

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

五谷磨房

Natural Food International Holding Limited 五谷磨房食品國際控股有限公司

(Registered by way of continuation in the Cayman Islands with limited liability)

(Stock Code: 1837)

ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

The board (the “**Board**”) of directors (the “**Directors**”) of Natural Food International Holding Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to announce the consolidated results of the Group for the year ended 31 December 2025, together with the comparative figures for the year ended 31 December 2024 as below.

FINANCIAL HIGHLIGHTS			
	2025	2024	Year-on-year
	RMB'000	RMB'000	Change
Revenue	2,525,591	2,060,367	22.6%
Gross profit	1,642,541	1,356,287	21.1%
Profit before tax	325,816	219,561	48.4%
Profit for the year attributable to owners of the Company	265,685	187,858	41.4%
Earnings per share (expressed in RMB)			
Basic	0.122	0.087	N/A
Diluted	0.122	0.086	N/A

The Board recommends the declaration of a final dividend of HK\$0.069 (equivalent to approximately RMB0.061, based on an exchange rate of approximately HK\$1.00 = RMB0.88384) per ordinary share for the year ended 31 December 2025 (2024: HK\$0.04). The final dividend will be paid in HK\$. The final dividend (if approved) is expected to be paid on Friday, 12 June 2026 to shareholders whose names appear on the register of members of the Company on Friday, 5 June 2026, subject to approval by the shareholders at the forthcoming annual general meeting to be held on Friday, 22 May 2026 (the “**AGM**”).

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2025

		2025	2024
	Notes	RMB'000	RMB'000
REVENUE	4	2,525,591	2,060,367
Cost of sales		<u>(883,050)</u>	<u>(704,080)</u>
Gross profit		1,642,541	1,356,287
Other income and gains		22,014	20,274
Selling and distribution expenses		(1,234,631)	(1,043,438)
Administrative expenses		(99,668)	(106,072)
Impairment losses on financial assets		(1,817)	(15)
Other expenses		(2,261)	(7,098)
Finance costs		<u>(362)</u>	<u>(377)</u>
PROFIT BEFORE TAX	5	325,816	219,561
Income tax expense	6	<u>(60,131)</u>	<u>(31,703)</u>
PROFIT FOR THE YEAR		<u>265,685</u>	<u>187,858</u>
Attributable to:			
Owners of the parent		<u>265,685</u>	<u>187,858</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic	8	<u>0.122</u>	<u>0.087</u>
Diluted	8	<u>0.122</u>	<u>0.086</u>

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

Year ended 31 December 2025

	2025	2024
	RMB'000	RMB'000
OTHER COMPREHENSIVE INCOME		
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	(2,613)	(8,531)
Other comprehensive (loss)/income that will not to be reclassified to profit or loss in subsequent periods:		
Translation from functional currency to presentation currency	<u>(3,277)</u>	<u>12,666</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>259,795</u>	<u>191,993</u>
Attributable to:		
Owners of the parent	<u>259,795</u>	<u>191,993</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2025

		31 December 2025	31 December 2024
	Notes	RMB'000	RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		285,723	290,263
Right-of-use assets		43,231	43,570
Intangible assets		167	221
Deferred tax assets		19,383	21,046
Time deposit		30,055	–
Other non-current assets		6,543	2,838
		<hr/>	<hr/>
Total non-current assets		385,102	357,938
CURRENT ASSETS			
Inventories		160,815	94,583
Trade and bills receivables	9	272,162	223,691
Prepayments, other receivables and other assets		60,881	38,316
Financial assets at fair value through profit or loss		1,648	11,226
Amounts due from related parties		17	17
Cash and cash equivalents		1,011,252	835,197
Time deposits		185,655	276,419
		<hr/>	<hr/>
Total current assets		1,692,430	1,479,449
CURRENT LIABILITIES			
Trade payables	10	135,095	114,035
Other borrowings		4,993	–
Contract liabilities		29,434	17,378
Other payables and accruals		140,967	123,820
Lease liabilities		4,750	5,105
Tax payable		53,723	36,375
		<hr/>	<hr/>
Total current liabilities		368,962	296,713
		<hr/>	<hr/>
NET CURRENT ASSETS		1,323,468	1,182,736
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,708,570	1,540,674
		<hr/>	<hr/>

**CONSOLIDATED STATEMENT OF
FINANCIAL POSITION (CONTINUED)**

31 December 2025

	31 December 2025 RMB'000	31 December 2024 RMB'000
NON-CURRENT LIABILITIES		
Deferred tax liabilities	11,306	13,645
Lease liabilities	2,233	6,737
Total non-current liabilities	13,539	20,382
Net assets	1,695,031	1,520,292
EQUITY		
Equity attributable to owners of the parent		
Share capital	147	147
Reserves	1,694,884	1,520,145
Total equity	1,695,031	1,520,292

NOTES TO FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The Company was formerly known as Roomy Development Holdings Limited, a limited liability company incorporated under the laws of the British Virgin Islands (the “**BVI**”) on 30 November 2009. It was registered by way of continuation in the Cayman Islands as an exempted company with limited liability under the laws of the Cayman Islands and changed its name to “Natural Food International Holding Limited” on 11 May 2018. The address of the registered office of the Company is PO Box 309, Uglund House, Grand Cayman, KY1-1104, Cayman Islands. The Company was listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 12 December 2018 (the “**Listing**”).

