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## **5100 Xizang Glacier Company Limited**

**5100 藏冰川有限公司**

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

**(Stock code: 1115)**

### **ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025 AND CHANGE IN USE OF PROCEEDS FROM PLACING OF CONVERTIBLE BONDS**

**The group's overall performance achieved turnaround from loss to profit**

- The Group's revenue rebounded significantly, increasing by 59% year-on-year
- The Group's operating profit for the year was RMB 99.64 million
- Water business segment: gross profit increased by 530% year-on-year
- Beer business segment: gross profit increased by 84% year-on-year
- The Group's total current liabilities decreased by 33% year-on-year

## FINANCIAL HIGHLIGHTS

	Year ended 31 December		Change %
	2025 <i>(RMB'000)</i>	2024 <i>(RMB'000)</i>	
<b>Revenue</b>	<u>357,935</u>	<u>225,811</u>	↑ 58.5%
<b>Operating profit/(loss)</b>	<u>99,648</u>	<u>(97,609)</u>	N/A
<b>Profit/(loss) for the year attributable to owners of the Company</b>	<u>86,239</u>	<u>(573,947)</u>	N/A
<b>Earnings/(loss) per share</b>			
- Basic (RMB cents)	<u>1.83</u>	<u>(12.92)</u>	N/A
- Diluted (RMB cents)	<u>1.80</u>	<u>(12.92)</u>	N/A
<b>Gross profit margin</b>	<u>50.1%</u>	<u>27.1%</u>	↑ 23.0% point
		<b>As at 31 December</b>	
		<b>2025</b>	<b>2024</b>
		<i>(RMB'000)</i>	<i>(RMB'000)</i>
<b>Total assets</b>		<u>3,748,041</u>	<u>3,507,498</u>
<b>Equity attributable to owners of the Company</b>		<u>2,873,513</u>	<u>2,379,960</u>

## FINAL RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of 5100 Xizang Glacier Company Limited (the “**Company**”) is pleased to announce the consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2025, together with comparative figures prepared under IFRS Accounting Standards.

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS

*For the year ended 31 December 2025*

	<i>Notes</i>	<b>2025</b> <b>RMB’000</b>	2024 <i>RMB’000</i>
<b>Revenue</b>	5	<b>357,935</b>	225,811
Cost of sales		<b>(178,783)</b>	(164,630)
<b>Gross profit</b>		<b>179,152</b>	61,181
Selling and distribution costs		<b>(36,165)</b>	(63,000)
Administrative expenses		<b>(74,132)</b>	(76,806)
Allowance for expected credit loss (“ <b>ECL</b> ”) on financial assets		<b>(5,035)</b>	(47,726)
Other gains, net	6	<b>35,828</b>	28,742
<b>Operating profit/(loss)</b>		<b>99,648</b>	(97,609)
Finance cost, net	7	<b>(3,094)</b>	(3,812)
Share of result on investments accounted for using the equity method	12	<b>(2,560)</b>	(8,312)
Impairment loss on investments accounted for using the equity method		<b>—</b>	(462,729)
<b>Profit/(loss) before income tax</b>		<b>93,994</b>	(572,462)
Income tax expense	8	<b>(7,755)</b>	(1,485)
<b>Profit/(loss) for the year</b>	9	<b>86,239</b>	(573,947)
<b>Profit/(loss) for the year attributable to:</b>			
<b>Owners of the Company</b>		<b>86,239</b>	(573,947)
<b>Non-controlling interests</b>		<b>—</b>	—
		<b>86,239</b>	(573,947)
<b>Earnings/(loss) per share attributable to owners of the Company</b>			
<b>– Basic (RMB cents)</b>	10	<b>1.83</b>	(12.92)
<b>– Diluted (RMB cents)</b>	10	<b>1.80</b>	(12.92)

The above consolidated statement of profit or loss should be read in conjunction with the accompanying notes.

## CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

*For the year ended 31 December 2025*

	<i>Notes</i>	<b>2025</b> <b>RMB'000</b>	2024 <i>RMB'000</i>
<b>Profit/(loss) for the year</b>	9	<u>86,239</u>	<u>(573,947)</u>
Other comprehensive (loss)/income:			
<i>Item that will not be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation from functional currency to presentation currency		<u>(4,015)</u>	<u>1,678</u>
<b>Other comprehensive (loss)/income for the year, net of tax</b>		<u>(4,015)</u>	<u>1,678</u>
<b>Total comprehensive income/(loss) for the year</b>		<u>82,224</u>	<u>(572,269)</u>
<b>Total comprehensive income/(loss) attributable to owners of the Company</b>		<u><u>82,224</u></u>	<u><u>(572,269)</u></u>
<b>Total comprehensive income/(loss) attributable to:</b>			
Owners of the Company		82,204	(572,269)
Non-controlling interests		<u>20</u>	<u>—</u>
		<u><u>82,224</u></u>	<u><u>(572,269)</u></u>

The above consolidated statement of other comprehensive income should be read in conjunction with the accompanying notes.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*As at 31 December 2025*

	<i>Notes</i>	<b>2025</b> <b>RMB'000</b>	2024 <i>RMB'000</i>
<b>Non-current assets</b>			
Right-of-use assets		<b>44,100</b>	25,838
Property, plant and equipment (“PP&E”)		<b>292,209</b>	313,496
Intangible assets		<b>18,285</b>	21,483
Goodwill		<b>721,139</b>	721,139
Investments accounted for using the equity method	12	<b>768,367</b>	741,527
Financial assets at fair value through profit or loss (“FVTPL”)	13	<b>92,615</b>	—
Deferred tax assets		<b>2,021</b>	2,080
		<hr/>	<hr/>
<b>Total non-current assets</b>		<b>1,938,736</b>	1,825,563
<b>Current assets</b>			
Inventories		<b>82,667</b>	72,142
Trade receivables	14	<b>204,769</b>	134,344
Loan receivables		<b>2,760</b>	1,838
Prepayments		<b>229,304</b>	187,646
Other financial assets at amortised cost		<b>1,097,454</b>	1,164,198
Derivative financial instruments	16	<b>45,316</b>	—
Financial assets at FVTPL	13	<b>50,289</b>	—
Cash and cash equivalents		<b>96,746</b>	121,767
		<hr/>	<hr/>
<b>Total current assets</b>		<b>1,809,305</b>	1,681,935
<b>Current liabilities</b>			
Trade and notes payables	15	<b>128,639</b>	130,676
Deferred revenue		<b>704</b>	1,267
Contract liabilities		<b>31,845</b>	123,002
Tax payable		<b>34,951</b>	31,218
Accruals and other payables		<b>107,877</b>	217,440
Bank and other borrowings		<b>202,000</b>	578,057
Convertible bonds – liability component	16	<b>215,287</b>	—
Lease liabilities		<b>1,846</b>	890
		<hr/>	<hr/>
<b>Total current liabilities</b>		<b>723,149</b>	1,082,550

