensive income for the year	<u>5,142,265</u>	<u>4,274,555</u>
Total comprehensive income attributable to:		
Owners of the Company	4,468,851	3,685,976
Non-controlling interests	673,414	588,579
	<u>5,142,265</u>	<u>4,274,555</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

	<i>Note</i>	2025	2024
		RMB'000	RMB'000
ASSETS			
Non-current assets			
Investment properties		1,699,500	1,778,500
Property, plant and equipment		21,028,894	21,521,843
Right-of-use assets		3,328,451	3,450,553
Intangible assets		141,961	148,800
Goodwill		97,910	97,910
Interest in an associate		100,254	101,377
Interest in joint ventures		352,484	577,003
Financial assets at fair value through profit or loss		492,943	408,205
Equity instruments designated as at fair value through other comprehensive income		145,846	154,560
Deferred tax assets		328,998	305,963
Long-term time deposits		5,974,100	6,618,400
		33,691,341	35,163,114
Current assets			
Inventories		3,650,354	4,015,218
Trade receivables	11	1,410,122	1,596,456
Tax recoverable		28,311	10,973
Prepayments and other receivables		2,528,398	2,311,068
Financial assets at fair value through profit or loss		119,289	329,041
Derivative financial instruments		—	338,717
Current portion of long-term time deposits		2,700,000	1,840,000
Pledged bank deposits		15,054	24,870
Bank balances and cash		10,796,902	7,519,398
		21,248,430	17,985,741
Total assets		54,939,771	53,148,855

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

At 31 December 2025

	<i>Note</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
EQUITY AND LIABILITIES			
Capital and reserves			
Issued capital		196,760	196,684
Share premium		811,642	787,836
Reserves		13,971,655	13,244,526
Total capital and reserves attributable to owners of the Company		14,980,057	14,229,046
Non-controlling interests		3,519,151	3,386,305
Total equity		18,499,208	17,615,351
Non-current liabilities			
Long-term interest-bearing borrowings		5,796,647	1,670,256
Lease liabilities		88,840	111,003
Employee benefit obligations		61,631	64,972
Deferred tax liabilities		1,135,865	1,264,048
		7,082,983	3,110,279
Current liabilities			
Trade payables	12	7,866,217	8,136,600
Other payables and deposits received		9,474,390	10,040,648
Current portion of interest-bearing borrowings		9,226,000	11,584,561
Lease liabilities		123,450	152,935
Advance payments from customers		2,159,844	1,974,762
Taxation		507,679	533,719
		29,357,580	32,423,225
Total liabilities		36,440,563	35,533,504
Total equity and liabilities		54,939,771	53,148,855
Net current liabilities		(8,109,150)	(14,437,484)
Total assets less current liabilities		25,582,191	20,725,630

Notes:

1. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards, which collective term includes all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), 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 2024 consolidated financial statements except for the adoption of the revised HKFRS Accounting Standards 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 HKFRS ACCOUNTING STANDARDS

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

Amendments to HKAS 21: Lack of Exchangeability

The amendments require an entity to apply a consistent approach to assessing whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide.

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% (2024: 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 but not limited to 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 Chinese Mainland.

No revenue from a single external customer amounted to 10% or more of the Group's revenue.

4. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment results

	2025				
	Instant noodles <i>RMB'000</i>	Beverages <i>RMB'000</i>	Others <i>RMB'000</i>	Inter- segment elimination <i>RMB'000</i>	Total <i>RMB'000</i>
Revenue					
Revenue from contracts with customers	28,278,066	50,098,397	611,250	—	78,987,713
Timing of revenue recognition:					
Recognised at a point in time	28,278,066	50,098,397	611,250	—	78,987,713
Revenue from other sources:					
Rental income from investment properties	—	—	80,309	—	80,309
Inter-segment revenue	143,298	24,569	810,870	(978,737)	—
Segment revenue	<u>28,421,364</u>	<u>50,122,966</u>	<u>1,502,429</u>	<u>(978,737)</u>	<u>79,068,022</u>
Segment result after finance costs	2,981,733	3,879,316	5,475	(2,432)	6,864,092
Share of results of an associate and joint ventures	(25)	112,843	—	—	112,818
Unallocated expenses, net	—	—	(10,994)	—	(10,994)
Profit (Loss) before taxation	2,981,708	3,992,159	(5,519)	(2,432)	6,965,916
Taxation	(729,705)	(1,042,981)	(17,378)	—	(1,790,064)
Profit (Loss) for the year	<u>2,252,003</u>	<u>2,949,178</u>	<u>(22,897)</u>	<u>(2,432)</u>	<u>5,175,852</u>

4. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment results (continued)

	2024				
	Instant noodles <i>RMB'000</i>	Beverages <i>RMB'000</i>	Others <i>RMB'000</i>	Inter- segment elimination <i>RMB'000</i>	Total <i>RMB'000</i>
Revenue					
Revenue from contracts with customers	28,306,049	51,615,930	660,038	—	80,582,017
Timing of revenue recognition:					
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>
Segment result after finance costs	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)
Profit (Loss) before taxation	2,739,820	3,529,465	(225,904)	16,273	6,059,654
Taxation	(694,979)	(1,023,031)	(19,509)	—	(1,737,519)
Profit (Loss) for the year	<u><u>2,044,841</u></u>	<u><u>2,506,434</u></u>	<u><u>(245,413)</u></u>	<u><u>16,273</u></u>	<u><u>4,322,135</u></u>

4. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment assets and liabilities

	2025				
	Instant noodles	Beverages	Others	Inter- segment elimination	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Assets					
Segment assets	18,136,910	34,925,018	4,604,568	(3,679,041)	53,987,455
Interest in an associate	—	100,254	—	—	100,254
Interest in joint ventures	—	352,484	—	—	352,484
Unallocated assets					499,578
Total assets					<u>54,939,771</u>
Liabilities					
Segment liabilities	8,148,722	20,350,239	11,449,993	(3,570,022)	36,378,932
Unallocated liabilities					61,631
Total liabilities					<u>36,440,563</u>
Other information					
Depreciation and amortisation	<u>938,699</u>	<u>2,639,277</u>	<u>167,067</u>	<u>(114,740)</u>	<u>3,630,303</u>
Capital expenditures	<u>886,075</u>	<u>2,195,776</u>	<u>6,245</u>	<u>—</u>	<u>3,088,096</u>
Interest income	<u>158,416</u>	<u>209,568</u>	<u>17,660</u>	<u>(75,131)</u>	<u>310,513</u>
Interest expenses	<u>8,149</u>	<u>118,430</u>	<u>275,989</u>	<u>(81,752)</u>	<u>320,816</u>
Gain on disposal of subsidiaries	<u>110,927</u>	<u>57,949</u>	<u>137,796</u>	<u>—</u>	<u>306,672</u>

4. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment assets and liabilities (continued)

	2024				
	Instant noodles	Beverages	Others	Inter- segment elimination	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Assets					
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
Total assets					<u>53,148,855</u>
Liabilities					
Segment liabilities	8,214,247	18,026,915	11,920,966	(2,693,596)	35,468,532
Unallocated liabilities					64,972
Total liabilities					<u>35,533,504</u>
Other information					
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>

5. OTHER REVENUE

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest income	<u>310,513</u>	<u>356,972</u>

6. OTHER NET INCOME

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Income (Expenses):		
Gain on sales of scrapped materials	178,668	176,073
Change in fair value of financial assets at FVPL, net	(5,309)	14,964
Dividend income from financial assets at FVPL and designated FVOCI	1,637	2,545
Gain on disposal of subsidiaries	306,672	49,374
Government grants	228,076	150,063
Loss on disposal of property, plant and equipment and right-of-use assets	(93,815)	(58,479)
Exchange (loss) gain, net	(2,058)	3,502
Others, net	43,968	102,037
	<u>657,839</u>	<u>440,079</u>

7. PROFIT BEFORE TAXATION

This is stated after charging:

	2025	2024
	RMB'000	RMB'000
Finance costs		
Interest on bank and other borrowings wholly repayable within five years	311,268	408,750
Finance costs on lease liabilities	9,548	14,563
	320,816	423,313
Other items		
Depreciation:		
Property, plant and equipment	3,324,211	3,178,310
Right-of-use assets	299,253	316,657
Amortisation of intangible assets	6,839	6,840

8. TAXATION

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current tax		
PRC Enterprise Income Tax		
Current year	1,649,622	1,486,491
Under (Over) provision in prior years	9,134	(130)
	<u>1,658,756</u>	<u>1,486,361</u>
Hong Kong Profits Tax		
Current year	<u>6,100</u>	<u>3,745</u>
Singapore Corporate Income Tax		
Current year	<u>809</u>	<u>1,125</u>
Deferred taxation		
Origination and reversal of temporary differences, net	(153,790)	(124,457)
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>278,189</u>	<u>342,963</u>
	<u>124,399</u>	<u>246,288</u>
Total tax charge for the year	<u><u>1,790,064</u></u>	<u><u>1,737,519</u></u>

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

For the years ended 31 December 2025 and 2024, 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 (equivalent to RMB1,840,000) (2024: HK\$2 million (equivalent to RMB1,847,000)) of profits of qualifying corporations will be taxed at 8.25% (2024: 8.25%), and profits above HK\$2 million (equivalent to RMB1,840,000) (2024: HK\$2 million (equivalent to RMB1,847,000)) will be taxed at 16.5% (2024: 16.5%).

Singapore Corporate Income Tax is charged at 17% (2024: 17%). The subsidiaries of the Group qualify for the Partial Tax Exemption Scheme (the "Scheme") in which the Scheme allows for 75% (2024: 75%) tax exemption on the first SGD10,000 (equivalent to RMB55,000) (2024: SGD10,000 (equivalent to RMB54,000)) of normal chargeable income and a further 50% (2024: 50%) tax exemption on the next SGD190,000 (equivalent to RMB1,044,000) (2024: SGD190,000 (equivalent to RMB1,023,000)) of normal chargeable income.

8. TAXATION (CONTINUED)

The statutory PRC Enterprise Income Tax rate for the Group's PRC subsidiaries is 25% (2024: 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% (2024: 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% (2024: 15%).

Pillar Two model rules

The Group is subject to the Global Anti-Base Erosion Model Rules ("Pillar Two model rules") published by the Organisation for Economic Co-operation and Development.