The Company is an investment holding company. The Company and its subsidiaries (collectively referred to as the “**Group**”) are principally engaged in processing and selling natural health food in the People’s Republic of China (the “**Chinese Mainland**”).

Information about subsidiaries

Particulars of the company’s principal subsidiaries are as follows:

Name	Place and date of incorporation/ establishment and place of business	Issued ordinary/ registered share capital	Percentage of equity interests attributable to the Company		Principal activities
			Direct	Indirect	
Natural Food International Group Limited	Hong Kong, 14 January 2009	Hong Kong dollar (“ HK\$ ”)10,000	100%	–	Investment holding
Shenzhen Natural Food Co., Ltd.#	Chinese Mainland, 15 December, 2011	HK\$8,000,000	–	100%	Sale of natural health food
Hubei Fuya Food Science and Technology Co., Ltd.	Chinese Mainland, 30 March 2011	RMB20,000,000	–	100%	Manufacture and sale of natural health food
Natural Food (Guangzhou) Co., Ltd.#	Chinese Mainland, 16 March 2016	HK\$135,000,000	–	100%	Manufacture and sale of natural health food
Shenzhen Xiangya Food Co., Ltd.	Chinese Mainland, 9 March 2007	RMB1,000,000	–	100%	Sale of natural health food
Shenzhen Changqing Food Technology Co., Ltd.	Chinese Mainland, 10 November 2010	RMB5,000,000	–	100%	Sale of natural health food

These subsidiaries were registered as wholly-owned foreign enterprises under Chinese Mainland law.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group.

2 BASIS OF PREPARATION

These financial statements have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss, which have been measured at fair value. These financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand (RMB’000) except when otherwise indicated.

3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted amendments to HKAS 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 HKAS 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, joint ventures 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.

4. REVENUE AND OTHER INCOME AND GAINS

Revenue represents the net invoiced value of goods sold, after allowances for returns and trade discounts (net of value-added tax), during the years ended 31 December 2024 and 2025.

An analysis of revenue and other income and gains is as follows:

	2025	2024
	RMB’000	RMB’000
<i>Revenue from contracts with customers</i>		
Sale of goods	<u>2,525,591</u>	<u>2,060,367</u>

	2025 RMB'000	2024 RMB'000
<i>Timing of revenue recognition</i>		
Goods transferred at a point in time	<u>2,525,591</u>	<u>2,060,367</u>

The following table shows the amount of revenue recognised in the current year that was included in the contract liabilities at the beginning of the year:

	2025 RMB'000	2024 RMB'000
Revenue recognised that was included in the contract liabilities at the beginning of the year	<u>15,695</u>	<u>10,973</u>

	2025 RMB'000	2024 RMB'000
<u>Other income and gains</u>		
Government grants*	3,401	1,231
Bank interest income	12,745	12,671
Gain from change of fair value of financial assets at fair value through profit or loss	423	363
Income from financial assets at fair value through profit or loss	4,680	4,947
Commission income from provision of service on platform	166	105
Others	<u>599</u>	<u>957</u>
Total other income and gains	<u>22,014</u>	<u>20,274</u>

* Various government grants have been received from local government authorities in the Chinese Mainland. There are no unfulfilled conditions and other contingencies relating to these grants.

5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging:

	2025 RMB'000	2024 RMB'000
Cost of inventories sold	883,050	704,080
Depreciation of property, plant and equipment	30,158	29,393
Depreciation of right-of-use assets	5,939	6,540
Amortisation of intangible assets	54	54
Lease payments not included in the measurement of lease liabilities	2,454	2,908
Research and development costs*:		
Current year expenditure	14,860	19,119
Auditor's remuneration	2,200	2,019
Employee benefit expense (excluding directors' and chief executive's remuneration and research and development costs):		
Wages and salaries	145,959	139,205
Equity-settled share option expenses	–	127
Equity-settled share award expenses	1,790	2,926
Pension scheme contributions	5,390	4,937
Total	153,139	147,195
Impairment losses of financial assets, net		
Impairment of trade receivables, net	1,817	15
(Gains)/losses on disposal of items of property, plant and equipment**	(145)	1,770

* Research and development costs are included in "Administrative expenses" in the consolidated statement of profit or loss and other comprehensive income.

** (Gains)/losses on disposal of items of property, plant and equipment are included in "Other income and gains" and "Other expenses" in the consolidated statement of profit or loss.

6. INCOME TAX

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

Pursuant to the rules and regulations of the British Virgin Islands and the Cayman Islands, the Group was not subject to any income tax in the British Virgin Islands and the Cayman Islands during the years ended 31 December 2024 and 2025.

No provision for Hong Kong profits tax has been made as the Group had no assessable profits derived from or earned in Hong Kong during the years ended 31 December 2024 and 2025.

Taxes on profits assessable in the Chinese Mainland have been calculated at the prevailing tax rates, based on existing legislation, interpretations and practices in respect thereof. Pursuant to the Chinese Mainland Corporate Income Tax Law (the “**Chinese Mainland Tax Law**”) effective on 1 January 2008, the Chinese Mainland corporate income tax rate of the Group’s subsidiaries operating in the Chinese Mainland during the years ended 31 December 2024 and 2025 was 25% on the taxable profits.