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

*As at 31 December 2025*

	<i>Notes</i>	<b>2025</b>	2024
		<b><i>RMB'000</i></b>	<i>RMB'000</i>
<b>Net current assets</b>		<b>1,086,156</b>	599,385
<b>Total assets less current liabilities</b>		<b>3,024,892</b>	2,424,948
<b>Non-current liabilities</b>			
Bank and other borrowings		<b>119,000</b>	32,000
Deferred revenue		<b>7,400</b>	7,752
Deferred tax liabilities		<b>5,593</b>	5,176
Lease liabilities		<b>18,918</b>	60
<b>Total non-current liabilities</b>		<b>150,911</b>	44,988
<b>Net assets</b>		<b>2,873,981</b>	2,379,960
<b>Capital and reserves</b>			
Share capital	17	<b>48,121</b>	38,929
Reserves		<b>2,825,392</b>	2,341,031
<b>Equity attributable to owners of the Company</b>		<b>2,873,513</b>	2,379,960
<b>Non-controlling interests</b>		<b>468</b>	—
<b>Total Equity</b>		<b>2,873,981</b>	2,379,960

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31 December 2025*

## 1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 8 November 2010. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company is an investment holding company. The Group is engaged in production and sales of water products and beer products in the People's Republic of China (“**PRC**”) and provision of lending services to third parties in Hong Kong with relevant license.

The Company's shares have been listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since 30 June 2011.

The consolidated financial statements are presented in Renminbi (“**RMB**”), which is different from the Company's functional currency Hong Kong Dollar (“**HKD**”). The Directors adopted RMB as presentation currency as the operational entities are located in the PRC.

## 2. APPLICATION OF AMENDMENTS TO IFRS ACCOUNTING STANDARDS

### **Amendments to IFRS Accounting Standards that are mandatorily effective for the current year**

In the current year, the Group has applied the following new and amendments to IFRS Accounting Standards issued by the IASB for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2025 for the preparation of the consolidated financial statements:

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

## 2. APPLICATION OF AMENDMENTS TO IFRS ACCOUNTING STANDARDS (CONTINUED)

### Amendments to IFRS Accounting Standards in issued but not yet effective

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

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>2</sup>
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity <sup>2</sup>
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>1</sup>
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11 <sup>2</sup>
IFRS 18	Presentation and Disclosure in Financial Statements <sup>3</sup>
Amendments to IAS 21	Translation to Hyperinflationary Presentation Currency <sup>3</sup>

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

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

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

The Directors anticipate that the application of the all other new and amendments to IFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

## 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

### Basis of preparation of consolidated financial statements

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

The consolidated financial statements have been prepared on the historical cost basis, except for the financial assets at FVTPL and the financial assets at fair value through other comprehensive income (“FVTOCI”).

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share based payment transactions that are within the scope of IFRS 2 Share-based Payment, leasing transactions that are within the scope of IFRS 16 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 Inventories or value in use in IAS 36 Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

### **4. SEGMENT INFORMATION**

Management has determined the operating segments based on the reports regularly reviewed by the executive Directors, being the chief operating decision maker (“**CODM**”), that are used to make strategic decisions.

#### **(a) Description of segments and principal activities**

##### ***(i) Water business segment***

Manufacturing and selling a range of water products through wholesales in the PRC, selling raw materials and consumables to associates and third parties, and leasing production lines to associates.

##### ***(ii) Beer business segment***

Manufacturing and selling a range of beer products mainly in the PRC and overseas through wholesales, licensing and distributions.

#### 4. SEGMENT INFORMATION (CONTINUED)

##### (b) Segment information disclosures

Sales between segments are based on the agreed terms between both segments. The revenue from external parties reported to the CODM is measured in a manner consistent with that in the consolidated statement of profit or loss.

The amounts provided to the CODM with respect of total assets and total liabilities are measured in a manner consistent with that of the consolidated financial statements.

The segment information provided to the CODM for the reportable segments for the year ended 31 December 2025 is as follows:

	<b>Water business segment RMB'000</b>	<b>Beer business segment RMB'000</b>	<b>Corporate and others RMB'000</b>	<b>Total RMB'000</b>
<b>Total segment revenue</b>	<b>188,464</b>	<b>169,251</b>	<b>220</b>	<b>357,935</b>
Cost of sales	<u>(92,464)</u>	<u>(86,319)</u>	<u>—</u>	<u>(178,783)</u>
<b>Gross profit</b>	<u><b>96,000</b></u>	<u><b>82,932</b></u>	<u><b>220</b></u>	<u><b>179,152</b></u>
Share of result on investments accounted for using the equity method	(2,560)	—	—	(2,560)
(Allowance for)/reversal of ECL on financial assets	(3,832)	1,083	(2,286)	(5,035)
<b>Adjusted EBITDA*</b>	<b>70,108</b>	<b>81,347</b>	<b>(21,459)</b>	<b>129,996</b>
Finance income	23,716	11,772	1,837	37,325
Finance costs	(6,762)	(2,527)	(31,130)	(40,419)
Depreciation and amortisation	<u>(17,227)</u>	<u>(14,690)</u>	<u>(991)</u>	<u>(32,908)</u>
Profit/(loss) before tax	<b>69,835</b>	<b>75,902</b>	<b>(51,743)</b>	<b>93,994</b>
Income tax (expenses)/credit	<u>(498)</u>	<u>(7,296)</u>	<u>39</u>	<u>(7,755)</u>
<b>Profit/(loss) for the year</b>	<u><b>69,337</b></u>	<u><b>68,606</b></u>	<u><b>(51,704)</b></u>	<u><b>86,239</b></u>

#### 4. SEGMENT INFORMATION (CONTINUED)

##### (b) Segment information disclosures (continued)

	Water business segment <i>RMB'000</i>	Beer business segment <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Segment total assets</b>	2,212,972	1,407,680	3,620,652
– Investments accounted for using the equity method	768,367	—	768,367
<b>Unallocated</b>			
Deferred tax assets			2,021
Assets of corporate and others			125,368
<b>Total assets</b>			<u>3,748,041</u>
<b>Segment total liabilities</b>	352,091	278,697	630,788
<b>Unallocated</b>			
Deferred tax liabilities			5,593
Liabilities of corporate and others			237,679
<b>Total liabilities</b>			<u>874,060</u>

