Health and Happiness (H&H) International Holdings Limited
健合(H&H)國際控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1112)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

FINANCIAL HIGHLIGHTS

	Year ended 31 December		
	2025	2024	*Change*
	RMB million	*RMB million*	
Revenue	**14,353.6**	13,051.7	*10.0%*
Gross profit	**8,963.7**	7,915.5	*13.2%*
EBITDA*	**1,772.6**	1,405.8	*26.1%*
Adjusted EBITDA*	**2,050.5**	1,952.3	*5.0%*
Adjusted EBITDA margin	**14.3%**	15.0%	*-0.7pts*
Net profit/(loss)	**196.1**	(53.7)	*465.2%*
Adjusted net profit**	**664.1**	541.2	*22.7%*
Adjusted net profit margin	**4.6%**	4.1%	*0.5pts*

* EBITDA refers to earnings before interest, income tax expense, depreciation and amortization. Adjusted EBITDA = EBITDA + Non-cash losses of RMB228.3 million for the year ended 31 December 2025 (2024: losses of RMB286.0 million) + Non-recurring losses of RMB49.6 million for the year ended 31 December 2025 (2024: losses of RMB260.5 million)

** Adjusted net profit = Net profit/(loss) + EBITDA adjustment items of losses of RMB277.9 million for the year ended 31 December 2025 (2024: losses of RMB546.5 million) + Other non-cash or non-recurring loss of RMB190.1 million for the year ended 31 December 2025 (2024: losses of RMB48.4 million)

The board (the "**Board**") of directors (the "**Directors**") of Health and Happiness (H&H) International Holdings Limited (the "**Company**") is pleased to announce the consolidated results of the Company and its subsidiaries (together, the "**Group**") for the year ended 31 December 2025, together with the comparative figures for the corresponding period in 2024, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2025

	Notes	**2025**	2024
		RMB'000	*RMB'000*
REVENUE	*5*	**14,353,571**	13,051,708
Cost of sales		**(5,389,858)**	(5,136,196)
Gross profit		**8,963,713**	7,915,512
Other income and gains	*5*	**62,478**	162,559
Selling and distribution expenses		**(6,229,135)**	(5,569,618)
Administrative expenses		**(837,323)**	(779,384)
Other expenses		**(465,994)**	(588,626)
Finance costs		**(909,943)**	(920,611)
Share of losses of associates		**(20,698)**	(23,039)
PROFIT BEFORE TAX		**563,098**	196,793
Income tax expense	*6*	**(366,958)**	(250,514)
PROFIT/(LOSS) FOR THE YEAR		**196,140**	(53,721)
OTHER COMPREHENSIVE INCOME/(LOSS)			
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:			
Cash flow hedges:			
Effective portion of changes in fair value of hedging instruments arising during the year		**–**	54,676
Reclassification adjustments for losses included in profit or loss		**–**	(55,426)
Income tax effect		**–**	(1,250)
		–	(2,000)
Hedges of net investments:			
Effective portion of changes in fair value of hedging instruments arising during the year		**(29,341)**	75,446
Exchange differences on translation of foreign operations		**46,522**	(138,117)
Exchange differences on net investments in foreign operations		**100,585**	(65,039)
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods		**117,766**	(129,710)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (continued)

Year ended 31 December 2025

	Note	**2025** ***RMB'000***	2024 *RMB'000*
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:			
Changes in fair value of equity investments designated at fair value through other comprehensive income		**3,366**	(12,089)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX		**121,132**	(141,799)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		**317,272**	(195,520)
Profit/(loss) attributable to owners of the parent		**196,140**	(53,721)
Total comprehensive income/(loss) attributable to owners of the parent		**317,272**	(195,520)
		RMB	*RMB*
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*8*		
Basic		**0.31**	(0.08)
Diluted		**0.31**	(0.08)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		**302,820**	318,506
Right-of-use assets		**217,778**	118,734
Goodwill		**7,620,614**	7,603,641
Intangible assets		**5,063,903**	5,295,021
Deposits		**32,761**	46,556
Investments in associates		**91,213**	111,911
Deferred tax assets		**546,752**	530,681
Derivative financial instruments		**40,470**	20,567
Other non-current financial assets		**190,858**	174,164
Total non-current assets		**14,107,169**	14,219,781
CURRENT ASSETS			
Inventories		**1,968,079**	1,906,675
Trade and bills receivables	*9*	**904,245**	927,179
Prepayments, other receivables and other assets		**697,673**	177,215
Pledged deposits		**17,357**	7,652
Time deposits		**40,000**	–
Cash and cash equivalents		**1,669,001**	1,603,920
Total current assets		**5,296,355**	4,622,641
CURRENT LIABILITIES			
Trade and bills payables	*10*	**1,007,982**	907,383
Other payables and accruals		**2,302,762**	1,937,772
Contract liabilities		**36,989**	48,949
Derivative financial instruments		**7,445**	–
Interest-bearing bank loans and other borrowings		**995,137**	860,905
Lease liabilities		**29,548**	26,532
Senior notes		**83,656**	2,247
Tax payable		**151,919**	88,581
Total current liabilities		**4,615,438**	3,872,369
NET CURRENT ASSETS		**680,917**	750,272

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
31 December 2025

	2025	2024
	RMB'000	*RMB'000*
TOTAL ASSETS LESS CURRENT LIABILITIES	**14,788,086**	14,970,053
NON-CURRENT LIABILITIES		
Senior notes	**2,074,993**	2,117,248
Interest-bearing bank loans and other borrowings	**5,740,336**	6,304,559
Lease liabilities	**127,255**	48,351
Other payables and accruals	**4,376**	1,803
Derivative financial instruments	**160,126**	266
Deferred tax liabilities	**690,138**	684,455
Total non-current liabilities	**8,797,224**	9,156,682
Net assets	**5,990,862**	5,813,371
EQUITY		
Issued capital	**5,519**	5,519
Reserves	**5,894,531**	5,777,852
Proposed dividend	**90,812**	30,000
Total equity	**5,990,862**	5,813,371

CONSOLIDATED STATEMENT OF CASH FLOWS
Year ended 31 December 2025

	Note	**2025** **RMB'000**	2024 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**563,098**	196,793
Adjustments for:			
Bank interest income	5	**(11,623)**	(12,639)
Finance costs		**909,943**	920,611
Share of losses of associates		**20,698**	23,039
Depreciation of property, plant and equipment		**64,388**	69,352
Depreciation of right-of-use assets		**46,431**	37,848
Amortisation of intangible assets		**200,383**	193,792
Loss on disposal of items of property, plant and equipment and intangible assets		**3,304**	4,510
Gains on revision of lease term or early termination of leases		**(210)**	(32)
Impairment of goodwill		**–**	108,343
Impairment of intangible assets		**106,501**	15,657
Impairment of trade receivables		**11,271**	3,906
Impairment of other receivables		**–**	2,758
Write-down of inventories to net realisable value		**295,745**	247,284
Equity-settled share option expense		**777**	–
Equity-settled/(reversal of equity-settled) share award expense		**342**	(4,292)
Fair value losses/(gains) on derivative financial instruments, net		**82,071**	(50,890)
Fair value losses on other non-current financial assets		**1,634**	13,040
Foreign exchange losses, net		**17,409**	176,791
		2,312,162	1,945,871
(Increase)/decrease in inventories		**(374,076)**	195,924
(Increase)/decrease in trade and bills receivables		**9,309**	100,324
(Increase)/decrease in prepayments, other receivables and other assets		**(564,264)**	55,519
Increase in rental deposits		**(4,008)**	(8,867)
Placement of restricted deposits		**(9,705)**	(160)
Increase/(decrease) in trade and bills payables		**83,677**	(146,478)
Increase/(decrease) in other payables and accruals		**368,285**	(305,973)
Decrease in contract liabilities		**(16,260)**	(160,258)
Cash generated from operations		**1,805,120**	1,675,902
Corporate income tax paid		**(268,310)**	(329,479)
Net cash flows from operating activities		**1,536,810**	1,346,423

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)
Year ended 31 December 2025

	2025	2024
	RMB'000	*RMB'000*
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of items of property, plant and equipment	**(48,505)**	(56,658)
Proceeds from disposal of items of property, plant and equipment and intangible assets	**–**	11,190
Additions to intangible assets	**(45,852)**	(40,650)
Addition to other non-current financial assets	**(3,975)**	(2,101)
Receipt of bonds receivable	**–**	78,592
Placement of time deposits with original maturity of three months or more when acquired	**(40,000)**	–
Interest received	**11,525**	10,522
Net cash flows (used in)/from investing activities	**(126,807)**	895
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of senior notes	**2,111,651**	906,794
Payment of transaction costs for issue of senior notes	**(23,846)**	(43,228)
Repurchase and redemption of senior notes	**(2,334,058)**	(454,865)
New guaranteed bonds and bank loans	**744,788**	3,330,048
Payment of transaction costs for issue of guaranteed bonds and bank loans	**(7,624)**	(233,412)
Repayment of interest-bearing bank loans and repurchase of guaranteed bonds	**(1,166,741)**	(3,636,709)
Payment of lease liabilities	**(49,232)**	(53,499)
Interest paid	**(537,236)**	(706,138)
Proceeds from certain Swaps	**37,592**	69,611
Proceeds from the termination of certain Swaps	**13,255**	32,307
Dividends paid	**(141,456)**	(281,908)
Net cash flows used in financing activities	**(1,352,907)**	(1,070,999)

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)
Year ended 31 December 2025

	2025	2024
	RMB'000	*RMB'000*
NET INCREASE IN CASH AND CASH EQUIVALENTS	**57,096**	276,319
Cash and cash equivalents at beginning of year	**1,603,920**	1,364,283
Effect of foreign exchange rate changes, net	**7,985**	(36,682)
CASH AND CASH EQUIVALENTS AT END OF YEAR	**1,669,001**	1,603,920
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	**1,669,001**	1,603,920

NOTES TO FINANCIAL STATEMENTS

31 December 2025

1. CORPORATE AND GROUP INFORMATION

Health and Happiness (H&H) International Holdings Limited (the "**Company**") is incorporated as an exempted company with limited liability in the Cayman Islands. The registered address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Company and its subsidiaries (the "**Group**") are principally engaged in the manufacture and sale of premium paediatric nutrition, baby care products, adult nutrition and care products and pet nutrition and care products.