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, including tax law that implements qualified domestic minimum top-up taxes described in those rules ("Pillar Two income taxes").

The Company and some of its subsidiaries operate in tax jurisdictions which have enacted Pillar Two legislation. Based on the Group's assessment using the latest operation information of the Company and the affected subsidiaries, the effective tax rates for the purpose of Pillar Two model rules in each of those jurisdictions exceed 15% or the relevant safe harbour provisions are applicable. Thus, the Group does not expect any significant impact of Pillar Two income taxes.

9. DIVIDENDS

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Proposed final dividend of RMB39.92 cents (2024: <i>RMB33.14 cents</i>) per ordinary share	2,250,349	1,867,215
Proposed special final dividend of RMB39.92 cents (2024: <i>RMB33.14 cents</i>) per ordinary share	<u>2,250,349</u>	<u>1,867,214</u>
	<u>4,500,698</u>	<u>3,734,429</u>

At Board meeting held on 23 March 2026, the directors recommended the payment of a final dividend and a special final dividend of RMB39.92 cents and RMB39.92 cents per ordinary share respectively. The proposed final dividend and special 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

	2025	2024
Profit attributable to ordinary equity shareholders (RMB'000)	<u>4,500,698</u>	<u>3,734,429</u>
Weighted average number of ordinary shares ('000)	<u>5,635,959</u>	<u>5,634,395</u>
Basic earnings per share (RMB cents)	<u>79.86</u>	<u>66.28</u>

10. EARNINGS PER SHARE (CONTINUED)

(b) Diluted earnings per share

	2025	2024
Profit attributable to ordinary equity shareholders (RMB'000)	<u>4,500,698</u>	<u>3,734,429</u>
<i>Weighted average number of ordinary shares (diluted) ('000)</i>		
Weighted average number of ordinary shares	5,635,959	5,634,395
Effect of the Company's share option scheme	<u>1,097</u>	<u>329</u>
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	<u>5,637,056</u>	<u>5,634,724</u>
Diluted earnings per share (RMB cents)	<u>79.84</u>	<u>66.28</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 (2024: 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:

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
0 – 90 days	1,326,403	1,501,726
Over 90 days	<u>83,719</u>	<u>94,730</u>
	<u>1,410,122</u>	<u>1,596,456</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 (2024: 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:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
0 – 90 days	6,985,425	7,338,115
Over 90 days	880,792	798,485
	<u>7,866,217</u>	<u>8,136,600</u>

13. COMMITMENTS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Capital expenditure commitments		
<i>Contracted but not provided for:</i>		
Expenditures on property, plant and equipment	743,629	1,044,846
Capital contribution on investment funds	78,124	150,135
	<u>821,753</u>	<u>1,194,981</u>

MANAGEMENT DISCUSSION AND ANALYSIS

Macro And Industry Review

In 2025, China's economy showed resilience with a 5% year-on-year GDP growth. However, the food and beverages market entered into the stage of stock competition and demand upgrading for functional and emotional values. Brand, quality and flavors remained key drivers of purchasing decisions. In addition, emerging formats such as instant retail, snack discount stores, and membership stores had brought about drastic changes in channels and consumption behaviors. In this context, companies need to build scale as competitive moat for their core brands, and continuously drive product and channel innovations to achieve sustainable development.

Business Review

In facing of environmental changes, the Group adhered to the consumer-centric approach and advance the high-quality development of the Instant Noodles and Beverages Business in a coordinated way. The Instant Noodles Business focused on the strategy of “consolidating blockbuster products, seizing the popular flavors track, and cultivating innovative products”, and the Beverages Business firmly executed the strategy of “consolidating core products and developing innovative products”, thus enriching product portfolio, and effectively meeting the demands of diverse scenarios. At the same time, efforts were made to accelerate the layout of high-growth channels such as instant retail, fully leverage digital tools for scenario-based marketing, supply chain efficiency improvement, communication and decision-making, etc., and comprehensively improve the operational efficiency.

For the year of 2025, the Group's revenue decreased by 2.0% year-on-year to RMB 79.068 billion. The revenue from Instant Noodles grew slightly year-on-year, the revenue from Beverages decreased by 2.9% year-on-year. During the year, the gross profit margin grew 1.7 percentage points to 34.8% year-on-year. The ratio of distribution costs to revenue increased by 0.5 percentage points to 22.9% year-on-year. EBITDA increased by 10.2% year-on-year to RMB 10.607 billion; driven by a year-on-year expansion in gross profit margin, the profit attributable to shareholders of the Company increased significantly by 20.5% year-on-year to RMB4.501 billion; basic earnings per share increased by RMB13.58 cents to RMB79.86 cents.