#### 4. SEGMENT INFORMATION (CONTINUED)

##### (b) Segment information disclosures (continued)

The segment information provided to the CODM for the reportable segments for the year ended 31 December 2024 is as follows:

	Water business segment <i>RMB'000</i>	Beer business segment <i>RMB'000</i>	Corporate and others <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Total segment revenue</b>	87,522	137,331	958	225,811
Cost of sales	(72,295)	(92,335)	—	(164,630)
<b>Gross profit</b>	<u>15,227</u>	<u>44,996</u>	<u>958</u>	<u>61,181</u>
Share of result on investments accounted for using the equity method	(8,312)	—	—	(8,312)
(Allowance for)/reversal of ECL on financial assets	(45,313)	(3,213)	800	(47,726)
<b>Adjusted EBITDA*</b>	(78,152)	44,950	(36,592)	(69,794)
Impairment loss on investments accounted for using the equity method	(462,729)	—	—	(462,729)
Finance income	19,767	10,746	757	31,270
Finance costs	(7,738)	(3,770)	(23,574)	(35,082)
Depreciation and amortisation	(19,047)	(15,830)	(1,250)	(36,127)
(Loss)/profit before tax	(547,899)	36,096	(60,659)	(572,462)
Income tax (expenses)/credit	(546)	(1,312)	373	(1,485)
<b>(Loss)/profit for the year</b>	<u><u>(548,445)</u></u>	<u><u>34,784</u></u>	<u><u>(60,286)</u></u>	<u><u>(573,947)</u></u>

\* Adjusted EBITDA is a key financial measure regularly monitored by CODM in managing the Group's performance. Adjusted EBITDA is calculated by excluding the following effects from the profit/(loss) for the year: (i) finance (cost)/income, net; (ii) depreciation and amortisation; and (iii) income tax (expense)/credit.

Adjusted EBITDA is not an accounting measure under IFRS and should not be considered as an alternative to the profit/(loss) for the year as a measure of operational performance. Adjusted EBITDA does not have a standard calculation method and the Group's definition of adjusted EBITDA may not be comparable to that of other companies.

#### 4. SEGMENT INFORMATION (CONTINUED)

##### (b) Segment information disclosures (continued)

	Water business segment <i>RMB '000</i>	Beer business segment <i>RMB '000</i>	Total <i>RMB '000</i>
<b>Segment total assets</b>	2,012,872	1,391,114	3,403,986
– Investments accounted for using the equity method	741,527	—	741,527
<b>Unallocated</b>			
Deferred tax assets			2,080
Assets of corporate and others			101,432
<b>Total assets</b>			<u><u>3,507,498</u></u>
<b>Segment total liabilities</b>	450,013	309,333	759,346
<b>Unallocated</b>			
Deferred tax liabilities			5,176
Liabilities of corporate and others			363,016
<b>Total liabilities</b>			<u><u>1,127,538</u></u>

##### *Entity-Wide information*

Breakdown of total revenue by category is shown in Note 5.

Information about Group's revenue from continuing operations from external customers is prepared based on the location of the customers. Information about the Group's non-current assets is presented based on the geographical location of the assets.

#### 4. SEGMENT INFORMATION (CONTINUED)

##### (b) Segment information disclosures (continued)

###### *Geographical information*

	Revenue from external customers		Non-current assets	
	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
PRC	345,889	224,781	1,936,290	1,822,467
Hong Kong	12,046	1,030	425	1,016
	<u>357,935</u>	<u>225,811</u>	<u>1,936,715</u>	<u>1,823,483</u>

Note: Non-current assets excluded deferred tax assets.

##### (c) Information about major customers

Revenue from customers over 10% of the Group's total revenue is as follows:

	Year ended 31 December	
	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Customer A*	— <sup>#</sup>	34,137
Customer B*	110,190	— <sup>^</sup>
Customer C*	— <sup>#</sup>	31,182
Customer D*	— <sup>#</sup>	25,981
Customer E <sup>&amp;</sup>	<u>79,817</u>	<u>—<sup>^</sup></u>

<sup>&</sup> Revenue from water business segment

<sup>\*</sup> Revenue from beer business segment

<sup>#</sup> Revenue from this customer amounts to less than 10% of the Group's total revenue in 2025

<sup>^</sup> Revenue from this customer amounts to less than 10% of the Group's total revenue in 2024

During the year ended 31 December 2025, sales of approximately RMB18,802,000 (2024: RMB22,766,000) and RMB684,000 (2024: RMB223,000) are derived from associates in the water business segment and beer business segment respectively.

## 5. REVENUE

Revenue from external customers is mainly derived from the sales of water products and beer products, licensing income, and interest income from lending services provided. The Group also sells raw materials and consumables to associates and third parties, leases production lines and equipment to associates. Breakdown of the revenue is as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
<b>Revenue from contracts with customers:</b>		
<b><i>Recognised at a point in time</i></b>		
Sales of water products	182,490	81,561
Sales of beer products	122,081	136,999
Sales of raw materials and consumables	824	346
	<u>305,395</u>	<u>218,906</u>
<b><i>Recognised over time</i></b>		
Licensing income	47,170	—
<b>Revenue from other source:</b>		
Rental income	5,150	5,947
Interest income from lending services provided	220	958
	<u>5,370</u>	<u>6,905</u>
Total	<u><u>357,935</u></u>	<u><u>225,811</u></u>

## 6. OTHER GAINS, NET

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
<b>Other gains/(losses)</b>		
Government grants		
– Amortisation of deferred income	915	2,374
– Other government grant (note (a))	16,497	16,056
Write-down of inventories	—	(1,011)
(Loss)/gain on disposal of PP&E	(25)	236
Additional deduction of input VAT (note (b))	1,074	687
Gain on disposal of a subsidiary (note (c))	—	16,524
Foreign exchange gain/(loss), net	11,254	(8,589)
Loss on derecognition of convertible bonds & other borrowing	—	(2,803)
Fair value loss on derivative financial instruments	(8,435)	—
Realised gain on financial asset at FVTPL	2,038	—
Dividend income from financial asset at FVTPL	707	—
Fair value gain on financial asset at FVTPL	7,161	—
Others	4,642	5,268
	<u>35,828</u>	<u>28,742</u>

## 6. OTHER GAINS, NET (CONTINUED)

notes:

- (a) Other government grant represents various form of subsidies granted to the Group by the local government authorities in the PRC for compensation of expenses incurred by the Group. These grants are generally made for business support and awarded to enterprises on a discretionary basis. There are no unfulfilled conditions or contingencies relating to these grants.
- (b) According to Announcement 2023 No. 43 of the Ministry of Finance and the State Taxation Administration of PRC, with effect from 1 January 2023 to 31 December 2027, advanced manufacturing enterprises are allowed to deduct additional 5% of the current deductible input VAT from the VAT payable. One subsidiary of the Group is qualified for such additional input VAT deduction.
- (c) The Group disposed of its 100% equity interests in a subsidiary on 1 April 2024. The disposal was made due to a strategic consideration for the development of the Group. The above-mentioned subsidiary is engaged in the sales of water and beer products. Gain on disposal of a subsidiary was approximately RMB16,524,000.