In the opinion of the directors, the holding company and the ultimate holding company of the Company is Coliving Holdings Limited (formerly named as Biostime Pharmaceuticals (China) Limited), a limited liability company incorporated in the British Virgin Islands.

2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with IFRS Accounting Standards, which include International Accounting Standards ("**IASs**") and Interpretations promulgated by the International Accounting Standards Board ("**IASB**") and the disclosure requirements of the Hong Kong Companies Ordinance.

These financial statements have been prepared under the historical cost convention, except for derivative financial instruments and other non-current financial assets which have been measured at fair value. These financial statements are presented in RMB and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include these financial statements of the Group for the year ended 31 December 2025. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. 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.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted amendments to IAS 21 *Lack of Exchangeability* for the first time for the current year's financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted in and the functional currencies of overseas subsidiaries and associates for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's financial statements.

In addition, the IASB has issued amendments to Illustrative Examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37 *Disclosures about Uncertainties in the Financial Statements*, which added illustrative examples in the corresponding IFRS Accounting Standards. These examples reflect existing requirements in the corresponding IFRS Accounting Standards to report the effects of uncertainties in the financial statements using climate-related examples. Therefore, the amendments do not have an effective date or transitional provisions. The Group has considered the guidance in these illustrative examples and assessed that there was no impact on the Group's financial statements.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and has five reportable operating segments as follows:

(a) the infant formulas segment comprises the production and sale of milk formulas for infants, children and expectant and nursing mothers;

(b) the paediatric probiotic and kids nutritional supplements segment comprises the production and sale of probiotic supplements and nutrition supplements in the form of powder, sachets, capsules, gummies and tablets for infants, children and expectant mothers;

(c) the adult nutrition and care products segment comprises the production and sale of vitamins, herbal and mineral supplements, skin care and sports nutrition products for adults;

(d) the other paediatric products segment comprises the production and sale of dried baby food and baby care products; and

(e) the pet nutrition and care products segment comprises the production and sale of holistic pet food and multi-condition pet supplements.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit which is measured consistently with the Group's profit before tax except that interest income, other income and unallocated gains, share of results of associates, finance costs as well as head office and corporate expenses are excluded from this measurement.

Operating segment information for the year ended 31 December 2025:

	Infant formulas *RMB'000*	Paediatric probiotic and kids nutritional supplements *RMB'000*	Adult nutrition and care products *RMB'000*	Other paediatric products *RMB'000*	Pet nutrition and care products *RMB'000*	Unallocated *RMB'000*	Total *RMB'000*
Segment revenue *(note 5)*:							
Sales to external customers	**4,215,817**	**837,337**	**6,946,375**	**204,182**	**2,149,860**	**–**	**14,353,571**
Segment results	**2,323,248**	**614,000**	**4,719,149**	**78,439**	**1,228,877**	**–**	**8,963,713**
Reconciliations:							
Interest income							**11,623**
Other income and unallocated gains							**50,855**
Share of losses of associates							**(20,698)**
Corporate and other unallocated expenses							**(7,532,452)**
Finance costs							**(909,943)**
Profit before tax							**563,098**
Other segment information:							
Depreciation and amortisation	**23,969**	**3,443**	**79,246**	**9,553**	**84,912**	**110,079**	**311,202**
Impairment of trade receivables	**–**	**–**	**2,107**	**9,164**	**–**	**–**	**11,271**
Write-down of inventories to net realisable value	**162,560**	**49,891**	**60,164**	**5,285**	**17,845**	**–**	**295,745**
Impairment of goodwill and intangible assets	**–**	**–**	**–**	**106,501**	**–**	**–**	**106,501**
Capital expenditure*	**16,701**	**3,868**	**26,347**	**7,809**	**11,998**	**20,370**	**87,093**

Operating segment information for the year ended 31 December 2024:

	Infant formulas *RMB'000*	Paediatric probiotic and kids nutritional supplements *RMB'000*	Adult nutrition and care products *RMB'000*	Other paediatric products *RMB'000*	Pet nutrition and care products *RMB'000*	Unallocated *RMB'000*	Total *RMB'000*
Segment revenue *(note 5)*:							
Sales to external customers	3,332,404	821,291	6,696,222	228,582	1,973,209	–	13,051,708
Segment results	1,849,156	596,585	4,351,909	99,724	1,018,138	–	7,915,512
Reconciliations:							
Interest income							12,639
Other income and unallocated gains							149,920
Share of losses of associates							(23,039)
Corporate and other unallocated expenses							(6,937,628)
Finance costs							(920,611)
Profit before tax							196,793
Other segment information:							
Depreciation and amortisation	24,323	3,470	79,995	9,958	79,613	103,633	300,992
Impairment of trade receivables	–	–	680	3,185	41	–	3,906
Write-down of inventories to net realisable value	82,465	28,842	80,261	3,886	51,830	–	247,284
Impairment of goodwill and intangible assets	–	–	–	124,000	–	–	124,000
Capital expenditure*	32,879	878	15,076	16,176	12,889	10,487	88,385

* Capital expenditure consists of additions to property, plant and equipment and intangible assets including assets from the acquisition of subsidiaries.

Geographical information

(a) *Revenue from external customers*

	2025	2024
	RMB'000	*RMB'000*
Chinese mainland	**10,201,467**	8,685,410
Australia and New Zealand	**1,574,056**	2,012,705
North America	**1,747,740**	1,621,676
Other locations*	**830,308**	731,917
Total revenue	**14,353,571**	13,051,708

The revenue information above is based on the locations of the customers.

(b) *Non-current assets*

	2025	2024
	RMB'000	*RMB'000*
Chinese mainland	**88,809**	104,247
Australia and New Zealand	**2,207,611**	2,119,545
North America	**2,329,894**	2,460,366
Other locations*	**1,082,161**	1,206,570
Total non-current assets	**5,708,475**	5,890,728

The non-current asset information above is based on the locations of the assets and excludes financial instruments, deferred tax assets and goodwill.

* Including the special administrative regions of the People's Republic of China ("**PRC**").

Information about major customers

During the years ended 31 December 2025 and 2024, no revenue from transactions with a single external customer amounted to 10% or more of the Group's total revenue.

5. REVENUE, OTHER INCOME AND GAINS

Revenue

An analysis of the revenue is as follows:

	2025	2024
	RMB'000	*RMB'000*
Revenue from contracts with customers		
Sale of goods	**14,353,571**	13,051,708

(i) Disaggregated revenue information

For the year ended 31 December 2025

Segments	Infant formulas *RMB'000*	Paediatric probiotic and kids nutritional supplements *RMB'000*	Adult nutrition and care products *RMB'000*	Other paediatric products *RMB'000*	Pet nutrition and care products *RMB'000*	Total *RMB'000*
Geographical markets						
Chinese mainland	**4,091,305**	**821,961**	**4,911,712**	**837**	**375,652**	**10,201,467**
Australia and New Zealand	**18,523**	**2,218**	**1,553,182**	**–**	**133**	**1,574,056**
North America	**–**	**1,317**	**24,825**	**13**	**1,721,585**	**1,747,740**
Other locations*	**105,989**	**11,841**	**456,656**	**203,332**	**52,490**	**830,308**
Total	**4,215,817**	**837,337**	**6,946,375**	**204,182**	**2,149,860**	**14,353,571**
Timing of revenue recognition						
Goods transferred at a point in time	**4,215,817**	**837,337**	**6,946,375**	**204,182**	**2,149,860**	**14,353,571**

For the year ended 31 December 2024

Segments	Infant formulas *RMB'000*	Paediatric probiotic and kids nutritional supplements *RMB'000*	Adult nutrition and care products *RMB'000*	Other paediatric products *RMB'000*	Pet nutrition and care products *RMB'000*	Total *RMB'000*
Geographical markets						
Chinese mainland	3,189,443	805,782	4,335,672	8,701	345,812	8,685,410
Australia and New Zealand	13,754	2,065	1,996,886	–	–	2,012,705
North America	–	753	28,493	–	1,592,430	1,621,676
Other locations*	129,207	12,691	335,171	219,881	34,967	731,917
Total	3,332,404	821,291	6,696,222	228,582	1,973,209	13,051,708
Timing of revenue recognition						
Goods transferred at a point in time	3,332,404	821,291	6,696,222	228,582	1,973,209	13,051,708

* Including the special administrative regions of the PRC.