During the years ended 31 December 2024 and 2025, income arising from the preliminary agricultural processed products in Guangxi Guiping Jingu Agricultural Development Co., Ltd. and Hubei Fuya Food Science and Technology Co., Ltd. was not subject to income tax, pursuant to the relevant Chinese Mainland tax laws.

The income tax expenses of the Group for the years ended 31 December 2024 and 2025 are analysed as follows:

	2025 RMB’000	2024 RMB’000
Current – Chinese Mainland		
Charge for the year	59,711	13,599
Under provision in prior years	1,096	52
Deferred	<u>(676)</u>	<u>18,052</u>
Total tax charge for the year	<u><u>60,131</u></u>	<u><u>31,703</u></u>

A reconciliation of the tax expense applicable to profit before tax at the statutory rates for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rates, and a reconciliation of the applicable rates to the effective tax rates are as follows:

	2025		2024	
	RMB'000	%	RMB'000	%
Profit before tax	<u><u>325,816</u></u>		<u><u>219,561</u></u>	
Tax at the applicable statutory rate	81,454	25.0	54,874	25.0
Different tax rates for specific areas or enacted by local authority	421	0.1	(1,591)	(0.7)
Effect of withholding tax on the distributable profits of the Group's Chinese Mainland subsidiaries	8,462	2.6	2,070	0.9
Adjustments in respect of current tax of prior periods	1,096	0.3	52	0.0
Income not subject to tax*	(37,351)	(11.5)	(30,365)	(13.8)
Expenses not deductible for tax	691	0.2	2,300	1.1
Tax losses not recognised	<u>5,358</u>	<u>1.6</u>	<u>4,363</u>	<u>2.0</u>
Tax charge at the effective rate	<u><u>60,131</u></u>	<u><u>18.3</u></u>	<u><u>31,703</u></u>	<u><u>14.4</u></u>

* According to *Notice of the Ministry of Finance and the State Administration of Taxation on Announcing the Scope of Primary Processing of Agricultural Products Covered by Preferential Policies on Enterprise Income Tax (for Trial Implementation)* promulgated on 20 November 2008, and *Supplementary Notice of the Ministry of Finance and the State Administration of Taxation on the Scope of Primary Processing of Agricultural Products Covered by Preferential Policies on Enterprise Income Tax* issued on 11 May 2011, the income derived from the prescribed scope of preliminarily-processed agricultural products can be exempted from corporate income tax. During the years ended 31 December 2024 and 2025, Guangxi Guiping Jingu Agricultural Development Co., Ltd. and Hubei Fuya Food Science and Technology Co., Ltd, had such income derived from preliminarily-processed agricultural products which was not subject to corporate income tax.

7. DIVIDENDS

	2025	2024
	RMB'000	RMB'000
Proposed Final—HK\$7 cents (2024: HK\$4 cents) per ordinary share	<u><u>132,900</u></u>	<u><u>80,400</u></u>

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 PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT

The calculation of the diluted earnings per share amount 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 is the 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 or conversion of all dilutive potential ordinary shares into ordinary shares.

The calculations of basic and diluted earnings per share are based on:

	2025 RMB'000	2024 RMB'000
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	<u>265,685</u>	<u>187,858</u>
	2025	2024
Shares		
Weighted average number of ordinary shares in issue	2,171,306,000	2,165,906,000
Weighted average number of shares held for the share award scheme	<u>4,605,205</u>	<u>3,269,589</u>
Weighted average number of ordinary shares in issue used in the basic earnings per share calculation	<u>2,175,911,205</u>	<u>2,169,175,589</u>
Effect of dilution – weighted average number of ordinary shares:		
Share award	<u>122</u>	<u>3,054,022</u>
Weighted average number of ordinary shares in issue used in the diluted earnings per share calculation	<u>2,175,911,327</u>	<u>2,172,229,611</u>

The share option had an anti-dilutive effect on the basic earnings per share for the year and were ignored in the calculation of diluted earnings per share for the years ended 31 December 2025 and 2024.

9. TRADE AND BILLS RECEIVABLES

	2025 RMB'000	2024 RMB'000
Trade receivables	265,704	224,079
Bills receivable	9,834	2,089
Impairment	<u>(3,376)</u>	<u>(2,477)</u>
Net Carrying amount	<u><u>272,162</u></u>	<u><u>223,691</u></u>

The Group's trading terms with its customers are mainly on credit. The credit period is generally one month, extending up to three months for major sales channels. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables 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 provisions, is as follows:

	2025 RMB'000	2024 RMB'000
Within 1 month	239,604	221,775
1 to 2 months	31,527	811
2 to 3 months	346	343
Over 3 months	<u>685</u>	<u>762</u>
	<u><u>272,162</u></u>	<u><u>223,691</u></u>

The movements in the loss allowance for impairment of trade and bills receivables are as follows:

	2025 RMB'000	2024 RMB'000
At beginning of year	2,477	2,392
Impairment losses, net	1,817	933
Amount written off as uncollectible	<u>(918)</u>	<u>(848)</u>
At end of year	<u><u>3,376</u></u>	<u><u>2,477</u></u>

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days for groupings of various customer segments with similar loss patterns (i.e., product type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