## 7. FINANCE COST, NET

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Interest costs on bank borrowings	(10,750)	(10,214)
Interest costs on convertible bonds	(24,881)	(9,484)
Interest costs on other borrowings	(4,400)	(15,304)
Interest costs on lease liabilities	(388)	(80)
<b>Finance cost</b>	<b>(40,419)</b>	<b>(35,082)</b>
Finance income – interest income	37,325	31,270
<b>Finance cost, net</b>	<b>(3,094)</b>	<b>(3,812)</b>

## 8. INCOME TAX EXPENSE

The amount of income tax expense charged to the consolidated statement of profit or loss represents:

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
PRC Enterprise Income Tax:		
Current tax	7,488	1,223
Deferred tax	267	262
Income tax expense	7,755	1,485

## 9. PROFIT/(LOSS) FOR THE YEAR

Profit/(loss) for the year has been arrived at after charging/(crediting):

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Auditor's remuneration		
– Audit services	2,107	2,099
– Non-audit services	242	183
Raw materials and consumables used	106,964	121,987
Amortisation of intangible assets	3,198	3,196
Depreciation of PP&E	27,470	31,039
Depreciation of right-of-use assets	2,240	1,892
Short-term lease expenses	508	1,139
Employee benefit expenses (note)	73,306	72,643
Allowance/(reversal) for ECL on financial assets:		
– Trade receivables	7,724	43,248
– Loan receivables	(16)	(1,316)
– Other financial assets at amortised cost	(2,673)	5,794

Note: The employee benefit expenses include equity-settled share-based payment expense of approximately RMB17,265,000 recognised during the year (2024: RMB Nil).

## 10. EARNINGS/(LOSS) PER SHARE

### (a) Basic earnings/(loss) per share

As at 31 December 2025 and 2024, basic earnings/(loss) per share is based on the following data:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Profit/(loss) attributable to owners of the Company	86,239	(573,947)

	Year ended 31 December	
	2025	2024
Weighted average number of ordinary shares in issue (thousands)	4,719,935	4,443,890

(b) Diluted earnings/(loss) per share

	<b>Year ended 31 December 2025 RMB'000</b>
Profit attributable to owners of the Company	86,239
Effect of dilutive potential ordinary shares:	
Interest on 2025 Convertible Bonds III (net of income tax)	<u>1,826</u>
Earnings per share for the purpose of diluted earnings per share	<u><u>88,065</u></u>

	<b>Year ended 31 December</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Weighted average number of ordinary shares in issue (thousands)	4,719,935	4,443,890
Effect of dilutive potential ordinary shares:		
Share options scheme	86,226	—
Convertible Bonds	<u>88,543</u>	<u>—</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u><u>4,894,704</u></u>	<u><u>4,443,890</u></u>

Diluted loss per share for years ended 31 December 2024 were the same as basic loss per share as the outstanding convertible bonds had anti-dilutive effect on the basic loss per share.

## 11. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company for the year ended 31 December 2025, nor has any dividend been proposed since the end of the reporting period (2024: nil).

## 12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Balance at 1 January	741,527	1,215,508
Addition (note)	29,400	—
Share of results	(2,560)	(8,312)
Declaration of dividend	—	(2,940)
Impairment loss recognised	—	(462,729)
	<hr/>	<hr/>
Balance at 31 December	<b>768,367</b>	741,527

Note:

In 2025, the Group acquired 49% equity interests in a company incorporated in the PRC at a consideration of RMB29,400,000. Upon completion of the acquisition, the Group held a 49% equity interest in that company, which became an associate of the Group.

## 13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 31 December	
	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Equity securities listed in Hong Kong (note a)	50,289	—
Unlisted equity securities in the PRC (note b)	92,400	—
Unlisted equity securities in Hong Kong	215	—
	<hr/>	<hr/>
	<b>142,904</b>	—
	<hr/>	<hr/>
<b>Analysed for reporting purposes at:</b>		
Current assets	50,289	—
Non-current assets	92,615	—
	<hr/>	<hr/>
	<b>142,904</b>	—

Note a: The fair value of the listed equity securities was determined based on the quoted market closing prices available on the Hong Kong Stock Exchange. These investments are held for trading.

Note b: During 2025, the Group has acquired 28% interest in a company incorporated in the PRC. The subscription was completed in December 2025. This company has obtained approval for water extraction rights from a water source in Tibet Autonomous Region in Shannan City.

#### 14. TRADE RECEIVABLES

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Trade receivables	299,946	221,819
Less: allowance for ECL	(95,177)	(87,475)
	<u>204,769</u>	<u>134,344</u>

As at 31 December 2025 and 2024, the Group's trade receivables due from third parties were all denominated in RMB and HKD. The credit period is generally from 90 to 180 days. The aging analysis of trade receivables based on invoice dates is as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Within 6 months	114,003	76,642
Over 6 months but within 1 year	56,104	14,928
Over 1 year but within 2 years	33,269	53,352
Over 2 years	96,570	76,897
	<u>299,946</u>	<u>221,819</u>
Less: allowance for ECL	(95,177)	(87,475)
	<u>204,769</u>	<u>134,344</u>

## 15. TRADE AND NOTES PAYABLES

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Trade payables	26,983	27,906
Notes payables	101,656	102,770
	<u>128,639</u>	<u>130,676</u>

As at 31 December 2025 and 2024, the aging analysis of trade payables based on invoice dates is as follows:

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Within 3 months	11,342	7,467
Over 3 months but within 6 months	2,597	2,154
Over 6 months but within 1 year	1,544	4,133
Over 1 year but within 2 years	5,619	7,791
Over 2 years	5,881	6,361
	<u>26,983</u>	<u>27,906</u>

As at 31 December 2025 and 2024, the Group's trade payables were all denominated in RMB and were not interest bearing.

The credit period on trade payables is generally within 90 days.

As at 31 December 2025, the bank acceptance notes amounting to approximately RMB101,656,000 (2024: RMB102,770,000) were guaranteed by bank deposits of approximately RMB10,166,000 (2024: RMB10,277,000).