The table below shows the breakdown of the Group’s revenues by segment and the proportion to total revenue during the reporting period:

	Year Ended December 31					
	2025		2024		Change	
	Revenue (RMB in Million)	Proportion (%)	Revenue (RMB in Million)	Proportion (%)	Amount (RMB in Million)	Percentage (%)
Instant Noodles Business	28,421.36	35.9	28,414.43	35.2	6.93	0.0
Beverages Business	50,122.97	63.4	51,620.99	64.0	-1,498.02	-2.9
Others	523.69	0.7	615.49	0.8%	-91.80	-14.9
Total	<u>79,068.02</u>	<u>100.0</u>	<u>80,650.91</u>	<u>100.0</u>	<u>-1,582.89</u>	<u>-2.0</u>

During the year, due to favorable raw material prices and optimized product mix, the Group’s gross profit margin expanded year-on-year. The table below shows the breakdown of the Group’s gross profit and gross profit margin of each segment category during the reporting period:

	Year Ended December 31					
	2025		2024		Change	
	Gross Profit (RMB in Million)	Margin (%)	Gross Profit (RMB in Million)	Margin (%)	Gross Profit (%)	Margin (%)
Instant Noodles Business	8,444.10	29.7	8,140.40	28.6	3.7	1.1
Beverages Business	18,807.10	37.5	18,236.19	35.3	3.1	2.2
Others	280.50	53.6	319.05	51.8	-12.1	1.8
Total	<u>27,531.70</u>	<u>34.8</u>	<u>26,695.64</u>	<u>33.1</u>	<u>3.1</u>	<u>1.7</u>

Instant Noodles Business

For the year of 2025, the Group’s revenue from the Instant Noodles Business was RMB28.421 billion, which grew slightly year-on-year, accounting for 35.9% of the Group’s total revenue. During the year, due to favorable raw material prices and selling prices, the gross profit margin of instant noodles expanded by 1.1 percentage points year-on-year to 29.7%, and the profit attributable to shareholders of the Company for the year of 2025 in the Instant Noodles Business increased significantly by 10.1% year-on-year to RMB 2.252 billion, driven by the year-on-year increase in gross profit margin.

High-priced Noodles: Focused on blockbuster products, and continued to strengthen brand advantages through flavor innovation, scenario extension and IP collaboration.

“Roasted Beef Noodles” promoted the full application of aerospace patented temperature control technology in the production line. In association with Xinhua News Agency, a customized brand film of “Born for National Classics” was produced. “Spicy Beef Noodles” worked with the high-momentum IP “Strange Tales of Tang Dynasty 3” to create the authentic spicy matrix to strengthen the flavor loyalty of young consumers. “Old Hen Soup Noodles” won the International Delicious Award for its exclusive fresh-lock technology, and “Warm Hearted Noodle Restaurant” conveyed the warmth of the brand. “PREMIUM” entered boutique membership stores to offer the convenient experience of sprinkling-free preparation, and joined hands with China Eastern Airlines to have successfully served the world’s longest flight route and reshaped the benchmark for high-end scenario consumption. “Beef Noodles with Aged Pickled Veggies”, in collaboration with Havoc in Heaven, awakened the passion of Gen-Z. “Tomato Egg Beef Noodles” collaborated with DUCKYO and Bearisbug IPs, linked with travel and healing scenarios, and strengthened campus communication through “Back-to-School Season” campaigns. In terms of innovation in specifications, small-spec products were deeply rooted in the snack channel, contributing a double-digit growth. Dry Noodles focused on the mid-night snack scenario, with a dual-specification offering of Regular Pack and Bonus Pack to strengthen the memory of “late-night noodle restaurants” for consumption.

Premium Noodles/Super-Premium Noodles: Focus on healthy and premium upgrades, Tapping into new markets to boost sales volumes

The non-fried product “Special of the Special” pioneered the category of fresh instant noodles, using single-basket boiling technology to restore the fresh boiled taste, accurately targeting white-collar consumers, and ranking Top 1 on the Douyin New Product Chart upon launch. “Fresh Q Noodles” relied on the patented process to achieve the chewy taste and leveraged the viral spread of domestic animation IPs on Bilibili and Xiaohongshu to strengthen the healthy mindset of “0 frying”. “HE Noodles” carefully selected Hetao wheat and adopted fresh-lock technology to create proper-meal quality, and seized the instant retail dinner scenario through Meituan’s premiere launch, setting an “easy and proper meal” mentality; “Yu-Pin Banquet” tapped into the solo dining market with premium ingredients, and expanded from preference-based e-commerce to Spring Festival gift scenarios, strengthening the perception of high-end and convenient consumption.

Mid-Price Noodles: Response to the cost-performance ratio trend with value-for-money options

“Master Kong 50% Plus” focused on core flavors and consolidated the growth momentum. “Flavored and Crunchy” enriched the product matrix with salty and pepper crispy pork and triple spicy cheese turkey flavor, launched on omni-channels, dived deep into snack channels, collaborated with the IP My Little Pony to created viral social media buzz to drive double-digit sales growth.

Beverages Business

For the year of 2025, the revenue from the Beverages Business was RMB50.123 billion, accounting for 63.4% of the Group's total revenue. During the year, due to favorable raw material prices and optimized product mix, the gross profit margin of Beverages expanded by 2.2 percentage points year-on-year to 37.5%. Driven by a year-on-year expansion of gross profit margin, the profit attributable to shareholders of the Company in the Beverages Business for the year of 2025 increased significantly by 18.5% year-on-year to RMB 2.274 billion.