	Less than 1 month	1 to 2 months	2 to 3 months	More than 3 months	Total
31 December 2025					
Trade receivables (RMB'000)	230,045	31,734	405	3,520	265,704
Expected credit loss rate	0.12%	0.65%	14.80%	80.54%	1.27%
Expected credit losses (RMB'000)	275	206	60	2,835	3,376
	Less than 1 month	1 to 2 months	2 to 3 months	More than 3 months	Total
31 December 2024					
Trade receivables (RMB'000)	220,345	822	441	2,471	224,079
Expected credit loss rate	0.10%	1.31%	22.10%	69.19%	0.91%
Expected credit losses (RMB'000)	223	11	98	1,710	2,042

10. TRADE PAYABLES

An ageing analysis of the trade 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	119,519	93,053
1 to 2 months	13,792	17,021
2 to 3 months	855	2,702
Over 3 months	929	1,259
Total	<u>135,095</u>	<u>114,035</u>

The trade payables are non-interest-bearing and are normally settled on terms of 15 to 60 days.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Natural Food International Holding Limited (the “**Company**”, together with its subsidiaries, collectively referred to as the “**Group**” or “**we**”) is committed to safeguarding health with dietary nourishment and producing functional foods to provide health benefits to everyone in the family can enjoy the most. Our vision is to integrate Eastern dietary nutrition into 100 million households globally. We have, over the past two decades, established “Wugu Mofang” as a beloved and widely acclaimed brand in China that specializes in dietary nutrition with medicine and food homology.

In 2025, our strategy as “to be an expert brand offering dietary nutrition originated from medicine and food homology” continued to unleash growth vitality. To effectively meet consumers’ diverse wellness needs, we continuously refined and upgraded our three core product portfolios: Chinese health-conditioning and functional foods, Chinese dietary nutritious breakfast and health nutritious gift box series. Through more refined and differentiated channel operation strategies, we constantly strengthened our brand value, deepened consumer engagement, and achieved continuous enhancement in brand value.

Benefiting from the efficient implementation of these strategies, during the financial year, the Group maintained our leading position as an expert brand to offer dietary nutrition originated from medicine and food homology. Revenue increased by 22.6% to RMB2,525.6 million (corresponding period in 2024: RMB2,060.4 million). Net profit increased by 41.4% to RMB265.7 million (corresponding period in 2024: RMB187.9 million).

With our overall performance in 2025, after considering the Group’s earnings, overall financial condition, and capital expenditure, the board (the “**Board**”) of directors (the “**Directors**”) of the Company has recommended a final dividend of HK\$0.069 per share for the financial year 2025, totalling approximately RMB132.9 million (2024: RMB80.4 million), representing 50.0% of the profit for the year (corresponding period in 2024: 42.8%).

OUR PRODUCTS

The Group focuses on the Chinese dietary nutrition sector. Building on ingredients in homology of medicine and food, we have deeply cultivated the market demand for Chinese conditioning and functional improvement, chinese dietary nutritious breakfast, as well as the health and wellness gifting.

Chinese Health-Conditioning and Functional Foods

Chinese health-conditioning and functional foods refer to foods having homology of medicine and food as its core value. They are meticulously developed by integrating modern nutritional science and manufacturing processes with traditional Chinese dietary culture. Functional foods help consumers manage their health, address physical imbalances, and overcome sub-health conditions.

During the Reporting Period, we launched several new products addressing differentiated specific functional appeals. We also continuously refined product formulations to better meet consumer needs. “Clearing Damp” (Yellow Coix Seed & Radix Fici Simplicissimae Nutritious Cereal Powder), which effectively removes dampness (improves body water metabolism and waste excretion efficiency), has been widely acclaimed and increased significantly in market share during this financial year.

Furthermore, we comprehensively upgrade the packaging for this product series. Inspired by ancient herbal classics and incorporating the warm, caring house-shaped design that symbolizes Wugu Mofang, the new packaging allows consumers to intuitively experience and truly appreciate the brand’s deep heritage in Chinese dietary nutrition in homology of medicine and food, as well as our unwavering commitment.

Chinese Dietary Nutritious Breakfast

Chinese dietary nutritious breakfast refer to food that blend the millennia-old wisdom of dietary nutrition in homology of medicine and food into modern daily meals, offering consumers healthier food choices.

During the Reporting Period, the Company continued to meticulously refine its core star product, namely the “Walnut, Sesame Black Bean Powder”. As a classic cereal dietary powder product that has been a best-seller for years, its growth momentum was still vibrant and its market penetration continues to grow. To further enhance product portfolio, continuously broaden consumer base, and increase product penetration rate, the Group launched the stick-pack product. Leveraging winter nourishing food scenarios and collaborating with celebrities and food influencers strongly associated with nourishment, we massively promoted the benefits of black sesame nourishment in winter times and achieved notable results in developing our brand’s consumer reach.

Gift Box Series

Healthy gifting for traditional festive seasons has become an increasingly popular concept. The Group’s products, tailored to different target consumer groups and gifting needs, are widely embraced by consumers during the financial year.

The Group has also established a brand gift-giving mindset centered around the core scenario of “giving health to elders” by leveraging the two major traditional festivals, Mid-Autumn Festival and Chinese New Year. We also invited widely favourable celebrities to participate in high-quality creative brand advertising. Combined with precise exposure generated from content secondary-creation by premium social media content and targeted gift-giving users, we showcased Wugu Mofang’s gifting scenarios across various social medias. This strategy reinforced the brand’s healthy gifting image and enhanced brand awareness and favourability. These marketing campaigns achieved outstanding results in high-quality content exposure, consumer reach, and audience expansion.