## 16. CONVERTIBLE BOND — LIABILITY COMPONENT

The Company issued 5% convertible bonds with principal amount of HKD379,620,000 (equivalent to RMB317,702,000) (“**2021 Convertible Bonds**”) in March 2021. The 2021 Convertible Bonds were denominated in Hong Kong dollars, unsecured and with interest calculated semi-annually. The bonds entitled the holders to convert them into ordinary shares of the Company at any time between the date of issue of the bonds and the maturity date in March 2024 at a conversion price of HKD0.74 per share (subject to anti-dilutive adjustments). The bonds could be early redeemed upon certain events at the option of the bondholders or the issuer. If the bonds had not been converted or redeemed, they shall be redeemed in March 2024 at par value plus accrued interest.

At initial recognition, the fair value of the liability component was estimated at the issuance date using an equivalent market interest rate for a similar bond without a conversion option. The residual amount is assigned as the equity component and is presented in equity heading “other reserve”. The early redemption option is considered as closely related to the host debt. The effective interest rate of the liability component is 7.69%.

During the year ended 31 December 2021, the 2021 Convertible Bonds with the principal amount of HKD22,644,000 (equivalent to RMB19,026,000) were converted into 30,600,000 new shares of the Company at a conversion price of HKD0.74 per share.

In March 2024, a total aggregate of the principal and interest of approximately HKD167,928,000 (equivalent to RMB152,411,000) had been repaid and the remaining principal had been transferred into short-term loan arrangements.

The Company issued new 10% convertible bonds with principal amount of HKD90,000,000 (equivalent to RMB82,060,000) (the “**2024 Convertible Bonds**”) in June 2024. The 2024 Convertible Bonds were denominated in Hong Kong dollars, unsecured and with interest payable in one lump sum upon maturity. The bonds entitled the holders to convert them into ordinary shares of the Company at any time between the date of issue of the bonds and the maturity date in September 2024 at a conversion price of HKD0.30 per share (subject to anti-dilutive adjustments). The bonds could be early redeemed upon certain events at the option of the bondholder or the issuer. If the bonds had not been converted or redeemed, they shall be redeemed in September 2024 at par value plus accrued interest.

Upon maturity, the 2024 Convertible Bonds had been converted into one single loan at 10% per annum, repayable on or before 1 December 2025.

No 2024 Convertible Bonds were converted during the year ended 31 December 2024.

The fair value of the liability component of 2021 Convertible Bonds at 31 December 2024 was nil, as at 31 December 2023, the amount was RMB326,137,000, which is calculated using cash flows discounted at the rate of 9.74% and was within level 3 of the fair value hierarchy.

On 5 March 2024, a 2021 Convertible Bonds holder entered into an agreement to convert the 2021 Convertible Bonds (Due 2024) into short-term loan arrangement at an interest rate of 8% per annum, which matured on 15 September 2024. Subsequently after the maturity date, the loan had been extended, which shall mature on 15 May 2025.

## 16. CONVERTIBLE BOND - LIABILITY COMPONENT (CONTINUED)

On 22 May 2024, another 2021 Convertible Bonds holder entered into an agreement to convert and split the 2021 Convertible Bonds (Due 2024) to short-term loan arrangements at an interest rate of 10% per annum (Due 30 September 2024) and 2024 Convertible Bonds with a principal of HKD90,000,000 (Due 30 September 2024).

Subsequently after the maturity date, the loan and the outstanding 2024 Convertible Bonds were combined and converted into a single new loan with a principal amount of approximately HKD151,700,000 (RMB approximately 140,474,000), which shall be due on December 2025.

On 21 January 2025, the Company completed the issue of 8% convertible bonds in the aggregate principal amount of HKD165,000,000 (the “**2025 Convertible Bonds I**”). The bonds bore interest on their outstanding principal amount from and including the issue date and payable in one lump sum on the maturity date or upon conversion in accordance with the terms and conditions of the bonds. The bonds will be convertible into shares at the initial conversion price of HKD0.33 (subject to adjustments in the manner provided in the bonds documents). The bonds could be early redeemed upon certain events at the option of the bondholder or the issuer. If the bonds had not been converted or redeemed, they shall be redeemed on 9 December 2025 at par value plus accrued interest. Further details were set out in the announcements of the Company dated 12 December 2024, 20 December 2024 and 21 January 2025 respectively.

At initial recognition, the fair value of the liability component was estimated at the issuance date using an equivalent market interest rate for a similar bond without a conversion option. The residual amount is assigned as the equity component and is presented in equity heading “other reserve”. The early redemption option is considered as closely related to the host debt. The effective interest rate of the liability component is 9.11%.

During the year ended 31 December 2025, the 2025 Convertible Bonds I with the principal amount of HKD165,000,000 (equivalent to RMB149,028,000) were converted into 499,999,998 new shares of the Company at a conversion price of HKD0.33 per share. The conversion shares rank pari passu in all respects with shares of the Company.

On 18 March 2025, the Company completed another issue of 8% convertible bonds in the aggregate principal amount of HKD138,000,000 (the “**2025 Convertible Bonds II**”). Interest for the first 3 months from the issue date was payable in advance on the issue date. The remaining interest was payable in one lump sum on the maturity date. The bonds were be convertible into shares at the initial conversion price of HKD0.345 (subject to adjustments in the manner provided in the bonds documents). The bonds could be early redeemed upon certain events at the option of the bondholder or the issuer. If the bonds had not been converted or redeemed, they shall be redeemed on 1 December 2025 at par value plus accrued interest. Further details were set out in the announcements of the Company dated 13 February 2025 and 18 March 2025 respectively.

At initial recognition, the fair value of the liability component was estimated at the issuance date using an equivalent market interest rate for a similar bond without a conversion option. The residual amount is assigned as the equity component and is presented in equity heading “other reserve”. The early redemption option is considered as closely related to the host debt. The effective interest rate of the liability component is 10.12%.

## 16. CONVERTIBLE BOND - LIABILITY COMPONENT (CONTINUED)

During the year ended 31 December 2025, the 2025 Convertible Bonds II with the principal amount of HKD138,000,000 (equivalent to RMB124,641,000) were converted into 400,000,000 new shares of the Company at a conversion price of HKD0.345 per share. The conversion shares rank pari passu in all respects with shares of the Company.

On 17 October 2025, the Company completed the placing of 5% convertible bonds in the aggregate principal amount of HKD297,000,000 (the “**2025 Convertible Bonds III**”). The bonds bear interest on their outstanding principal amount from and including the issue date and payable in one lump sum on the maturity date or upon conversion in accordance with the terms and conditions of the bonds. The bonds will be convertible into shares at the initial conversion price of HKD0.55 (subject to adjustments in the manner provided in the bonds documents). The bonds can be early redeemed upon certain events at the option of the bondholder or the issuer. If the bonds have not been converted or redeemed, they will be redeemed on 5 October 2026 at par value plus accrued interest. Further details were set out in the announcements of the Company dated 17 September 2025 and 17 October 2025 respectively.