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

	2025	2024
	RMB'000	*RMB'000*
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Sale of goods	**48,949**	200,461

(ii) *Performance obligations*

The performance obligation is satisfied upon delivery of the Group's products. Advance payment is normally required for sales to customers in the Chinese mainland except in limited circumstances for credit sales. Credit sales are usually allowed for customers outside the Chinese mainland with credit terms of 30 to 90 days from end of month. Some contracts provide customers with a right of return and sales rebates which give rise to variable consideration subject to constraint.

Other income and gains

	2025	2024
	RMB'000	*RMB'000*
Bank interest income	**11,623**	12,639
Fair value gains on derivative financial instruments	**–**	50,890
Government subsidies*	**1,268**	3,429
Gains from sales of raw materials	**23,598**	70,933
Gains from sale of scraps	**3,754**	2,136
Gains on revision of lease term or early termination of leases	**210**	32
Interest income from investment in Isigny Sainte Mère ("**ISM**")	**5,595**	7,932
Others	**16,430**	14,568
Total other income and gains	**62,478**	162,559

* There are no unfulfilled conditions or contingencies related to these government subsidies.

6. INCOME TAX

	2025	2024
	RMB'000	*RMB'000*
Current		
– Charge for the year		
Chinese mainland	**149,119**	64,555
Hong Kong	**115,196**	86,677
Australia	**126,105**	108,993
Elsewhere	**4,440**	3,052
– Over provision in the prior year	**(7,258)**	(2,578)
Deferred	**(20,644)**	(10,185)
Total	**366,958**	250,514

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

PRC enterprise income tax ("EIT")

The income tax provision of the Group in respect of its operations in the Chinese mainland has been calculated at the rate of 25% (2024: 25%) on the taxable profits for the year, based on the existing legislation, interpretations and practices in respect thereof.

Guangzhou Hapai and Biostime Health, the Company's wholly-owned subsidiaries operating in the Chinese mainland, were recognised as high-technology enterprise in December 2025 and 2023, respectively, and are subject to EIT at a rate of 15% for three years from 2025 to 2027 and from 2023 to 2025, respectively. Under Guokefahuo [2016] No. 32 ("**Circular 32**"), Guangzhou Hapai and Biostime Health were subject to EIT at a rate of 15% for the years ended 31 December 2025 and 2024.

Hong Kong profits tax

Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the year, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HKD2,000,000 (2024: HKD2,000,000) of assessable profits of this subsidiary are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

Australia corporate income tax

Australia corporate income tax has been provided at the rate of 30% (2024: 30%) on the estimated assessable profits arising in Australia.

Tax consolidation legislation

Biostime Healthy Australia Pty Ltd. ("**Biostime Healthy Australia**"), its wholly-owned Australian subsidiaries and eligible Tier 1 fellow subsidiaries have elected to form an income tax multiple entry consolidated ("**MEC**") group, for Australian income tax purposes.

In an income tax MEC group, Biostime Healthy Australia, its wholly-owned subsidiaries and eligible Tier 1 fellow subsidiaries within the income tax MEC group account for their own current and deferred tax amounts. These income tax amounts are measured as if each entity in the income tax MEC group continues to be a standalone taxpayer in its own right.

In addition to its own current and deferred tax amounts, Biostime Healthy Australia also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from subsidiaries within the income tax MEC group.

The entities have also entered into a tax funding arrangement under which the wholly-owned entities fully compensate Biostime Healthy Australia for any current tax payable assumed and are compensated by Biostime Healthy Australia for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to Biostime Healthy Australia under the income tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly-owned entities' financial statements.

The amounts receivable/payable under the tax funding arrangement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as current amounts receivable from or payable to other entities in the Group.

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entitles.

Income tax for other jurisdictions

The Group's tax provision in respect of other jurisdictions has been calculated at the applicable tax rates in accordance with the prevailing practices of the jurisdictions in which the Group operates.

7. DIVIDENDS

	2025	2024
	RMB'000	*RMB'000*
Dividends on ordinary shares declared and paid during the year:		
Interim – HKD0.19 (2024: HKD0.30) per ordinary share	**111,181**	175,861
Proposal final – HKD0.16 (2024: HKD0.05) per ordinary share	**90,812**	30,000

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

8. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings/(loss) per share amount is based on the profit/(loss) for the year attributable to ordinary equity holders of the parent, and the adjusted weighted average number of ordinary shares of 641,720,890 (2024: 641,275,361) outstanding during the year.

The calculation of the diluted earnings per share amount for the year ended 31 December 2025 is based on the profit for the year attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation of diluted earnings per share is the adjusted weighted average number of ordinary shares outstanding during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise of all dilutive potential ordinary shares into ordinary shares under the share option schemes and the share award schemes. No adjustment had been made to the basic loss per share amount presented for the year ended 31 December 2024 in respect of a dilution as impact of the potential ordinary shares had an anti-dilutive effect on the basic loss per share amount presented.

The calculations of basic and diluted earnings/(loss) per share are based on:

	2025	2024
	RMB'000	*RMB'000*
Earnings/(loss)		
Profit/(loss) attributable to ordinary equity holders of the parent, used in the basic earnings/(loss) per share calculation	**196,140**	(53,721)
	Number of shares	
Shares		
Weighted average number of ordinary shares outstanding	**645,561,354**	645,561,354
Weighted average number of shares held for the share award schemes	**(3,840,464)**	(4,285,993)
Adjusted weighted average number of ordinary shares outstanding used in the basic earnings/(loss) per share calculation	**641,720,890**	641,275,361
Effect of dilution – weighted average number of ordinary shares: Share options and awarded shares	**57,846**	–
Adjusted weighted average number of ordinary shares outstanding used in the diluted earnings/(loss) per share calculation	**641,778,736**	641,275,361

9. TRADE AND BILLS RECEIVABLES

	2025	2024
	RMB'000	*RMB'000*
Trade receivables	**933,022**	952,310
Less: Impairment provision	**(28,777)**	(25,395)
	904,245	926,915
Bills receivable	**–**	264
Net carrying amount	**904,245**	927,179

Advance payment is normally required for sales to customers in Chinese mainland except in limited circumstances for credit sales. Credit sales are usually allowed for customers outside Chinese mainland with credit terms of 30 to 90 days from end of month. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk.

Trade receivables are unsecured and non-interest-bearing. Bills receivable represent bank acceptance notes issued by banks in Chinese mainland which are non-interest-bearing.

An ageing analysis of the trade and bills receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2025	2024
	RMB'000	*RMB'000*
Within 1 month	**472,122**	623,546
1 to 3 months	**381,204**	245,038
Over 3 months	**50,919**	58,595
Total	**904,245**	927,179

10. TRADE AND BILLS PAYABLES

	2025	2024
	RMB'000	*RMB'000*
Trade payables	**1,006,062**	907,383
Bills payables	**1,920**	–
Total	**1,007,982**	907,383

An ageing analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

	2025	2024
	RMB'000	*RMB'000*
Within 1 month	**841,635**	775,760
1 to 3 months	**134,390**	85,340
Over 3 months	**31,957**	46,283
Total	**1,007,982**	907,383

The trade and bills payables are non-interest-bearing and are normally settled on 30-90 day terms.

CHAIRMAN'S STATEMENT

2025 was an inspiring year for our Group, marked by meaningful progress across every dimension of our strategy. We returned to solid, broad-based growth across all business segments – Adult Nutrition and Care ("**ANC**"), Baby Nutrition and Care ("**BNC**") and Pet Nutrition and Care ("**PNC**"), while making disciplined progress against our strategic and financial priorities.

Key highlights for the year included:

- **Delivered robust financial performance:** Total revenue increased by 10.3% on a like-for-like ("**LFL**") basis[1] during the year. We maintained a consistent level of profitability, with our adjusted EBITDA margin reaching 14.3%, while our adjusted net profit grew by 22.7%.

- **Reinforced market leadership in ANC:** Marking a decade of strategic stewardship, Swisse's revenue has reached the USD1 billion[2] milestone in 2025. Swisse achieved the No. 1 position in Chinese mainland's overall VHMS market in 2025[3] and the No.1 position in the Australian market[4], while delivering double-digit growth across Chinese mainland and expansion markets.

- **Revitalised BNC growth momentum:** Our BNC segment in Chinese mainland returned to a growth trajectory, propelled by the successful turnaround of our infant milk formulas ("**IMF**") business following the new 'GB' transition. We continued to outperform the market, with our share of the super-premium IMF segment reaching a new high of 17.1% in 2025, up from 13.3% in 2024[5].