RTD Tea: Consolidated blockbuster products and expanded with emerging categories such as herbs

The core product “Ice Tea” strengthened brand awareness with “irreplaceable refreshing taste”, launched high-fiber series and summer-limited flavors, and created the first jelly ice tea to meet the curiosity of young consumers. The “Jasmine” series took the 20th anniversary as an opportunity to reshape its brand image, focusing on sugar-free and flavor expansion, and leveraging top IP collaboration to expand user coverage. The “Fresh-Flavored Green Tea” in “Green Tea” series relied on the industry's pioneered cold brewing technology, focusing on high-quality sugar-free tea drinks to restore the original fresh taste. The high-end product line “InheriTea” was deeply rooted in regional specialty teas to meet the needs of market segments. Milk tea innovatively launched exotic flavor salted milk tea through product upgrading and sugar reduction. Riding the trend of “light wellness regimen”, herbal beverages made from homologous medicinal and food materials such as Cassia Seed and Barley Drink was launched to expand consumption scenarios.

Carbonated Soft Drinks: Deepened mindset-oriented operations and consolidated the foundation of execution

“Pepsi-Cola” deepened its rejuvenation through the two major IP initiatives of “Bring Happiness Home” and “Pepsi Music Academy”, and cooperated with AgiBot to promote experience innovation; Pepsi No Sugar leveraged the popularity of “Black Myth: Wukong” to achieve circle penetration, and the new Strawberries and Cream Flavor drove volume growth; The new Pepsi Sheng Blue Lemon Flavor anchored young white-collar workers in high-tier cities, strengthening the sugary drink portfolio via scenario-based marketing. “Mirinda” revitalized its orange-flavored products, signed TRANSFORM PROJECT boy band, and collaborated with “Eggy Party” to reach the young population; launched the high-end new product line “Mirinda Rich” to expand the product portfolio. “7UP” strengthened the core refreshing characteristics, expanded into the banquet market via brand-linked “joy” culture, created differentiation with its No Sugar Clementine & Lemon Flavor, and partnered with “Zootopia 2” to reinforce brand awareness.

Juices: Two-Wheel Drive of “Health Function + Chinese Wellness”

Western-style juice “Master Kong’s Daily C” was upgraded to a functional drink, focusing on vitamin supplementation. The debut of the “Multivitamin Plan” series featured precise vitamin supplementation, targeting the office scenarios of white-collar workers. “Tropicana” reshaped its positioning toward younger consumers and optimized the product matrix. The Chinese juice “Rock Candy Pear” strengthened the moisturizing effect, the “Sweet-Sour Plum Juice” focused on the catering scenario for greasiness relief, and the “Honey Grapefruit” carried forward its refreshing and nourishing positioning. The young consumer base was steadily broadened.

Bottled Water: Multi-brand collaboration deepened category innovation and scenario layout

“Master Kong Bottled Water” completed the transformation of purified water and joined hands with Country Garden Services to penetrate community channels and strengthened the positioning of household water consumption. “Drink Boiled Water” deepened the perception of “boiled water” and leveraged platforms such as Xiaohongshu to establish a daily drinking mindset. “Aquafina” built a differentiated brand mindshare via in-depth cultivation of cultural tourism scenarios, while expanding into outdoor, five-star hotels to anchor high-end consumption scenarios. “Sparkling Water” focused on the three core scenarios of light drinking, light diet and light enjoyment, focusing on the CBD area and consolidating the urban track. Relying on dual national patented technologies, “pH9.0 Electrolyzed Alkaline Water” overcame the problem of astringency taste, was appraised by authoritative academic societies and verified through effect studies; the product won the Superior Taste Award consecutively for years, redefining the premium healthy drinking experience with innovative technology.

Coffee Drinks/Probiotics Drinks/Functional Drinks

Starbucks Ready-to-Drink Coffee as core products performed strongly, with market share reaching a new high and leading the growth of online platforms. In November, “Starbucks Grande Black Coffee” 450mL was launched, positioned as an entry-level product to broaden the consumer group; During the National Day holiday, media resources were placed within high-speed railway stations and core business districts, with a total exposure of hundreds of millions of impressions. The “Calpis Water” series steadily expanded distribution and opened up the East China market. New Tetra Pak packaged product was supplied mainly to buffets and other special channels to create volume growth.

“Gatorade” deeply tapped into core sports such as basketball and soccer, building the G-Challenge event IP to penetrate grassroots players; In 2025, the Gatorade Daily Hydration series was upgraded, exploring the daily hydration track, and improving the product matrix.

Financial Operation

The Group has actively promoted the digital transformation of finance, and by building a shared financial service center, has further strengthened the internal control system and established a risk prevention and control mechanism adapted to the digital environment. It has also gradually advanced the integration of business and finance, which has strongly supported the strategy execution and sustainable development of the enterprises; at the same time, adhering to a prudent cash strategy, the Group has exercised prudent control over capital expenditures and effectively promoted asset activation, and is expected to generate stable net cash inflows.

During the year, the Group generated a net cash inflow of RMB8.202 billion from operating activities and a net cash outflow of RMB5.309 billion from investing activities. The net increase in bank deposits and cash (including long-term time deposits) was RMB3.483 billion.