OUR CHANNELS

During the Reporting Period, the Group continued to promote the synergistic development of omni-channels. Offline, we actively expanded our supermarket counters and offline shelves businesses while simultaneously improving their operational efficiency. Online, the Group dedicated to strengthening our leading position on e-commerce platforms such as interest-based e-commerce and search-based e-commerce.

Supermarket Counters

Facing the deepening structural changes in the offline commercial environment, the Group injected sustainable growth vibrancy into its supermarket counter business by continuously increasing its penetration in the new retail formats. These new formats, characterized by more targeted customer bases and superior consumer experiences, have achieved significantly better operational performance than traditional formats. The Group's supermarket counter business has long been dedicated to providing precise Chinese dietary solutions in homology of medicine and food to its target consumers, which are widely embraced by these new retail formats. Our sales productivity per store under these new formats achieved significant increase, demonstrating significant growth potential.

Meanwhile, for our supermarket counters in traditional formats, we maintained steady improvements in store productivity through more refined operational methods and the continuous optimization of consumer shopping experience.

As a result, the Group's supermarket counter business achieved revenue of RMB967.4 million during the financial year, representing a 23.7% increase compared to the same period last year.

Offline Shelves Channel

Amidst the continuous transformation of traditional retail channels, the Group firmly believes that the offline shelves channel remains a crucial arena for building a more extensive distribution network. Notably, membership-based supermarkets have achieved remarkable growth driven by their precise customer targeting, differentiated operational strategies, and strong "siphon effect". By increasing sales outlets, expanding the distribution network, and deepening collaboration with key major clients, the Group achieved rapid breakthroughs and efficient growth in its offline shelves channel business.

During the Reporting Period, the Group continued to iterate its existing products and deeply explored consumer demands to develop new products, delivering richer and more innovative product experiences to consumers.

During the Reporting Period, the Group's offline shelves channel business achieved revenue of RMB527.6 million, representing an increase of 47.6% compared to the same period last year.

E-commerce

During the Reporting Period, the Group dedicated to strengthening our leading position on e-commerce platforms such as interest-based e-commerce and search-based e-commerce.

On the interest-based e-commerce platforms, primarily Douyin Marketplace, we are continuously enhancing the team's organizational capabilities through integrated marketing to optimize the brand's livestream room sentiment, innovate content formats continuously, and implement refined advertising operations. Therefore, we achieved precise targeting and efficient conversion of our intended consumer groups. On the search-based e-commerce platforms such as Tmall and JD.com, we maintained our top-tier brand position by precisely securing key platform resources and employing flexible product portfolio strategies.

During the Reporting Period, the Group was accoladed many prestigious awards, including the "Douyin Food & Beverage Health Industry Annual Trend Brand" and the "2025 Tmall Supermarket Super Leading Brand".

In 2025, the Group's e-commerce channel business achieved revenue of RMB1,030.6 million, representing an increase of 11.9% compared to the same period last year.

FUTURE OUTLOOK

In 2026, Wugu Mofang will continue to uphold its strategy as “to be an expert brand offering dietary nutrition originated from medicine and food homology”, steadfastly driving sustainable development with a long-term perspective and moving forward in a market environment embraced with opportunities and challenges.

In the product strategy front, we will continue to focus on needs within the Chinese dietary nutrition spectrum, dedicating ourselves to enhancing the competitiveness of Chinese health-conditioning and functional products in order to consistently increase our market share. For Chinese dietary nutritious breakfast, we will persistently focus on our flagship products “Walnut Sesame Black Bean Powder” (核桃芝麻黑豆粉) to increase its market penetration and actively cultivate the second major product in the instant beverage mix category. For health nutritious gift box, we will focus on core traditional festival scenarios such as Chinese New Year and Mid-Autumn Festival. By optimizing the layout of our gift box product line, we aim to develop evergreen best-sellers. Simultaneously, we will cultivate brand gifting mindset to continuously increase our market share in the health-oriented gifting market. Furthermore, we will continue to enhance product value and strengthen our brand competitiveness through deeper involvement in upstream core raw material sourcing and continue to achieve breakthroughs in core production and processing technologies.

Regarding channel strategy, we will adhere to the synergistic development of omni-channels, continue to optimize channel structure, and provide consumers with premier shopping experience both online and offline.

The year 2026 marks the 20th anniversary of the “Wugu Mofang” brand. We believe that our Wugu Mofang team’s perseverance spirit, along with the experience and capabilities accumulated through past encounters, will support us in forging ahead to a more promising future.

FINANCIAL REVIEW

Revenue

For the year ended 31 December 2025, the Group recorded a revenue of RMB2,525.6 million, representing an increase of 22.6% as compared to 2024 (2024: RMB2,060.4 million).