- **Scaled PNC into a meaningful growth engine:** Our PNC segment contributed 15.0% of our total revenue in 2025, underpinned by overall PNC LFL growth of 8.7%, with high-growth pet supplements delivering 14.3% LFL growth.

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1 LFL basis is used to indicate sales growth for this financial period compared with the same period of the previous year, excluding the impact from foreign exchange changes.

2 Net sales for the twelve months ended 31 December 2025.

3 According to research statistics by brand for the past twelve months ended 31 December 2025, prepared by Kantar Worldpanel, an independent research company.

4 According to research statistics by IQVIA, an independent research company, market share data for the past twelve months ended 31 December 2025.

5 According to research statistics by Nielsen, an independent research company, market share data for the past twelve months ended 31 December 2025 and 31 December 2024, respectively.

- **Accelerated balance sheet deleveraging:** We significantly improved our net leverage ratio from 3.99x in 2024 to 3.45x in 2025, driven by strong operating cash flow and an optimised capital structure. Over the year, we reduced gross debt by over RMB600 million while maintaining healthy cash reserves of over RMB1.7 billion, accelerating our deleveraging trajectory.

We remain committed to maintaining a steady track record of dividend payouts in addition to steadily reducing our leverage and strengthening our balance sheet. As such, I am pleased to announce a final dividend of HKD0.16 per ordinary share. Combined with our interim dividend of HKD0.19 per ordinary share, this brings our total full-year dividend to HKD0.35 per ordinary share, representing a payout ratio of 30.0% of our adjusted net profit.

ADULT NUTRITION AND CARE

In mid-2025, we made the strategic choice to deprioritise the corporate daigou channel. Excluding the impact of this transition, our ANC segment delivered an outstanding performance, contributing 48.4% of our total revenue. Revenue from the Chinese mainland increased by a 13.3%, while the Australia and New Zealand (“**ANZ**”) domestic market achieved healthy 5.5% LFL growth. Furthermore, our expansion markets maintained their strong double-digit trajectory, now representing 6.9% of total ANC sales.

In Chinese mainland, our growth was driven by Swisse’s continued outperformance in innovative product categories that resonate with changing consumer preferences, particularly in heart health, anti-ageing and detox. Our mega-brand strategy continued to broaden our consumer reach, with our Swisse Plus range, which focuses on cellular nutrition, and our Little Swisse range serving as a powerful catalyst for incremental growth.

Anti-aging remains one of the most attractive growth opportunities in Chinese mainland, supported by a structural shift in demographics. With our comprehensive range of cellular nutrition products across Swisse Plus, we are uniquely positioned to capture rising demand for science-backed cellular health solutions and solidify our market leadership in this high-growth category.

Our channel development efforts in Chinese mainland also drove our strong performance. Douyin has emerged as a major growth engine for Swisse, where we now hold the No. 4 position[6], with sales growing by 71.4% in 2025. We also expanded our presence in new retail channels such as Sam’s Club, with sales through this channel growing by 29.7% in 2025. Meanwhile, momentum remained robust across our core online channels, with sales through the cross-border e-commerce (“**CBEC**”) channel rising by 18.9% and accounting for 82.0% of revenue in Chinese mainland in 2025. Having firmly established its leadership in e-commerce and product innovation, Swisse achieved the No. 1 position in the overall VHMS market in Chinese mainland[7].

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6 According to research statistics by Feigua, an independent data provider, market share data for the past twelve months ended 31 December 2025.

7 According to research statistics by brand for the past twelve months ended 31 December 2025, prepared by Kantar Worldpanel, an independent research company.

In ANZ, we continued to outperform the overall domestic market, with healthy 5.5% LFL growth. We further consolidated our leadership position, with Swisse remaining Australia's No. 1 vitamins and mineral supplements brand on both a volume and value basis across the total market[8]. This momentum was driven by high-impact innovations, such as the launch of Swisse Magnesium Glycinate and Little Swisse Kids Gummies, our flagship "Reach for Your Best" marketing initiatives and best-in-class retail execution. Total ANZ ANC revenue declined by 20.6% on a LFL basis, reflecting our strategic choice to deprioritise the corporate daigou business.

Our thirteen expansion markets across Asia and Europe delivered a strong uplift in 2025. We maintained our current market share rankings in most of these markets through the continued product portfolio expansion and ongoing distribution gains, including the No. 1 position in the liver health and men's health in Singapore[9], and the No. 2 position in Italy's beauty VHMS market[10].

BABY NUTRITION AND CARE

We are highly encouraged by the BNC segment's return to a clear growth trajectory. Following the successful completion of the new 'GB' transition by June 2025, our IMF business has demonstrated significant resilience and renewed competitive strength.

IMF sales in Chinese mainland increased by 28.3%, significantly outpacing the overall IMF market. While delivered against a low base, this robust growth reflects the disciplined execution of our strategic priorities, including broadening our reach to new mothers through e-commerce platforms and baby specialty stores.

Momentum was particularly strong in early-stage formulas, with our Stage 1 and Stage 2 IMFs recording retail scan sales growth of 37.7% and 37.9%, respectively[11]. The strong performance of these early-stage IMF provides a high-visibility pipeline and a solid foundation for our Stage 3 IMF heading into 2026.

These collective efforts propelled Biostime's share of the super-premium IMF segment in Chinese mainland to a new high – our market share reached 17.1% for the full year[12] and accelerated to 19.5% in the final quarter of 2025[13], reflecting sustained quarter-on-quarter momentum.

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8 According to research statistics by IQVIA, an independent research company, market share data for the past twelve months ended 31 December 2025.

9 According to research statistics by Nielsen, an independent research company, market share data for the past twelve months ended 31 December 2025.

10 According to research statistics by IMS IQVIA, an independent research company, market share data for the past twelve months ended 31 December 2025.

11 According to research statistics by Nielsen, an independent research company, market share data for the past twelve months ended 31 December 2025.

12 According to research statistics by Nielsen, an independent research company, market share data for the past twelve months ended 31 December 2025.

13 According to research statistics by Nielsen, an independent research company, market share data for the past three months ended 31 December 2025.

Sales of our paediatric probiotic and kids nutritional supplements in Chinese mainland also achieved a turnaround in sales, with growth of 2.0% for the full year. This rebound was driven by accelerating momentum in baby speciality stores and online channels, with the contribution from online channels increasing from 49.2% in 2024 to 62.1% in 2025. We also saw further signs of stabilisation in the pharmacy channel despite the continued industry-wide decline in this channel. The revenue growth was also attributable to the product portfolio expansion such as the kids nutrition powder supplements. Biostime maintained its No. 1 position in the Chinese mainland paediatric probiotics market[12].

PET NUTRITION AND CARE

Our PNC segment delivered high single-digit growth, capitalising on favourable structural tailwinds and the global trends toward pet premiumisation and humanisation. The performance in our high-margin pet supplements category was especially strong, growing by 14.3% on a LFL basis, underscoring the premium positioning and resilience of our portfolio.

In North America, Zesty Paws delivered LFL growth of 12.8%, driven by continued success across the Amazon and Chewy e-commerce channels, alongside the extensive retailers including Walmart, Petsmart, Petco, Tractor Supply, Target, Sam's Club, CVS and Menards. Zesty Paws remains one of the most recognised pet supplements brands in the United States. Meanwhile, the decline of Solid Gold narrowed to 13.1% on a LFL basis, with the rate of decline stabilising in the second half of 2025 as we completed our channel optimisation and progressed our product premiumisation strategy. In 2025, e-commerce contributed 83.1% of Solid Gold sales in North America, with high-margin products accounting for 37.4% of sales. As of 31 December 2025, Zesty Paws and Solid Gold were present in more than 20,000 stores and 4,000 stores, respectively, across the United States.

In Chinese mainland, our PNC segment returned to growth, with sales increasing by 8.6%. This was driven by the premiumisation of Solid Gold following its restructuring and the reallocation of resources toward higher-margin pet food and supplements, which contributed 35.5% of total PNC revenue in the region. In the second half of 2025, revenue decline was mainly due to tariff impact in 2025, which pressured profitability and prompted a proactive shift to supply localisation (from imported to domestic products), with the transition temporarily impacting sales.

We continued to expand our PNC footprint across Europe, Asia, and ANZ. Our increasing global reach in PNC will continue to amplify our core strengths in premium nutrition, allowing us to capture growing demand in expansion markets.

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[12] According to research statistics by Kantar Worldpanel, an independent research company, market share data for the past twelve months ended 31 December 2025.

OPTIMISING OUR CAPITAL STRUCTURE

In 2025, we continued to proactively manage and optimise our capital structure, with a clear focus on reducing gross debt, extending debt maturity, and strengthening long-term financial stability.

In January 2025, we successfully refinanced USD senior notes maturing in June 2026 by issuing USD300 million in new senior notes with a 3.5-year tenor at a lower coupon rate. Supported by strong operating cash flow, we reduced our total gross debt by over RMB600 million during the year. This included a total reduction of USD term loans by RMB449 million (equivalent), comprising approximately RMB96 million (equivalent) in scheduled amortisation and approximately RMB353 million (equivalent) in voluntary prepayments, further accelerating our deleveraging objectives. Following these repayments, the vast majority of our remaining debt continues to be held as long-term debt. We maintained a healthy cash balance of RMB1.71 billion as of 31 December 2025, reflecting strong cash conversion across our business.