Pursuant to the terms of the 2025 Convertible Bonds III, the Company has the right (but not the obligation) to redeem all or part of the bonds held by any bondholder at any time and from time to time prior to the maturity date at their early redemption amount. The management considers the fair value of the option is significant.

The 2025 Convertible Bonds III contain the redemption rights that allow the Company as the issuer to redeem the bonds at par together with accrued interests at any time during the life of the bonds. At initial recognition, the redemption rights are not considered to be ‘closely related’ to the liability component of the bonds, and the redemption right is therefore to be separately recognised as derivative components at FVTPL from the liability component of the bonds. The conversion option is recognised as equity component of the bonds.

At initial recognition, the fair value of the liability component was estimated at the issuance date using an equivalent market interest rate for a similar bond without derivatives; and this amount is carried as a financial liabilities on the amortised cost basis until extinguished on conversion or redemption.

During the year ended 31 December 2025, the 2025 Convertible Bonds III with the principal amount of HKD60,000,000 (equivalent to RMB54,192,000) were converted into 109,090,903 new shares of the Company at a conversion price of HKD0.55 per share. The conversion shares rank pari passu in all respects with shares of the Company.

## 16. CONVERTIBLE BOND - LIABILITY COMPONENT (CONTINUED)

The movement of the debt and derivative components of the 2025 Convertible Bonds III for the year is set out as below:

	<b>Liability Components</b> <i>RMB'000</i>	<b>Derivative components</b> <i>RMB'000</i>
<b>2025 Convertible Bonds III</b>		
Liability/derivative component at the issuance date	266,683	66,679
Interest expenses	2,541	
Conversion	(53,901)	(13,047)
Loss in changes of fair value	—	(8,435)
Exchange realignment	(36)	119
	<u>215,287</u>	<u>45,316</u>
As at 31 December 2025	<u>215,287</u>	<u>45,316</u>

Binomial option pricing model is used for valuation of the derivative component, with certain parameter included expected volatility.

The 2021 Convertible Bonds, 2024 Convertible Bonds, 2025 Convertible Bonds I and 2025 Convertible Bonds II have been split into the liability and equity components as follows:

	<i>RMB'000</i>
<b>2021 Convertible Bonds</b>	
Liability component at 1 January 2024	321,354
Interest expenses	6,607
Interest paid/payable	(4,466)
Repayment	(105,714)
Transfer to other borrowings	(218,278)
Exchange alignment	497
<b>Liability component as at 5 March 2024 (2021 Convertible Bonds Maturity date)</b>	<u>—</u>
As at 19 June 2024 (Issuance date of 2024 Convertible Bonds)	
Liability component at 19 June 2024	81,523
Interest expenses	2,877
Transfer to other borrowings	(84,400)
<b>Liability component as at 31 December 2024</b>	<u>—</u>
<b>2025 Convertible Bonds I and 2025 Convertible Bonds II</b>	
	<i>RMB'000</i>
As at issue date	267,804
Interest paid	(2,565)
Interest expenses	22,340
Conversion	(287,579)
<b>Liability component as at 31 December 2025</b>	<u>—</u>

## 17. SHARE CAPITAL

	Number of ordinary shares ( <i>thousands</i> )	Nominal value of ordinary shares <i>HKD'000</i>	Equivalent nominal value of ordinary shares <i>RMB'000</i>
<b>Ordinary shares of HKD0.01 each, issued and fully paid</b>			
Balance as at 1 January 2024	4,079,188	40,792	34,388
Share issued upon placing of new shares ( <i>Note</i> )	500,000	5,000	4,541
	<u>4,579,188</u>	<u>45,792</u>	<u>38,929</u>
Balance as at 31 December 2024 and 1 January 2025	<b>4,579,188</b>	<b>45,792</b>	<b>38,929</b>
Conversion of convertible bonds	1,009,091	10,091	9,192
	<u>5,588,279</u>	<u>55,883</u>	<u>48,121</u>
<b>Balance as at 31 December 2025</b>	<b><u>5,588,279</u></b>	<b><u>55,883</u></b>	<b><u>48,121</u></b>

Note:

On 21 February 2024, the Company completed the placing of new shares under general mandate. A total of 500,000,000 placing shares have been successfully placed to not less than six places at the placing price of HKD0.218 per placing share. The use of net proceeds for this placing is for partial redemption of the 2021 Convertible Bonds and for general working capital of the Group. Further details were set out in the announcement of the Company dated 21 February 2024.

## 18. COMPARATIVE FIGURES

The “Foreign exchange loss, net” amounting to approximately RMB8,589,000 for the year ended 31 December 2024, which were presented and included in “Finance cost, net” on the consolidated statement of profit or loss for the year ended 31 December 2024, have been re-classified and included in “Other gains, net” on the consolidated statement of profit or loss so as to conform with the current year’s presentation. Certain comparative figures have been reclassified to conform with current year’s presentation.

The reclassifications have no impact on the Group’s total equity as at 31 December 2025 and 2024, or on the Group’s profit or loss for the year ended 31 December 2025 and 31 December 2024.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

In 2025, the Group continued to be committed to the development of the water resources industry and the beer industry in Tibet, striving to enhance the user experience and optimize channel expansion, so as to enable Tibet's distinctive and premium products to reach more consumers and potential consumers.

In 2025, China's economy pressed forward under pressure and advanced steadily, with the consumer market scale expanding step by step. The domestic packaged drinking water market shifted from price wars to value wars, with the competitive landscape becoming differentiated. Instant retail became the core incremental channel, while health orientation and scenario segmentation were the key focuses of development. With growing consumer awareness of health, there has been a sustained rise in demand for premium products. The Group has been leveraging the brand advantage of "Tibet's good water" to actively expand new business channels and has continued to deepen its presence in communities and enhance home delivery services, making our premium products more accessible to consumers. As a result, the total water business sales volume increased by 48.3% year-on-year, with revenue rising by 115.3% year-on-year. The main growth was attributable to the expansion of major client business, supplemented by the convenient operation of redemption and delivery via water cards, alongside efforts made to expand business in specialized channels. Sales in automotive services and hotels both increased. Sales in aviation, cinema chains, and e-commerce channels remained relatively stable, while sales in the Hong Kong market declined. The domestic beer industry as a whole has shown stable volume with improved quality, entering a new stage of high-quality development, while channels are simultaneously tilting toward instant retail. The Group's beer business recorded a revenue increase of 23.2% year-on-year, which was driven by the entering into of sales agency and licensing agreements with third parties that allow localized production within designated regions and charge a licensing fee, combining immediate brand value realization and sustained long-term sales revenue.