The Group continued to maintain a robust financial structure through effective control over trade receivables, trade payables and inventories, with sufficient cash holdings. As of 31 December 2025, the Group's bank deposits and cash amounted to RMB19.486 billion, with an increase of RMB3.483 billion versus 31 December 2024. As of 31 December 2025, the Group's interest-bearing borrowings amounted to RMB15.023 billion, with an increase of RMB1.768 billion versus 31 December 2024. Net cash totaled RMB4.463 billion, with an increase of RMB1.716 billion versus 31 December 2024. At the end of the year, the ratio of borrowings denominated in foreign currency to RMB was 0%:100%, versus 35%:65% (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\$) at the end of the previous year. The ratio of long-term to short-term borrowings was 39%: 61%, versus 13%: 87% at the end of the previous year.

The Group's total assets and liabilities stood at RMB54.940 billion and RMB36.441 billion respectively as of 31 December 2025, with an increase of RMB1.791 billion and RMB907 million respectively versus 31 December 2024. The debt ratio was 66.3%, with a decrease of 0.6 percentage points versus 31 December 2024. The gearing ratio improved from -19.3% as of 31 December 2024 to -29.8% in the current year.

Financial Ratios

	31 December 2025	31 December 2024
Turnover of Finished Goods	16.3 days	17.6 days
Turnover of Trade Receivables	6.9 days	7.2 days
Current ratio	0.7 times	0.6 times
Debt Ratio (Total Liabilities to Total Assets)	66.3%	66.9%
Gearing ratio (Net borrowings to shareholders' equity) ¹	-29.8%	-19.3%

¹ 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 the Group's capital structure more accurately.

Human Resources

As of 31 December, 2025, the Group had 60,720 employees.

Facing the future development, the Group has been cultivating diversified, young and international elite talents. We have adopted business-oriented personalized training to enhance leaders' capabilities in operation, strategy, and team management. Through the iteration of the curriculum system, the improvement of the internal trainer mechanism, and the operation of online knowledge governance and learning platforms, we have cultivated composite business talents with agile and resilient leadership capabilities. On the basis of improving the closed-loop management of "competency-performance-growth", the "integration of training and combat" and the "Coach-Facilitator-Mentor mechanism" were introduced to strengthen practice empowerment and organizational coordination, and to ensure that the results of talent development are directly translated into business growth momentum, thus achieving a win-win situation for employees and the enterprise. The Talent Flow Program, an internal talent mobility platform designed to empower employees' long-term development, provided employees with clear internal transfer and development channel, encouraged employees to try new roles across departments and businesses through an open and transparent internal recruitment mechanism, and allowed employees to explore career paths that better align with their interests and abilities amid dynamic mobility. To date, the Talent Flow Program has supported numerous employees to achieve internal transformation, thus not only improving talent retention and satisfaction, but also promoting cross-departmental collaboration and knowledge integration, enabling the organizations to continue to rejuvenate with creativity.

Efforts were made to deepen the integration of industry and education. In 2025, we established new cooperative relations with a number of 985 and 211 universities and colleges to build a solid foundation for high-quality talent echelons, and systematically carried out diversified activities such as career development training, executives' lectures on campus, and marketing competitions across the country. We provided internships and employment opportunities for nearly 3,000 college students and effectively improved young people's employability and practical skills. Relying on the university and college cooperation network, we simultaneously implemented the "Fertile Soil Plan" to systematically improve the academic qualifications of grassroots employees and the operation management echelon, build a tiered reserve of high-quality talents, and continue to assign talents to business units. In terms of industry-university-research integration, we focused on top universities and strengthened scientific research collaboration and talent co-education. We cooperated with Yuanpei College, Peking University to launch ideological and political practice and social internship programs, and with Tsinghua University to advance the Integrative Practical Projects (IPP) on overseas market research. We built an exchange platform between Harvard University student delegations and domestic universities, and worked with Stanford University to implement the GMIX summer internship and global study visit programs. In addition, the Group has also set up student scholarships and faculty awards in a number of universities, supported the endowment of chair professor positions and scientific research in cutting-edge fields, and helped discipline development and high-quality talent training through open course sharing and mutual visits between teachers and students, thus enhancing the company's long-term competitiveness and supporting its high-quality development.

With the goal of improving “efficiency, performance and experience”, the Group has continued to promote the digital and intelligent transformation of human resources, focusing on the construction of a data platform, a management system and a service platform. At the data level, the BI system has been continuously optimized, and a holding-level human resource and expense dashboard has been built to realize real-time tracking and management of key performance indicators; At the system level, an integrated recruitment system was launched and AI assistants were introduced to improve the efficiency of talent screening and process collaboration; At the service level, employee self-service functions were being expanded constantly and the end-to-end service experience was being optimized. In the future, the Lark platform will be adopted as the carrier to create an intelligent service guidance system for employees and further improve the employee experience; At the same time, the AI Data Inquiry project will be further promoted to provide managers with more agile data support.

Corporate Social Responsibility

The Group firmly believes that “sustainable development is good development”, remains committed to the sustainable development concept of “Keep Our Nature Green”, fosters new quality productive forces with technological innovation as the core, and promotes the green and low-carbon transition of the industry. The Group has implemented the five satisfaction strategies: consumers, society, partners, employees, and shareholders, taken food safety and nutritional health as the foundation, and regarded collaborative innovation as the driving force to promote the green and high-quality development of the industry and contribute to the advancement of Chinese modernization featuring harmony between humans and nature.