As of 31 December 2025, RMB-based and RMB hedged debts represented 82.2% of total borrowings. This shift has lowered our interest costs and mitigated currency risk, further enhancing our overall financial resilience.

OUTLOOK: NUTRITIONAL SUPPLEMENTS AND IMF BUSINESSES TO DRIVE CONTINUED GROWTH, SUPPORTED BY DISCIPLINED CAPITAL MANAGEMENT

Looking ahead to 2026, we will continue to drive the growth of our high-margin, fast-growing nutritional supplements, while delivering a healthy level of profitability.

Our ANC business is poised to maintain its growth momentum across the Chinese mainland, ANZ domestic and expansion markets. In Chinese mainland, we will continue to invest in our leading categories to further consolidate Swisse's No. 1 market position and deepen channel penetration. Further, we will leverage our robust new product development pipeline to capture evolving consumer needs and unlock additional growth drivers. From a channel perspective, we will prioritise penetration into high-growth channels, particularly Douyin and new retail channels, to further broaden our consumer reach. In the ANZ domestic market, we will reinforce our market leadership through continued product innovation and channel expansion, despite an anticipated continued decline in the corporate daigou channel in the first half of 2026. Meanwhile, we remain focused on scaling up our thirteen expansion markets by applying the proven strategies that have delivered success in the Singapore and Hong Kong Special Administrative Region of the PRC ("**Hong Kong SAR**") markets.

The strong performance of our BNC business in 2025 has established a solid foundation for continued growth in 2026. We anticipate sustained IMF sales momentum, driven by marketing campaigns focused on new mother education across e-commerce and baby-speciality channels, as well as improved conversion from early-stage to Stage 3 IMF products. Furthermore, we will expand our presence in the broader children's nutrition category, strategically extending the consumer lifecycle beyond infancy.

We expect our PNC business to maintain its upward trajectory. In North America, Zesty Paws will continue to advance its omni-channel expansion and category innovation. With channel optimisation for Solid Gold now completed, we plan to increase the sales contribution of high-margin products above the present 37.0% level. In Chinese mainland, our proactive shift to supply localisation is expected to be completed by end-2026, which may have an impact on topline. Our focus remains on accelerating the growth of Solid Gold's high-margin pet food and supplements, thereby sharpening the product mix and strengthening overall profitability.

Finally, we remain committed to our deleveraging trajectory while maintaining robust liquidity. We will continue to optimise our debt profile by increasing the proportion of lower-cost RMB debt, mitigating foreign exchange volatility, and reinforcing our financial resilience to support our sustainable long-term growth.

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS OF OPERATION

Revenue

For the year ended 31 December 2025, the Group delivered solid revenue growth, with total revenue increasing by 10.0% on reported basis or 10.3% on a like-for-like[1] ("**LFL**") basis to RMB14,353.6 million as compared with 2024. The robust growth was mainly driven by the growth across all business segments – namely Adult Nutrition and Care ("**ANC**"), Baby Nutrition and Care ("**BNC**") and Pet Nutrition and Care ("**PNC**").

	Year ended 31 December				% to revenue	
	2025	2024	*Reported Change*	*LFL Change*	**2025**	2024
	RMB million	*RMB million*				
Revenue by product segment						
Nutritional Supplements	**9,289.2**	8,830.5	*5.2%*	*5.6%*	**64.7%**	67.7%
– VHMS products	**6,904.9**	6,660.0	*3.7%*	*4.3%*	**48.1%**	51.0%
– Pet supplements	**1,546.9**	1,349.2	*14.7%*	*14.3%*	**10.8%**	10.4%
– Paediatric probiotic and kids nutritional supplements	**837.4**	821.3	*2.0%*	*2.0%*	**5.8%**	6.3%
Infant formulas	**4,215.8**	3,332.4	*26.5%*	*26.5%*	**29.4%**	25.5%
Others[2]	**848.6**	888.8	*-4.5%*	*-4.5%*	**5.9%**	6.8%
Revenue by business segment						
Adult nutrition and care products	**6,946.4**	6,696.2	*3.7%*	*4.4%*	**48.4%**	51.3%
Baby nutrition and care products	**5,257.3**	4,382.3	*20.0%*	*20.0%*	**36.6%**	33.6%
Pet nutrition and care products	**2,149.9**	1,973.2	*9.0%*	*8.7%*	**15.0%**	15.1%
Revenue by geography						
Chinese mainland	**10,201.5**	8,685.4	*17.5%*	*17.5%*	**71.1%**	66.6%
North America	**1,747.7**	1,621.7	*7.8%*	*7.5%*	**12.1%**	12.4%
ANZ	**1,574.1**	2,012.7	*-21.8%*	*-20.2%*	**11.0%**	15.4%
Other territories	**830.3**	731.9	*13.4%*	*14.7%*	**5.8%**	5.6%
Total	**14,353.6**	13,051.7	*10.0%*	*10.3%*	**100.0%**	100.0%

1 Like-for-like ("**LFL**") basis is used to indicate change of this period compared with same period of previous year, excluding the impact from foreign exchange changes.

2 Others include pet food from Solid Gold, baby food and snacks from Good Goût, baby accessories from Dodie and other skincare products.

Chinese mainland: Strong growth across ANC and BNC segments

In the year ended 31 December 2025, revenue from the Chinese mainland reached RMB10,201.5 million, representing a notable year-on-year increase of 17.5%. The Chinese mainland remains the Group's largest market, continuing to account for the majority of the Group's total revenue at 71.1% for the year ended 31 December 2025, up from 66.6% in the previous year.

Revenue of ANC segment in Chinese mainland sustained its growth momentum during the year ended 31 December 2025, achieving a year-on-year increase of 13.3% and accounted for 70.7% of the Group's total ANC revenue. This growth was primarily driven by Swisse's continued success in innovative product categories that closely aligned with evolving consumer preferences, particularly in heart health, anti-aging and detox. Additionally, the ongoing expansion of Swisse Plus and Little Swisse ranges also contributed to this growth. In the twelve months ended 31 December 2025, Swisse achieved the No. 1 position in the overall VHMS market in Chinese mainland[3].

For the year ended 31 December 2025, CBEC sales grew by 18.9% year-on-year, accounting for 82.0% of Chinese mainland ANC revenue. This growth was supported by sustained consumer education initiatives and continued channel development efforts. Moreover, sales across the Douyin channel demonstrated remarkable growth, achieving a 71.4% year-on-year increase in 2025. The Group also expanded its presence in new retail channels such as Sam's Club, with sales through this channel growing by 29.7%.

BNC segment accelerated its growth trajectory during the year ended 31 December 2025, demonstrating significant resilience and renewed competitive strength. Revenue from BNC segment increased by 22.7% in the year ended 31 December 2025 as compared with the prior year. Within BNC segment, revenue from IMF recorded a year-on-year growth of 28.3% significantly outpacing the overall IMF market in Chinese mainland. Such robust growth reflects the effective and disciplined execution of the Group's strategic priorities post the successful completion of the new 'GB' transition. Key drivers of this performance included broadening outreach to new mothers through social media and e-commerce platforms, as well as baby specialty stores. These strategies contributed to the segment's sustained growth and reinforced its market leadership.

For the year ended 31 December 2025, revenue from paediatric probiotic and kids nutritional supplements in Chinese mainland achieved a growth of 2.0% compared with the previous year. This positive shift was largely driven by the Group's successful introduction of new innovative probiotic products. Growth momentum accelerated in both baby specialty stores and online channels, further contributing to the growth of this segment. Additionally, the expansion of the product portfolio, including kids nutrition powder supplements, also supported revenue growth during the period.

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3 According to research statistics by brand for the past twelve months ended 31 December 2025, prepared by Kantar Worldpanel, an independent research company.

Revenue from PNC segment in Chinese mainland increased by 8.6% in the year ended 31 December 2025, compared with the prior year. The growth was mainly attributable to the continued premiumisation of Solid Gold following its restructuring and the strategic reallocation of resources toward launching new higher-margin pet food and supplement products. As a result, these high-margin offerings accounted for 35.5% of total PNC revenue in Chinese mainland during the year ended 31 December 2025. To mitigate the tariff impact, the Group proactively managed the risk by de-prioritising imported Solid Gold products from the United States, as part of an ongoing exercise.

North America: Growth led by trends and channel expansion

For the year ended 31 December 2025, revenue generated by North America achieved a 7.5% year-on-year increase on a LFL basis, accounting for 12.1% of the Group's total revenue. The continued healthy growth was mainly attributed to ongoing trends toward pet nutrition premiumisation and pet humanising, which are firmly established in North America market, as well as the continued channel expansion and product innovation.