The Group sells its products through an extensive network of offline channels, including supermarket counter business and offline shelf business, as well as online channels, including major e-commerce platforms and WeChat member stores. The following table sets out details of the Group's revenue by sales channel, each expressed in the absolute amount and as a percentage to its total revenue, for the years indicated:

	For the year ended 31 December			
	2025		2024	
	RMB'000	%	RMB'000	%
Offline channels	1,494,944	59.2	1,139,501	55.3
Supermarket counter business*	967,370	38.3	782,113	38.0
Offline shelf business*	527,574	20.9	357,388	17.3
Online channels	1,030,647	40.8	920,866	44.7
E-commerce platforms (including WeChat member stores)	1,030,647	40.8	920,866	44.7
Total	<u>2,525,591</u>	<u>100.0</u>	<u>2,060,367</u>	<u>100.0</u>

* The supermarket counter business in 2025 was called "offline concessionary counter" in 2024; and the offline shelf business in 2025 was named "new channel business" in 2024.

For the year ended 31 December 2025, the absolute amount of revenue generated from sales through the Group's offline and online channels both increased as compared to the year ended 31 December 2024, among which, the offline channel business recorded a greater growth, representing an increase of approximately 31.2%, which was mainly due to the Group's effective enhancement of the operational efficiency of supermarket counter business and the effective implementation of offline shelf business development strategy.

As a percentage to the total revenue, revenues generated from sales through the offline channels increased from 55.3% in 2024 to 59.2% in 2025, while revenue generated from sales through the online channels decreased from 44.7% in 2024 to 40.8% in 2025.

Cost of Sales, Gross Profit and Gross Profit Margin

The Group's cost of sales increased by approximately 25.4% from RMB704.1 million for the year ended 31 December 2024 to RMB883.1 million for the year ended 31 December 2025, which was mainly due to an increase in sales volume and production volume that led to the increase in raw material costs, packing and other material costs, and manufacturing costs.

Gross profit for the Group increased from approximately RMB1,356.3 million for the year ended 31 December 2024 to approximately RMB1,642.5 million for the year ended 31 December 2025. The gross profit margin slightly decreased from 65.8% for the year ended 31 December 2024 to 65.0% for the year ended 31 December 2025, which was mainly due to the growth in overall revenue (an increase of approximately 22.6%) and a corresponding increase (approximately 25.4%) in cost of sales.

Other Income and Gains

Other income and gains of the Group slightly increased from approximately RMB20.3 million for the year ended 31 December 2024 to approximately RMB22.0 million for the year ended 31 December 2025, which was mainly attributable to an increase in government grants.

Selling and Distribution Expenses

The Group's selling and distribution expenses primarily consist of commission expense, labour service expense, salary and employee benefit expenses of salesmen, sales promotion expenses and others. The selling and distribution expenses increased from approximately RMB1,043.4 million for the year ended 31 December 2024 to approximately RMB1,234.6 million for the year ended 31 December 2025 by 18.3%, which was mainly attributable to the increase in promotional and marketing expenses and salaries and employee benefit expenses in line with the sales growth.

Administrative Expenses

The Group's administrative expenses primarily comprise salary and employee benefit expenses, research and development expenses, depreciation and amortisation, other taxes and fees and intermediary service expenses. The administrative expenses slightly decreased from approximately RMB106.1 million for the year ended 31 December 2024 to approximately RMB99.7 million for the year ended 31 December 2025 by 6.0%. Such decrease was due to the decrease in research and development expenses and in other expenses.

Impairment of Financial Assets

The Group recorded an impairment loss on financial assets of approximately RMB0.02 million for the year ended 31 December 2024, while the Group recorded an impairment loss on financial assets of approximately RMB1.8 million for the year ended 31 December 2025, which was mainly attribute to the impairment recognized for increased trade receivables and extended aging.

Other Business Expenses

Other business expenses of the Group decreased from approximately RMB7.1 million for the year ended 31 December 2024 to approximately RMB2.3 million for the year ended 31 December 2025 primarily due to the decrease in exchange loss.

Finance Costs

For the year ended 31 December 2025, the Group's finance costs slightly decreased from approximately RMB0.38 million for the year ended 31 December 2024 to approximately RMB0.36 million attributable to a tiny decrease in the interest expense on lease liabilities.

Profit before Tax

As a result of the foregoing, the Group recorded a profit before tax of approximately RMB325.8 million for the year ended 31 December 2025, while a profit before tax of approximately RMB219.6 million for the year ended 31 December 2024.

Income Tax Expense

The Group's income tax expense was RMB60.1 million for the year ended 31 December 2025, while the income tax expense was RMB31.7 million for the year ended 31 December 2024, which was mainly due to an increase in tax charge for the year.

Profit for the Year

The Group recorded a profit of approximately RMB265.7 million for the year ended 31 December 2025, while a profit of approximately RMB187.9 million for the year ended 31 December 2024, representing an increase of approximately 41.4%.

FINANCIAL RESOURCES REVIEW

Working Capital and Financial Resources

	As at 31 December 2025 (RMB million)	As at 31 December 2024 (RMB million)
Trade and bills receivables	272.2	223.7
Trade payables	135.1	114.0
Inventories	160.8	94.6
Trade receivables turnover days ⁽¹⁾	36	39
Trade payables turnover days ⁽²⁾	51	55
Inventory turnover days ⁽³⁾	53	49

Notes:

- (1) Trade receivables turnover days = 365 days x (average balance of trade and bills receivables at the beginning and at the end of the relevant period)/revenue in the reporting period.
- (2) Trade payables turnover days = 365 days x (average balance of the trade payables at the beginning and at the end of the relevant period)/cost of sales in the reporting period.
- (3) Inventory turnover days = 365 days x (average balance of inventory at the beginning and at the end of the relevant period)/cost of sales in the reporting period.