Green and Low-Carbon Protection for the Future

The Group has been upholding the “economic-ESG” concept, enhancing the efficiency and effectiveness of environmental management, applying low-carbon energy and technologies, accelerating green transition, and empowering business development through ESG initiatives. The core factories have continued to implement energy-saving, water-saving and emission reduction measures, expanded the scale of photovoltaic deployment and green power procurement, promoted waste heat recovery, biogas recovery and other projects, strengthened the coordination of pollution reduction and carbon abatement, and reduced operating costs. The Group has explored opportunities for lightweighting and recycling of packaging materials, optimized packaging design, and contributed to a green and low-carbon lifestyle.

The Group has actively participated in industry development, carried out cross-industry cooperation, participated in the drafting of a number of national and industry standards related to sustainable development, and helped develop a “healthy, safe, green, and innovative” food and beverage industry. With the ESG-themed fashion show “WRAPPER TO WONDER—Plastic Reborn in a World of Circulation”, the Group made an appearance at Shanghai Fashion Week, creating fashion pieces from waste packaging, innovatively promoting the new ecology of circular economy, exploring the rejuvenation of ESG communication, and calling on the younger generation to join the green and low-carbon ranks. The Group has formed green strategic partnerships with cross-industry leading enterprises to deepen cooperation in the fields of “DELICACY”, “Digital Intelligent Supply Chain and Facilities”, and “Smart Logistics”, and jointly build a replicable green and low-carbon model.

Digital Transformation to Boost Efficiency

The Group has been committed to integrating digitalization into enterprise operations, accelerating the transformation of digital and intelligent production management, and enhancing the enterprise’s comprehensive strength and operational efficiency through digital-driven initiatives. The Group has promoted the construction of the digitalization system of food safety, and has completed equipment renovation and digitalization of daily business process in its factories, realizing real-time monitoring, management and maintenance of equipment status, as well as real-time collection and automatic analysis of energy data, and full life cycle traceability of product quality. The Group has leveraged digital tools to establish an intelligent supplier management system, which covers parts including upstream and downstream procurement, transportation and production, strengthening the whole-process coordination and integration of suppliers. The Group has actively promoted the digital transformation of human resources, realized online one-stop operation, and improved work efficiency.

Caring for People’s Wellbeing from a Strong Sense of Responsibility

The Group promptly responded to the earthquake relief efforts in Dingri County, Xizang Autonomous Region, supported extreme weather relief efforts in Xiamen, Huaiji and other places, and used self-developed “emergency rescue vehicles” to provide caring supplies for the affected people and rescue teams. The Group widely carried out public awareness campaigns on food safety, “Education on Water” and aerospace science to enhance citizens’ awareness of food safety and foster healthy water consumption habits. The Group distributed instant noodle products to outdoor workers and sent drinking water to students during the high school and college entrance examinations, showcasing the enterprise’s social responsibility and compassion. The Group supported and sponsored sports activities and sports events such as basketball, marathon, cycling, and dragon boating in many places to ignite people’s passion for sports.

Prominent Performance with High Praises

The Group's sustainable development practices have been widely recognized by authoritative institutions at home and abroad. The Group was selected into the "25 Value Chain Leaders Alliance Case Collection" by the United Nations Global Compact (UNGC) and "XINHUANET 2025 Rural Revitalization Practice Cases"; won the Breaker of Ecosystem Brand 2025 and Ram Charan Management Practice Award; won the dual categories in awards of "2025 Forbes China ESG 50" and "Annual Inspiring Case Relating to ESG"; selected into the 2025 *Fortune* China ESG Impact List; won the trophy of the 2025 Hong Kong ESG Reporting Award (HERA) Newcomer Award Commendation; awarded with the Green Impact Award of the 2025 Shanghai International Carbon Neutrality Expo in Technologies, Products and Achievements by the Council for the Promotion of International Trade Shanghai; won the Excellence Award of the "White Jade Cong Cup (Shanghai) 12th Excellent Public Relations Case Competition"; selected into the Watchlist 2026 by Bloomberg Green and awarded with the title of "ESG Champion"; its ESG communication project won the Golden Flag Award's top prize "Grand Award", and was selected into the "Top 50 Brands with the Most Social Value of the Year"; Won the "Corporate Social Responsibility Gold Award" of the 21st China Golden Awards for Excellence in Public Relations.

Prospects

2026 is the first year of the 15th Five-Year Plan period, and it is expected that the policy environment will remain moderately accommodative. The food and beverage industry will closely follow the theme of high-quality development, and consumption stratification will become more refined, and products with functional attributes, emotional value and green concepts will lead the industry's growth. At the same time, digital technology and the real economy will witness accelerated and in-depth integration, which will continuously reshape the industry's operation model and channel competition landscape.

At the beginning of 2026, the Group successfully completed the CEO transition and clarified the division of roles and responsibilities, established a clearer accountability management mechanism, and promoted the simultaneous improvement of leadership rejuvenation and organizational efficiency. In the future, the Group will be guided by the spirit of "Back to Day 1", embracing the efficiency, agility and entrepreneurial drive of our founding days, and building a platform that encourages honesty, bold experimentation and mutual growth, thus fully unleashing the vitality of all employees. The Group will consolidate basic R&D and digital transformation efforts, focus on national health needs to drive product innovation, and meet emerging consumption trends with innovative product offerings. The Group will make every effort to promote the main business to become better and stronger, and stride toward a new stage of higher-quality development.