Revenue of Zesty Paws achieved year-on-year growth of 12.8% for the year ended 31 December 2025, driven by continued success across Amazon and Chewy e-commerce platforms, along with major retailers such as Walmart, Petsmart, Petco, Tractor Supply, Target, Sam's Club, CVS and Menards. Zesty Paws remains one of the most recognised pet supplements brands in the United States. Meanwhile, the decline of Solid Gold narrowed to 13.1% on a LFL basis, with the rate of decline moderating further in the second half of 2025 as the Group completed its channel optimisation and progressed its product premiumisation strategy. In 2025, e-commerce contributed 83.1% of Solid Gold sales in North America, with high-margin products accounting for 37.4% of sales.

ANZ: Steady growth in the domestic market, fuelled by new innovations

On a LFL basis, revenue from ANZ market declined by 20.2% for the year ended 31 December 2025, accounting for 11.0% of the Group's total revenue. The decrease was primarily due to the Group's strategic choice to deprioritise the corporate daigou business. Despite the overall revenue decrease, the Group reinforced its leadership position within the domestic market, with sales rising by 5.8%, outperforming the overall domestic market. The increase in ANZ domestic market was mainly driven by the successful market-leading new product launches, such as the launch of Swisse Magnesium Glycinate and Little Swisse Kids Gummies, the flagship "Reach for Your Best" marketing initiatives and superior in-store retail execution.

Other territories: Expansion markets delivered consistent growth

Revenue generated by other territories grew by 14.7% on a LFL basis in the year ended 31 December 2025 as compared with the prior year. The growth was powered by strong 53.9% LFL growth across the expansion markets in Asia, including Hong Kong SAR, Thailand, Malaysia, India, and the Middle East. The Group also continued to expand its PNC footprint in overseas markets, including Europe, Asia and ANZ.

Gross profit and gross profit margin

For the year ended 31 December 2025, the Group achieved a gross profit of RMB8,963.7 million, reflecting a 13.2% increase compared with the previous year. The Group's gross profit margin rose from 60.6% in 2024 to 62.4% in 2025, primarily attributable to improvements in gross profit margins within the ANC and PNC segments, as well as the optimisation of sourcing costs. Excluding the one-time stock write-off and provision of RMB65.1 million recorded in 2024 in relation to the product portfolio premiumisation and channel optimisation exercises for Solid Gold business in North American market, and the discontinued skincare products under Aurelia brand in the UK market, the gross profit margin on a pro forma basis increased from 61.1% in 2024 to 62.4% in 2025.

For the year ended 31 December 2025, the gross profit margin of the ANC segment increased from 65.0% in 2024 to 67.9% in 2025. This improvement was primarily driven by (i) the optimisation of sourcing costs; and (ii) favorable changes in channel mix which contributed to the higher margin.

For the year ended 31 December 2025, the gross profit margin of the BNC segment decreased to 57.4% from 58.1% in 2024. This decline was primarily due to an unfavorable shift in product mix, which led by a lower proportion of revenue being generated from high-margin products such as paediatric probiotics and kids nutritional supplements.

For the year ended 31 December 2025, the gross profit margin of the PNC segment demonstrated a significant improvement, rising from 51.6% in 2024 to 57.2% in 2025. This notable increase was primarily driven by a favorable shift in the product mix, with a higher proportion of revenue generated from high-margin pet food and supplement products. Additionally, the reduction in stock write-off and provision further contributed to the enhanced gross profit margin.

Other income and gains

Other income and gains amounted to RMB62.5 million for the year ended 31 December 2025. Other income and gains primarily consisted of gain on sales of raw materials of RMB23.6 million, interest income from bank deposits of RMB11.6 million and others.

Selling and distribution costs

Excluding depreciation of property, plant and equipment and right-of-use assets, and amortization of intangible assets ("**D&A**"), the Group's selling and distribution costs increased by 12.3% to RMB6,056.8 million in the year ended 31 December 2025, compared with the previous year. Selling and distribution costs excluding D&A as a percentage of the Group's revenue increased from 41.3% in 2024 to 42.2% in 2025 mainly due to the unfavourable shift in channel mix within the ANC segment in the Chinese mainland market and the Group's strategic investment in new expansion markets. Excluding the one-time marketing and promotional expenses of RMB178.4 million in relation to the launch of new GB IMF in 2024, selling and distribution costs ratio on a pro forma basis increased from 39.9% in 2024 to 42.2% in 2025.

ANC

Selling and distribution costs of ANC business amounted to RMB2,969.2 million in the year ended 31 December 2025, represented an increase of 14.3% as compared with the previous year. Selling and distribution costs of ANC business as a percentage of the Group's revenue from ANC business increased from 38.8% in 2024 to 42.7% in 2025, primarily due to the channel mix change in the Chinese mainland market and strategic investment in new expansion markets mainly in Asia.

Advertising and marketing expense of ANC business as a percentage to the Group's ANC revenue increased from 31.7% in 2024 to 35.2% in 2025, mainly driven by shifts in channel mix in Chinese mainland market and investment in new expansion markets. The selling and distribution costs other than advertising and marketing expense of ANC business as a percentage to its revenue increased slightly from 7.1% in 2024 to 7.5% in 2025.

BNC

Selling and distribution costs of BNC business amounted to RMB2,091.8 million in the year ended 31 December 2025, representing an increase of 8.7% as compared with the previous year. Despite this rise in absolute spending, selling and distribution costs of BNC business as a percentage of the Group's revenue from BNC business decreased from 43.9% in 2024 to 39.8% in 2025. This improvement was primarily attributed to the completion of new 'GB' transition and the Group's ongoing efforts to enhance spending efficiency.

Advertising and marketing expense as a percentage of BNC revenue increased slightly from 14.5% in 2024 to 15.0% in 2025. The selling and distribution costs other than advertising and marketing expense of BNC business as a percentage of revenue decreased from 29.4% in 2024 to 24.8% in 2025. The reduction reflected the Group's continued focus on improving spending efficiency along with the completion of new 'GB' transition.

PNC

Selling and distribution costs of PNC business increased by 14.5% to RMB995.8 million for the year ended 31 December 2025 compared with the previous year. Selling and distribution costs of PNC business as a percentage of its revenue increased from 44.1% for the year ended 31 December 2024 to 46.3% for the same period of 2025, mainly reflecting additional investment required to support the new products launch, channel expansion in existing markets and geography expansion into international markets.

Advertising and marketing expense of PNC business as percentages of its revenue increased slightly from 14.4% in 2024 to 15.4% in 2025. The selling and distribution costs other than advertising and marketing expense of PNC business as a percentage to its revenue increased from 29.7% in 2024 to 30.9% in 2025. The increase was mainly due to the additional investment required to support the launch of new products, particularly the new high-margin pet food and supplement products in the Chinese mainland and North America markets, channel expansion into emerging channels in existing markets, and geography expansion into Europe, Asia and ANZ.

Administrative expenses

Administrative expenses increased by 7.4% from RMB779.4 million in the year ended 31 December 2024 to RMB837.3 million for the year ended 31 December 2025. As a percentage of the Group's revenue, administrative expenses decreased slightly from 6.0% in 2024 to 5.8% in 2025. This reduction indicates improved operational efficiency and effective cost management initiatives undertaken by the Group.

Other expenses

Other expenses for the year ended 31 December 2025 amounted to RMB466.0 million. Other expenses mainly included research and development ("**R&D**") expenditure of RMB216.2 million, non-cash impairment of intangible asset in relation to the previous acquisitions of non-core baby food brand of Good Goût in Europe of RMB106.5 million, non-cash fair value losses on derivative financial instruments and financial assets of RMB83.7 million, net foreign exchange loss of RMB17.4 million, and others.

During the year under review, R&D expenditure decreased by 11.0% compared with the prior year, which was mainly attributable to the enhancement of operational efficiency and the effective partnership with strategic suppliers on new product development. R&D expenditure as a percentage of the Group's revenue decreased from 1.9% in 2024 to 1.5% in 2025.

The non-cash fair value losses on derivative financial instruments and financial assets of RMB83.7 million was mainly caused by the fair value losses on the cross currency swap ("**CCS**") and cross currency interest rate swap ("**CCIRS**") agreements for the Group's long-term USD debts. Since such CCS and CCIRS are revaluated on each reporting date, the losses mainly represented RMB's appreciation against USD on the reporting date.

EBITDA and EBITDA margin

Adjusted EBITDA for the year ended 31 December 2025 increased by 5.0% to RMB2,050.5 million from RMB1,952.3 million in the prior year. Adjusted EBITDA margin decreased from 15.0% in 2024 to 14.3% in 2025. The decrease in Adjusted EBITDA margin was mainly due to (i) the unfavourable segment mix change towards higher revenue contribution from the relatively low-margin BNC segment; (ii) the higher selling and distribution ratio resulting from the unfavourable channel mix change in ANC Chinese mainland market; and (iii) the strategic investment in new expansion markets. While the decrease was partially offset by the improvement in gross profit margin and administrative expenses ratio.

EBITDA for the year ended 31 December 2025 increased by 26.1% to RMB1,772.6 million, compared with RMB1,405.8 million in the year ended 31 December 2024.