The increase of trade and bills receivables was primarily attributable to the increase in revenue. The trade receivables turnover days was 36 days for the year ended 31 December 2025 (31 December 2024: 39 days).

The increase of trade payables was primarily attributable to an increase in the purchase of raw materials and packaging materials used for production. The trade payables turnover days was around 51 days for the year ended 31 December 2025 (31 December 2024: 55 days).

The inventories book value was at around RMB160.8 million as at 31 December 2025 (31 December 2024: RMB94.6 million). The increase in inventory was mainly due to the anticipate future sales growth.

Liquidity and Financial Resources

As at 31 December 2025, the Group's cash and unrestricted bank deposits amounted to RMB1,227.0 million, representing an increase of approximately 10.4% from RMB1,111.6 million as at 31 December 2024.

As of 31 December 2025, the Group's primary uses of cash were payment for suppliers, daily operating expenses, purchase of items of property, plant and equipment, purchase of time deposit and financial assets (i.e. wealth management product) at fair value through profit or loss. The Group financed its liquidity requirements through cash flows generated from its operating activities.

As at 31 December 2025, the Group had no interest-bearing borrowings (31 December 2024: nil).

Net cash flows from operating activities were RMB236.0 million in 2025, as compared with net cash flows from operating activities of RMB271.5 million in 2024. Net cash from investing activities were RMB48.5 million in 2025, as compared with net cash used in investing activities of RMB201.4 million in 2024. Net cash used in financing activities were RMB102.8 million in 2025, as compared with net cash used in financing activities of RMB76.3 million in 2024.

As at 31 December 2025, the Group had net current asset of RMB1,323.5 million, as compared with net current asset of RMB1,182.7 million as at 31 December 2024.

Capital Commitments

As at 31 December 2025, the Group had capital commitments of RMB4.4 million, primarily for the purchase of production equipment, while the Group had contracted but not provided for capital commitments of approximately RMB0.9 million as at 31 December 2024.

Currency Exposure and Management

The Group operates its business in China and conducts domestic business in RMB. Substantially all of the Group's assets are denominated in RMB and HK\$, and the Group mainly incurs cost in HK\$ and RMB. The Group is exposed to foreign exchange risk with respect mainly to HK\$ which may affect the Group's performance. The management is aware of the possible exchange rate exposure due to the continuing fluctuation of the exchange rate between HK\$ and RMB and will closely monitor its impact on the performance of the Group to see if any hedging policy is necessary. The Group currently does not have any foreign currency hedging policy.

Contingent Liabilities

As at 31 December 2025, the Group had no contingent liabilities (31 December 2024: nil).

Pledge of Assets

As at 31 December 2025, the Group had no pledge of assets (31 December 2024: nil).

Interest-bearing Gearing Ratio

As at 31 December 2025, the Group's interest-bearing gearing ratio (calculated by dividing total lease liabilities by total assets as of the end of each year) was approximately 0.3% (31 December 2024: 0.6%).

Employees and Remuneration Policy

As at 31 December 2025, the Group had 475 employees, as compared with 516 employees as at 31 December 2024. For the year ended 31 December 2025, costs of employees, excluding Directors' emoluments and R&D cost, amounted to a total of RMB153.1 million, representing an increase of approximately 4.0% as compared to RMB147.2 million in 2024. The Group will regularly review its remuneration policy and the benefits granted to its employees with reference to market practice and the performance of individual employees.

Determination of directors' remuneration and the remuneration of the executives of the Company: The remuneration committee of the Company makes recommendations to the Board with reference to the prevailing market remuneration levels, based on the qualifications and experience of each director, their responsibilities undertaken and contribution to the Group. The Board is authorized by the shareholders of the Company at the annual general meeting to determine the directors' remuneration and the remuneration of the executives, having regard to the Group's operating results, individual performance and comparable market statistics.

Emolument policies of the Group's employees are formulated by management with the authorization by the Board with reference to the qualification and experience of each employee, their responsibilities undertaken, contribution to the Group, and the prevailing market level of remuneration for executives of similar position.

Emolument policies include cash and equity incentives. The Group has also adopted a share option scheme and a share award scheme (the "**Share Award Scheme**") for the purpose of providing incentives to directors, eligible employees and third party service providers. Further details in relation to these schemes will be set out in the section headed "Report of Board of Directors" of the annual report of the Company for the year ended 31 December 2025.

The Group provides both internal and external training sessions to employees to improve their work performances. The internal training includes induction training and on-the-job training which can be conducted either physically or remotely. It covers various aspects of the employees' development, which include, among other things, safety awareness, general skills, professional skills and management capabilities. The Group also encourages and sponsors the employees to attend external training programmes from time to time to further improve their technical knowledge and professional skills.

Corporate Social Responsibility & Environmental Matters

While the Company endeavours to promote business development and strive for greater rewards for its stakeholders, the Group acknowledges its corporate social responsibility to share some burden in building the society where its business has been established and thrived.

The Company is subject to environmental protection laws and regulations promulgated by the governments in the jurisdictions in which the Company operates its business. The Company has dedicated a team of personnel to handle the environmental compliance-related matters, and implemented stringent waste treatment procedures in the manufacturing facilities.