In 2025, the scale of the Group's bank financing in Tibet slightly decreased. The Group also actively utilized and leveraged on the advantages of the financing platform of the listed company and successfully completed three convertible bond issues in 2025, which provided strong support for stabilizing the Group's business operations. The investors of the Group have fully demonstrated their recognition of and confidence in the future development of the Group through their active participation in financing activities and actual investment. The management of the Group has always firmly believed in focusing on the return to the products as the cornerstone, the enhancement of customer experience as the goal, the deep ploughing of brand value as the guiding principle, and the maximization of shareholders' returns as the core, so as to gather the strengths of the Group and strive for the future.

## **FINANCIAL REVIEW**

### **REVENUE ANALYSIS**

In 2025, due to the reasons mentioned in the “Business Review” section above, the total revenue of the Group amounted to RMB358 million, representing an increase of 58.5% in comparison with 2024. The revenue generated from our water business segment was RMB188 million, representing an increase of 115.3% in comparison with 2024. The revenue generated from our beer business segment was RMB169 million, representing an increase of 23.2% in comparison with 2024.

In 2025, the overall gross profit margin of the Group was 50.1%, which increased by 23 percentage points when compared to 2024. The gross profit margin of the water business segment was 50.9%, which increased by 33.5 percentage points when compared to 2024, primarily due to higher selling prices and increased sales volume of the water business, which led to a reduction in allocated fixed costs. The gross profit margin of the beer business segment was 49.0% in 2025, which increased by 16.2 percentage points when compared to 2024. The gross profit of the beer segment recorded growth this year, mainly due to the recognition of a license income.

### **SELLING AND DISTRIBUTION COSTS AND ADMINISTRATIVE EXPENSES**

In 2025, the selling and distribution costs decreased by 42.6% to RMB36 million from RMB63 million in 2024, mainly due to the Company’s adjustment of its business development strategy and the reduction in advertising and marketing expenses. The administrative expenses decreased by 3.5% to RMB74 million from RMB77 million in 2024.

### **ALLOWANCE FOR ECL ON FINANCIAL ASSETS**

Allowance for ECL on financial assets mainly included the allowance for ECL on trade receivables and the allowance for ECL on other financial assets at amortised cost. The allowance for ECL on financial assets was RMB5 million in 2025 (2024: RMB48 million). The decrease in ECL on financial assets is due to the improvement in the long aging of trade receivables and the reduction of other financial assets at amortised cost.

### **OTHER GAINS, NET**

In 2025, the Group’s other gains, net, amounted to RMB36 million. The main sources included government grants of RMB16 million, foreign exchange gain of RMB11 million and fair value gain and realised gain on financial assets at FVTPL of RMB9 million, while other losses mainly comprised fair value loss on derivative financial instruments of RMB8 million. In 2024, the Group’s other gain, net, amounted to RMB29 million, primarily arising from government grants of RMB16 million and the gain on disposal of a subsidiary of RMB17 million, while other losses mainly included foreign exchange loss of RMB9 million.

## **FINANCE COST, NET**

In 2025, the Group recorded finance cost, net of RMB3 million, mainly including interest expenses on bank borrowings, convertible bonds and other borrowings of RMB40 million, and interest income of RMB37 million. In 2024, the Group's net finance costs amounted to RMB4 million, mainly including borrowing interest expenses of RMB35 million on bank borrowings, convertible bonds and other borrowings, and interest income of RMB31 million.

## **SHARE OF LOSS ON INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD**

In 2025, the share of loss on investments accounted for using the equity method was RMB3 million (2024: RMB8 million). The decrease in share of loss was mainly due to the fact that the consolidated share of losses of associated companies decreased.

## **INCOME TAX EXPENSE**

In 2025, the income tax expense was RMB8 million, compared to RMB1.5 million in 2024. The increase in income tax expenses was primarily due to an increase in the profit before income tax.

## **PROFIT/LOSS FOR THE YEAR**

For the reasons mentioned above, in 2025, the profit for the year was RMB86 million compared to the loss for the year of RMB574 million in 2024.

## **OTHER FINANCIAL POSITIONS**

As at 31 December 2025, investments accounted for using the equity method of the Group amounted to RMB768 million compared to RMB742 million as at 31 December 2024. The increase was primarily attributable to the Group's acquisition of a 49% equity interest in a limited liability company incorporated in PRC in 2025 at a consideration of RMB29.4 million for expansion of the Group's water business and strengthening the management of specialised channels. Upon completion of the acquisition, the Group held a 49% equity interest in that company, which also became an associate of the Group. For further details, please refer to Note 12 to the consolidated financial statements of this announcement.

As at 31 December 2025, financial assets at FVTPL (current and non-current) of the Group amounted to RMB143 million compared to nil as at 31 December 2024. Financial assets at FVTPL mainly included the Group's acquisition in 2025 of a 28% equity interest in a company incorporated in PRC at a consideration of RMB92.4 million. The Group will not participate in the company's daily operational decision-making and has no significant influence towards the investee. Upon completion of the acquisition, the company is classified as financial assets at FVTPL. In 2025, the Group purchased certain listed equity securities in the stock market, which were classified as financial assets at FVTPL. As at year-end, the balance of such investments amounted to RMB50 million, and the Group seeks steady investment return. The fair value changes of these financial assets are recognized in profit or loss, and the Group will continue to monitor market conditions and adjust its investment strategy accordingly.

At 31 December 2025, inventories of the Group amounted to RMB83 million compared to RMB72 million as at 31 December 2024. The increase was mainly due to an increase in raw material inventories.

As at 31 December 2025, net trade receivables of the Group amounted to RMB205 million, representing an increase compared to RMB134 million as at 31 December 2024. The increase was mainly due to supporting strategic partner distributors in expanding their business by providing certain credit limits and payment terms, with subsequent collections remaining satisfactory. The Group maintained regular contact with our major debtors through meetings and telephone conversations and paid regular attention to public information about our major debtors to understand the status of their operations, their continuing business needs, and the ways in which the Group can improve its services.

As at 31 December 2025, prepayments (current portion) of the Group amounted to RMB229 million, representing an increase compared to RMB188 million as at 31 December 2024. The increase was mainly due to the increase in prepayment for purchasing raw materials.