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 2025, 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 2025. 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. Hsu Shin-Chun, Mr. Masaya Tochio and Mr. Man Mo Leung. Mr. Hsu Shin-Chun 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 2025.

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 2025, 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.

During the twelve months ended 31 December 2025, no share options were granted by the Company in accordance with the terms of the 2008 Share Option Scheme or 2018 Share Option Scheme. Accordingly, the number of Shares that may be issued in respect of options and awards granted under all schemes of the Company during the year divided by the weighted average number of the relevant class of Shares in issue during the year (excluding treasury shares) was nil.

(a) 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

Date of grant	Number of share options granted	Exercisable period	Exercise price (HK\$)
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 options shall vest immediately upon the 5th anniversary of the grant date or when the holder reaches the retirement age prescribed under the 2008 scheme.

The summary below sets out the details of movement of the share options during the twelve months ended 31 December 2025 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	Granted	Exercised	Cancelled	Lapsed	Balance	Weighted	Note
				as at 1 January 2025	during the year	during the year	during the year	during the year	as at 31 December 2025	average closing price immediately before exercise HK\$	
Executive Director											
Wei Hong-Ming	21 April 2017	10.20	10.20	1,000,000	—	—	—	—	1,000,000	—	Table A (10)
Wei Hong-Chen (note)	21 April 2017	10.20	10.20	1,000,000	—	—	—	—	1,000,000	—	Table A (10)
Chief Executive Officer											
Chen Yinjang (note)	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)
Other employees											
in aggregate	5 June 2015	16.22	15.92	6,612,000	—	—	—	6,612,000	—	—	Table A (8)
	4 July 2016	7.54	7.54	970,000	—	700,000	—	—	270,000	12.90	Table A (9)
	21 April 2017	10.20	10.20	4,680,000	—	1,380,000	—	—	3,300,000	13.20	Table A (10)
Total				15,642,000	—	2,080,000	—	6,992,000	6,570,000		

Note: The service contract between Mr. Chen Yinjang and the Company has expired on 31 December 2025. Mr. Wei Hong-Chen, an executive Director of the Company, was appointed as the CEO of the Company, with effect from 1 January 2026.

During the twelve months ended 31 December 2025, no share options were granted by the Company in accordance with the terms of the 2008 Share Option Scheme.

During the period of twelve months ended 31 December 2025, 2,080,000 options had been exercised under the 2008 Share Option Scheme. Weighted average exercise price was HK\$9.30 and the weighted average market closing price before the date of exercise was HK\$13.10.

In view of the expiry of the 2008 Scheme Option Scheme, the number of options available for grant under the scheme mandate as at 1 January 2025 and 31 December 2025 was both zero; As at 23 March 2026, the total number of shares available for issue under the 2008 Share Option Scheme was 6,570,000, representing approximately 0.12% of the issued share capital of the Company as at such date.

(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 options shall vest upon the 3th anniversary of the grant date.

The summary below sets out the details of movement of the share options during the twelve months ended 31 December 2025 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 2025	Weighted average closing price immediately before exercise HK\$	Note
				Balance as at 1 January 2025	Granted during the year	Exercised during the year	Cancelled during the year	Lapsed during the year			
Executive Director											
Wei Hong-Ming	27 April 2018	16.18	15.02	385,000	—	—	—	—	385,000	—	Table C (1a)
Wei Hong-Chen (note)	27 April 2018	16.18	15.02	385,000	—	—	—	—	385,000	—	Table C (1a)
Other employees in aggregate	27 April 2018	16.18	15.02	1,708,000	—	—	—	—	1,708,000	—	Table C (1a)
Total				<u>2,478,000</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>2,478,000</u>	<u>—</u>	

Note: Mr. Wei Hong-Chen, an executive Director of the Company, was appointed as the CEO of the Company, with effect from 1 January 2026.

During the twelve months ended 31 December 2025, no share options were granted by the Company in accordance with the terms of the 2018 Share Option Scheme.

During the twelve months ended 31 December 2025, no share options were exercised, cancelled or lapsed under the terms of the 2018 Share Option Scheme.

The number of options available for grant under the 2018 Share Option scheme mandate as at 1 January 2025 and 31 December 2025 was both 409,878,736. As at 23 March 2026, the total number of shares available for issue under the 2018 Share Option Scheme was 412,356,736, representing approximately 7.32% of the issued share capital of the Company as at such date.

ANNUAL GENERAL MEETING

It is proposed that the forthcoming annual general meeting of the Company (the “Annual General Meeting”) be held on 8 June 2026. 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 RMB39.92 cents per ordinary share of the Company and the payment of a special final dividend of RMB39.92 cents per ordinary share of the Company in respect of the year ended 31 December 2025. 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 8 July 2026.

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

The register of members of the Company will be closed from 3 June 2026 to 8 June 2026 (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 Tuesday, 2 June 2026.

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

The register of members of the Company will be closed from 12 June 2026 to 16 June 2026 (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, 11 June 2026.

BOARD OF DIRECTORS

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. Masaya Tochio and Mr. Man Mo Leung are Independent Non-executive Directors of the Company.

By Order of the Board
Wei Hong-Ming
Chairman

Hong Kong, 23 March 2026

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

* *For identification purpose only*