The adjusted EBITDA was arrived at by reconciling the non-recurring or non-cash items from EBITDA in accordance with the consistent adjustment principles over the years as set out below:

	Year ended 31 December	
	2025	2024
	RMB million	*RMB million*
EBITDA	**1,772.6**	1,405.8
Reconciled by:		
Non-cash items*:		
(1) Net foreign exchange losses	**17.4**	176.8
(2) Net fair value losses/(gains) on derivative financial instruments and financial assets	**83.7**	(37.8)
(3) Impairment of intangible assets in relation to the previous acquisition of non-core brand Good Goût in Europe	**106.5**	–
(4) Impairment of goodwill and intangible assets in relation to the previous acquisition of non-core brands Dodie and Good Goût in Europe	**–**	124.0
(5) Share of losses of associates	**20.7**	23.0
Non-recurring items*:		
(6) One-time restructuring costs in relation to the product portfolio and channel optimisation exercises in Europe aiming to improve its profitability	**29.8**	–
(7) One-time consulting fee for group entity structure optimization	**19.8**	17.0
(8) One-time marketing and promotional expenses in relation to the launch of new GB IMF	**–**	178.4
(9) One-time restructuring costs in relation to the product portfolio premiumisation and channel optimisation exercises for Solid Gold business in North America market, and the discontinued skincare products under Aurelia brand in the United Kingdom market	**–**	65.1
Adjusted EBITDA	**2,050.5**	1,952.3

* Either non-recurring or non-cash items is to be adjusted only if the amount is equal to or greater than RMB10 million.

Finance costs

During the year ended 31 December 2025, the Group incurred finance costs of RMB909.9 million, representing a decrease of 1.2% compared with the previous year. The finance costs for the year ended 31 December 2025 included (i) interests for the term loan and senior notes of RMB676.9 million; (ii) RMB224.4 million of one-time premium paid for the tender offer and early redemption of the senior notes due in 2026 and the related non-cash write-off of unamortised transaction costs; and (iii) others.

As the Group has entered into certain cross currency swaps and cross currency interest rate swaps to hedge its interest rate risk and foreign currency risk, respectively, the normalized interests for the interest-bearing bank loans and senior notes was RMB548.3 million for the year ended 31 December 2025, decreased by 16.2% year-on-year. The implied annual interest expense margin[4] (including the benefit of the above-mentioned hedges) was 5.96% for the year ended 31 December 2025, which decreased from 6.96% for the year ended 31 December 2024.

Income tax expense

Income tax expense increased by 46.5% from RMB250.5 million in the year ended 31 December 2024 to RMB367.0 million in the year ended 31 December 2025. The effective tax rate on a pro forma basis decreased from 42.5% in 2024 to 38.8% in 2025, after adjusting for non-deductible and non-cash items on profit before tax, including the net foreign exchange losses, net fair value (losses)/gains on derivative financial instruments and financial assets, impairment of goodwill and intangible assets in relation to the previous acquisition, share of losses of associates, one-time premium paid for the tender offer and early redemption of the senior notes due in 2026, the related non-cash write-off of unamortised transaction costs, one-time income tax expense reversal resulted from the derecognition of deferred tax liability in related to intangible assets impairment, non-cash write-off of unamortised transaction costs and losses on modification upon refinancing for the loan facilities. On a reported basis, the effective tax rate decreased from 127.3% in 2024 to 65.2% in 2025.

Update On Tax Audit on Biostime Healthy Australia Pty Ltd (“BHA”)

BHA, a subsidiary of the Company, as a top 1,000 taxpayer in Australia, is subject to the Australian Tax Office’s (“**ATO**”) compliance programs. As disclosed in the Company’s Annual Report for the year ended 31 December 2024 and Interim Report for the six months ended 30 June 2025, BHA has undergone an ATO audit (“**ATO Audit**”) in respect of the value of intellectual property and other assets transferred as part of the Group-wide integration initiatives in 2018, for which BHA paid AUD19 million (approximately RMB89 million) of tax under the Australian capital gains tax (“**CGT**”) rules.

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[4] The implied annual interest expense margin is calculated by dividing the normalised interest expense including the benefit of hedge arrangements by the average gross interest-bearing debt over the same period.

Based on the conclusion of ATO Audit above, on 10 April 2025, the ATO issued official notices of amended assessment requesting sum of: (i) AUD234.5 million (approximately RMB1,099.6 million) of primary tax payable by BHA in respect of the year ended 31 December 2018; (ii) AUD55.2 million (approximately RMB258.8 million) of interest and (iii) AUD117.3 million (approximately RMB550.0 million) penalty payable by BHA, respectively.

As disclosed in the announcement of the Company dated 4 July 2025, BHA formally objected to the ATO's amended assessments to officially dispute these amounts in June 2025 ("**Objection**"). On 4 July 2025, having considered BHA's proposals regarding payment arrangement, the ATO confirmed that it required BHA to provide a cash deposit of AUD104 million (approximately RMB487.9 million) to the ATO by 15 July 2025, in accordance with the ATO administrative practice for disputed tax debts. Consequently, such cash deposit was made on 15 July 2025 and recorded as deposits in the financial statements of the Company as of 31 December 2025. No further deposit is required until the conclusion of this matter.

As of the date of this announcement, the review of the Objection by ATO is still in progress. BHA and its representatives have actively engaged with the ATO to discuss technical areas of disagreement and other developments. BHA will continue to vigorously defend its position and is assisted by tax litigation lawyers and preeminent Counsel. Should the ATO disallow the Objection, BHA is prepared to initiate further legal proceedings. In the opinion of the Directors, BHA does not consider that it is probable that there will be a final outflow of funds in relation to the tax matters in dispute. In the event that BHA is successful in the dispute, BHA will be entitled to a refund of the cash deposit paid plus interest.

Net profit/(loss) and adjusted net profit

The adjusted net profit was arrived at by reconciling the non-recurring or non-cash items from net profit/(loss) as set out below:

	Year ended 31 December	
	2025	2024
	RMB million	*RMB million*
Net profit/(loss)	**196.1**	(53.7)
Reconciled by:		
EBITDA adjusted items as listed above	**277.9**	546.5
Non-cash or non-recurring items*:		
(1) One-time premium paid for the tender offer and early redemption of the senior notes due in 2026, and the related non-cash write-off of unamortised transaction costs	**224.4**	–
(2) One-time income tax expense reversal resulted from the derecognition of deferred tax liability in related to intangible assets impairment of Good Goût in Europe	**(34.3)**	–
(3) One-off write-off of unamortised transaction costs and losses on modification upon refinancing for the loan facilities	**–**	48.4
Adjusted net profit	**664.1**	541.2

* Either non-recurring or non-cash items is to be adjusted only if the amount is equal to or greater than RMB10 million.

Non-IFRS financial measures

To supplement the Group's consolidated financial statements which are prepared in accordance with IFRS, the Group also use adjusted EBITDA and adjusted net profit as additional financial measures, which are not required by, or presented in accordance with IFRS. The Group believes that these non-IFRS financial measures facilitate comparisons of operating performance from period to period and company to company by eliminating potential impacts of items that the Company's management does not consider to be indicative of its operating performance such as certain non-cash or non-recurring items. The use of these non-IFRS financial measures has limitations as an analytical tool, and one should not consider them in isolation from, or as a substitute for analysis of, the Group's results of operations or financial conditions as reported under IFRS. In addition, these non-IFRS financial measures may be defined differently from similar terms used by other companies.

LIQUIDITY AND CAPITAL RESOURCES

Operating activities

For the year ended 31 December 2025, the Group recorded net cash generated from operating activities of RMB1,536.8 million, resulting from pre-tax cash from operations of RMB1,805.1 million, minus income tax paid of RMB268.3 million. Pre-tax cash flows mainly benefited from the healthy Adjusted EBITDA which was partially offset by the negative impact from change in working capital. The prepayments, other receivables and other assets increased by RMB564.3 million, which mainly represented the deposit paid to ATO. The inventories, net of write-down of inventories to net realisable value, increased RMB78.3 million. The above negative impact was partially offset by (i) the increase in other payables and accruals of RMB368.3 million; and (ii) the increase in trade and bills payables of RMB83.7 million.

Investing activities

For the year ended 31 December 2025, net cash flows used in investing activities amounted to RMB126.8 million, primarily resulted from purchases of property, plant and equipment and intangible assets of RMB94.4 million, and the placement of time deposits with original maturity of three months or more when acquired of RMB40.0 million.

Financing activities

For the year ended 31 December 2025, net cash flows used in financing activities amounted to RMB1,352.9 million, primarily related to the repurchase and redemption of senior notes due 2026 and repayment of interest-bearing bank loans of RMB3,500.8 million, the interest paid for borrowings of RMB537.2 million, the payment of lease liabilities of RMB49.2 million and others. The above cash outflows were partially offset by the proceed from the issuance of senior notes due 2028 and interest-bearing bank loans of RMB2,856.4 million and others.

Cash and bank balances

As of 31 December 2025, cash and cash equivalents and time deposit as stated in the consolidated statement of financial position was RMB1,709.0 million.