The Group's environmental, social and governance report will be published on the websites of the HKEXnews and the Company in due course.

Purchase, Sale and Redemption of Shares

During the year ended 31 December 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company (including sale of treasury shares, if any), except that the trustee of the Share Award Scheme purchased a total of 7,000,000 shares on the open market at a total consideration of approximately HK\$7.7 million, pursuant to the terms of the rules and trust deed of the Share Award Scheme. As of 31 December 2025, the Company did not have any treasury shares.

Sufficiency of Public Float

Based on the information publicly available to the Company and within the knowledge of the Directors, the Directors confirmed that the Company has maintained a sufficient public float required under the Listing Rules as at the date of this announcement.

Events after the Reporting Period

Save as the business updates as disclosed in the announcement of the Company dated 18 March 2026, which provides the Company's unaudited sales figures during the 2026 Chinese New Year period and the first two months of 2026, the Group had no other significant event relevant to the business or financial performance of the Group that should be brought to the attention of the shareholders since 31 December 2025.

Use of Proceeds from the Listing

The shares of the Company were listed on the Main Board of the Stock Exchange on 12 December 2018 with net proceeds from the global offering of approximately HK\$636.8 million (after deduction of underwriting fees and commissions and estimated expenses payable by the Company in connection with the global offering) and the balance of unutilised net proceeds of approximately HK\$50.3 million as at the beginning of the reporting period and approximately HK\$42.8 million as at the date of this announcement.

The net proceeds from the Global Offering have been and will be utilised in accordance with the purposes set out in the prospectus of the Company dated 29 November 2018. The table below sets out the planned applications of the net proceeds and actual usage up to the end of the reporting period:

	Budget (HK\$ million)	Accumulated amount utilised as at 31 December 2024 (HK\$ million)	Amount utilised during the year ended 31 December 2025 (HK\$ million)	Remaining balance as at 31 December 2025 (HK\$ million)	Expected timeline for unutilised Net Proceeds
To further enhance the integrated distribution platform and optimise our channel mix	222.9	222.9	–	–	N/A
– To expand the online presence through further developing the technology infrastructure	22.3	22.3	–	–	N/A
– To upgrade certain existing concessionary counters into integrated health food stores in supermarkets	22.3	22.3	–	–	N/A
– To further increase the number of the concessionary counters, including the related expense for decoration, equipment procurement and other fees	44.6	44.6	–	–	N/A
– To expand into and introduce our existing and/or new products at various high frequency “on-the-go” consumption channels	133.7	133.7	–	–	N/A
To construct the Nansha Manufacturing Facility in Guangzhou, Guangdong Province and the procurement of machinery and equipment for this planned processing facility	382.1	331.8	7.5	42.8	By end of 2028*
To use for general corporate purposes	31.8	31.8	–	–	N/A
Total	636.8	586.5	7.5	42.8	

* *The deferred use of the net proceeds intended for such purpose is due to the fact that the Group’s current production capacity and working capital are sufficient and therefore there is no need to utilise the net proceeds from the global offering for the purchase of production equipment, etc.*

Currently, the Group holds the unutilised net proceeds as deposit with creditworthy banks with no recent history of default.

Model Code for Securities Transactions by Directors

Since the listing of the Company on the Main Board of the Stock Exchange, the Board 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 as the code for the dealings in securities transactions by the Directors. All Directors have confirmed that they complied with the provisions of the Model Code during the year ended 31 December 2025.

Audit Committee

The Company established an audit committee (the “**Audit Committee**”) with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code as set out in Appendix C1 to the Listing Rules. The Audit Committee consists of three members, namely Mr. ZHANG Senquan, Mr. HU Peng and Mr. OUYANG Liangyi, all of which are our independent non-executive Directors. Mr. ZHANG Senquan has been appointed as the Chairman of the Audit Committee. The annual results for the year ended 31 December 2025 of the Company have been reviewed by the Audit Committee. The Audit Committee has also reviewed the accounting policies and practices adopted by the Company and discussed risk management and internal control with senior management members and external internal control consultant.

Review of Preliminary Announcement

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for the year ended 31 December 2025 as set out in this preliminary announcement have been agreed by the Company’s auditors to the amounts set out in the Group’s draft consolidated financial statements for the year. The work performed by the Company’s auditors 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 the Company’s auditors on this preliminary announcement.

Appreciation

The chairman of the Group would like to take this opportunity to thank her fellow Directors for their invaluable advice and guidance, and to each and every one of the staff of the Group for their hard work and loyalty to the Group.

Publication of Financial Results and Annual Report

This annual results announcement is published on the websites of the HKEXnews (<http://www.hkexnews.com>) and the Company (<http://www.szwgmf.com>). The annual report of the Company for the year ended 31 December 2025 containing all the information required by the Listing Rules will be published and despatched to shareholders of the Company (if requested) and made available for review on the same websites in due course.

By order of the Board
Natural Food International Holding Limited
GUI Changqing
Chairman

Hong Kong, 30 March 2026

As at the date of this announcement, the Board comprises Ms. GUI Changqing and Mr. ZHANG Zejun as executive Directors, Ms. TSE Cheung On Anne and Mr. WANG Duo as non-executive Directors, and Mr. ZHANG Senquan, Mr. HU Peng and Mr. OUYANG Liangyi as independent non-executive Directors.