Interest-bearing bank loans, senior notes and other borrowings

As of 31 December 2025, the Group's outstanding carrying amount of its borrowings amounted to RMB8,894.1 million, including current portion of RMB1,078.8 million. The carrying amount of borrowings included (i) RMB6,079.9 million of interest-bearing bank loans, including current portion of RMB741.7 million; (ii) RMB2,158.6 million of senior notes, including current portion of RMB83.7 million; (iii) RMB410.8 million of guaranteed bonds, including current portion of RMB8.6 million; and (iv) RMB244.8 million of current portion of other borrowings which represented the Group's letter of credit discounting arrangements as part of its working capital optimisation initiatives, with a tenor of no more than 180 days.

The Group's gearing ratio decreased from 49.3% as of 31 December 2024 to 45.8% as of 31 December 2025, calculated by dividing the sum of the carrying amount of the borrowings by total assets. As of 31 December 2025, the net leverage ratio significantly decreased from 3.99x as of 31 December 2024 to 3.45x as of 31 December 2025, calculated as the following table:

	For/as of the year ended 31 December	
	2025	2024
	RMB million	*RMB million*
Gross debt[5]	**8,790.2**	9,403.3
Less: Cash and cash equivalents and time deposit	**1,709.0**	1,603.9
Net debt	**7,081.2**	7,799.4
Divided by: Adjusted EBITDA	**2,050.5**	1,952.3
Net leverage ratio	**3.45x**	3.99x

Working capital

Advance payment is normally required for the sale in Chinese mainland, except for limited circumstances. The Group usually allows credit sales in overseas markets outside Chinese mainland, with average credit terms ranging from 30 to 90 days from the end of month. The Group's suppliers generally grant a credit period of between 30 and 90 days.

The Group seeks to maintain strict controls over outstanding receivables and creditors to minimize credit risk. The average turnover days for trade and bills receivables decreased from 27 days for the year ended 31 December 2024 to 23 days for the year ended 31 December 2025. The average turnover days of trade payables decreased from 68 days for the year ended 31 December 2024 to 64 days for the year ended 31 December 2025, mainly due to the different cut-off days.

The inventory turnover days decreased from 150 days for the year ended 31 December 2024 to 129 days for the year ended 31 December 2025. The inventory turnover days of ANC products decreased from 141 days for the year ended 31 December 2024 to 128 days for the year ended 31 December 2025. The decrease was mainly due to the higher safety stock built up in 2024 to mitigate business impacts caused by supply shortages. The inventory turnover days of BNC products decreased from 160 days for the year ended 31 December 2024 to 127 days for the year ended 31 December 2025, primarily due to the successful completion of the new 'GB' transition and the higher-than-expected sales. The inventory turnover days of PNC products decreased from 152 days for the year ended 31 December 2024 to 138 days for the year ended 31 December 2025, thanks to the continuing supply chain optimization effort.

[5] The gross debt as of 31 December 2025 and 2024 are calculated with the outstanding principal of debt instruments (including interest-bearing bank loans, senior notes and guaranteed bonds) being converted to RMB with a constant FX rates as the debt drawdown date.

SIGNIFICANT BUSINESS DEVELOPMENT AFTER THE END OF THE REPORTING PERIOD

The Group continued to optimise its capital structure through active debt management and to demonstrate its ongoing commitment to deleveraging. In February and March 2026, the Group voluntarily prepaid approximately RMB500 million (equivalent) in aggregate in respect of its USD term loan, resulting in a further reduction in the Group's gross debt. Such prepayments were funded by the Group's internal liquidity and overall funding arrangements, including incremental low-cost RMB borrowings.

DIVIDEND

After taking full consideration of the Group's financial position, net cash flow and capital expenditures, the Board is pleased to recommend the payment of a final dividend of HKD0.16 per ordinary share for the year ended 31 December 2025. Taking into account of the interim dividend of HKD0.19 per ordinary share in respect of the six months ended 30 June 2025 paid in October 2025, the annual dividend will amount to HKD0.35 per ordinary share, representing approximately 30.0% of the Group's adjusted net profit for the period of year ended 31 December 2025.

Subject to approval at the forthcoming annual general meeting on Friday, 15 May 2026 (the "**2026 AGM**"), the said final dividend will be payable on or about Friday, 17 July 2026 to shareholders whose names appear on the register of members of the Company on Tuesday, 26 May 2026.

CLOSURE OF REGISTER OF MEMBERS

(a) Entitlement to attend and vote at the 2025 AGM

The register of members of the Company will be closed from Tuesday, 12 May 2026 to Friday, 15 May 2026, both days inclusive, during which period no transfer of shares can be registered. The record date is Friday, 15 May 2026. In order to qualify for the entitlement to attend and vote at the 2026 AGM, 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 Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Monday, 11 May 2026.

(b) Entitlement to the proposed final dividend

The register of members of the Company will be closed from Thursday, 21 May 2026 to Tuesday, 26 May 2026, both days inclusive, during which period no transfer of shares can be registered. The record date is Tuesday, 26 May 2026. In order to qualify for the proposed final dividend, 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 Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 20 May 2026.

CORPORATE GOVERNANCE CODE

The Company's corporate governance practices are based on the principles and code provisions as set out in the Corporate Governance Code* (the "**CG Code**") contained in Part 2 of Appendix C1 of the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The Company has complied with all the code provisions contained in the CG Code for the year ended 31 December 2025.

The Company will continue to enhance its corporate governance practices appropriate to the conduct and growth of its business and to review such practices from time to time to ensure that they comply with the CG Code and align with the latest developments.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted its own code of conduct regarding Directors' dealings in the Company's securities (the "**Company Code**") on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules.

Specific enquiry has been made of all the Directors and all the Directors have confirmed that they have complied with the Company Code and the Model Code during the year ended 31 December 2025.

The Company has also established written guidelines (the "**Employees Written Guidelines**") on terms no less exacting than the Model Code for securities transactions by employees who are likely to be in possession of unpublished inside information of the Company.

No incident of non-compliance of the Employees Written Guidelines by the relevant employees was noted by the Company during the year ended 31 December 2025.

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

* The amendments to the CG Code effective on 1 July 2025 will apply to corporate governance reports and annual reports for financial years commencing on or after 1 July 2025. For this announcement, the Company shall refer to the then-effective CG Code.

AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") was established on 25 November 2010 in compliance with Rules 3.21 and 3.22 of the Listing Rules and with written terms of reference in compliance with the CG Code. The Audit Committee consists of three members, namely, Professor Ding Yuan, Mr. Tan Wee Seng and Mr. Luo Yun, all of whom are non-executive Directors and the majority of whom are independent non-executive Directors. Professor Ding Yuan, who possesses the appropriate professional qualifications or accounting or related financial management expertise, was appointed as the chairman of the Audit Committee.

The Audit Committee oversees the audit process, internal control and risk management systems of the Group, reports to the Board on any material issues, and makes recommendations to the Board.

The Audit Committee has reviewed the Company's interim results for the six months ended 30 June 2025 and the annual results for the year ended 31 December 2025, the unaudited interim condensed consolidated financial statements of the Group for the six months ended 30 June 2025 and the annual report for the year ended 31 December 2025, the financial reporting and compliance procedures, the report from the management on the Company's internal control and risk management systems and processes, scope of work and the re-appointment of the external auditors and arrangement for employees to raise concerns about possible improprieties. There is no disagreement between the Board and the Audit Committee regarding the re-appointment of the external auditors.

REVIEW OF PRELIMINARY ANNOUNCEMENT OF RESULTS BY THE INDEPENDENT AUDITOR

The figures in respect of the Group's consolidated statement of financial position as at 31 December 2025, consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2025 and the related notes thereto as set out in the preliminary announcement have been agreed by the Company's auditor to the amounts set out in the Group's consolidated financial statements for the year. The work performed by the Company's auditor, Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards in 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 Ernst & Young on the preliminary announcement.

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

During the year ended 31 December 2025, with a view to reducing financing cost and optimising capital structure, the Company has in aggregate repurchased and redeemed USD297,000,000 in principal amount of the 13.5% senior notes due 2026. Upon completion of this repurchase and redemption, none of the 13.5% senior notes due 2026 remained in issue.

Save as disclosed above, neither the Company, nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares, if any) during the year ended 31 December 2025.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is also published on the websites of the Company (www.hh.global) and the Stock Exchange (www.hkexnews.hk). The annual report for the year ended 31 December 2025 containing all the information required by Appendix D2 to the Listing Rules will be despatched to the shareholders of the Company (if required) and available on the above websites in due course.

By order of the Board of
Health and Happiness (H&H) International Holdings Limited
Luo Fei
Chairman

Hong Kong, 24 March 2026

As at the date of this announcement, the executive directors of the Company are Mr. Luo Fei and Mr. Wang Yidong; the non-executive directors of the Company are Mrs. Laetitia Albertini, Dr. Zhang Wenhui, Mr. Luo Yun and Mrs. Mingshu Zhao Wiggins; and the independent non-executive directors of the Company are Mr. Tan Wee Seng, Mrs. Lok Lau Yin Ching and Professor Ding Yuan.