As at 31 December 2025, other financial assets at amortised cost, net of allowance for ECL of the Group amounted to RMB1,097 million compared to RMB1,164 million as at 31 December 2024. As at 31 December 2025, other financial assets at amortised cost mainly included the amounts due from third parties amounting to RMB1,013 million. As at 31 December 2025, allowance for ECL on other financial assets at amortised cost amounted to RMB44 million.

As at 31 December 2025, contract liabilities of the Group amounted to RMB32 million compared to RMB123 million as at 31 December 2024. The decrease was mainly due to the decrease in advances received from customers of the sales of water and beer products.

As at 31 December 2025, accruals and other payables of the Group amounted to RMB108 million compared to RMB217 million as at 31 December 2024. As at 31 December 2025, accruals and other payables mainly included salary payables and welfare payables amounting to RMB23 million, payables for value added tax and other taxes amounting to RMB20 million, amounts received from a third party and borrowings from third parties amounting to

RMB49 million and other payables amounting to RMB16 million. In 2024, accruals and other payables included RMB85 million prepaid by bond subscribers prior to the completion of the issuance of the 2025 Convertible Bonds I, and following the completion of the transaction in January 2025, the related balance was fully settled.

As at 31 December 2025, the Group's bank and other borrowings included bank borrowings of RMB321 million and other borrowings of nil. Compared with 31 December 2024, bank borrowings decreased by RMB73 million, which was mainly because of the net repayment of principal of bank borrowings in 2025. Other borrowings decreased by RMB216 million, which was because the principal amount of a short-term borrowing arrangement rolled over from the balances of the convertible bonds due in 2024, was settled in 2025.

As at 31 December 2025, the liability component of the convertible bonds issued by the Company was RMB215 million, compared to nil as at 31 December 2024. On 21 January 2025, the Company completed the issue of 8% convertible bonds in the aggregate principal amount of HKD165,000,000 (the “**2025 Convertible Bonds I**”). On 18 March 2025, the Company completed another issue of 8% convertible bonds in the aggregate principal amount of HKD138,000,000 (the “**2025 Convertible Bonds II**”). The aforesaid bonds were fully converted into shares during the period, resulting in the issuance of 499,999,998 and 400,000,000 conversion shares, respectively, and the Company's issued share capital was correspondingly enlarged. On 17 October 2025, the Company completed another issue of 5% convertible bonds in the aggregate principal amount of HKD297,000,000 (the “**2025 Convertible Bonds III**”). Upon initial recognition, the bonds were separated into debt and derivative components, with the derivative component measured at fair value and reflected in profit or loss. Further details of the convertible bonds are set out in Note 16 to the consolidated financial statements of this announcement.

## **EMPLOYEES**

As at 31 December 2025, the total number of employees of the Group was 327 compared to 342 as at 31 December 2024. Relevant staff cost of the Group was RMB73 million in 2025, inclusive of the employee benefit expenses. The employee benefit expenses included equity-settled share-based payment expense of RMB17 million recognised during the year (2024: relevant staff cost was RMB73 million, and equity-settled share-based payment expense was nil).

The Group's remuneration policies are formulated according to the duty, experience, ability and performance of individual employees and are reviewed annually. In addition to basic salary, employees are entitled to other benefits including social insurance contribution, employee provident fund schemes and discretionary incentive. Other fringe benefits, training, and share options, if applicable, are also considered by the Group to solicit/retain loyal employees with the aim of forming a professional and united staff and management team that can bring the Group to higher levels of achievements.

The Company adopted a share award scheme in 2017. Up to 31 December 2025, no share has been granted by the Group to any parties under the share award scheme.

The Group provided diversified on-the-job training in the production plants based on the needs of the respective positions and talents of the employees on a timely basis. The Group also encouraged the management staff to participate in continuous professional development trainings which are relevant to their professions. Apart from induction training, the Company provides updates to the Directors and senior management on the latest development regarding the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) and other applicable regulatory requirements from time to time, to ensure their compliance with and to enhance their awareness of good corporate governance practices. These include attending in-house training, seminars, reading handouts, newspapers, journals, the Group’s news, industry news, etc.

The Company adopted a new share option scheme in 2023. On 14 April 2025, the Company granted share options to directors, employees and distributors of the Group to subscribe for up to a total of 407,918,800 ordinary shares at an exercise price of HKD0.31 per share of the Company under the share option scheme. Among the options granted, 203,959,400 were granted to directors and employees of the Group. Except for those granted to independent non-executive Directors, these options are subject to performance-based vesting conditions, with two performance periods ending 30 June 2025 and 31 December 2025 respectively. Vesting is linked to both Group-level business performance and individual KPIs. Options granted to independent non-executive directors carry a 12-month vesting period without performance targets. In addition, 203,959,400 share options were granted to strategic distributors who play a critical role in expanding the Group’s national sales coverage and brand visibility. The options are performance-conditioned, tied to minimum revenue thresholds to be achieved during the 12-month performance period commencing from the grant date. For further details in relation to grant of share options, please refer to the announcements of the Company dated 14 April 2025 and 15 April 2025 and the circular of the Company dated 6 June 2025. Up to 31 December 2025, the Group recognised HKD22 million (equivalent to RMB20 million) in share-based payment expenses arising from the grant of options, primarily attributable to the amortisation of the fair value of options granted. Management believes that the share option scheme remains a vital tool in aligning stakeholders’ long-term interests with that of the Group, and supports the retention of key personnel and partners amid increasingly competitive market conditions.

## **GEARING RATIO**

The gearing ratio is calculated as borrowings (including bank borrowings, liability component of convertible bonds and borrowings from third parties) divided by total capital. The total capital is calculated as “equity” as shown in the consolidated statement of financial position plus borrowings (including bank borrowings, liability component of convertible bonds and borrowings from third parties). As at 31 December 2025 and 31 December 2024, the gearing ratios of the Group were 16.03% and 21.59%, respectively.

## **MERGER AND ACQUISITION**

In 2025, as part of the Group's strategy to expand its water business and strengthen the management of specialised channels, the Group acquired a 49% equity interest in a company incorporated in PRC at a consideration of RMB29.4 million. This company is primarily engaged in the distribution of water products. Upon completion of this acquisition, the company became an associate of the Group. For further details, please refer to Note 12 to the consolidated financial statements in this announcement. In addition, the Group acquired a 28% equity interest in another company incorporated in PRC at a consideration of RMB92.4 million. The Group will not participate in the company's daily operational decision-making and has no significant influence towards the investee. The company has obtained approval for water extraction rights from a water source in Tibet Autonomous Region in Shannan City. Upon completion of the acquisition, the company is classified as financial assets at FVTPL. For further details, please refer to Note 13 to the consolidated financial statements in this announcement.

## **SIGNIFICANT INVESTMENTS**

In 2025, the Group acquired PP&E of RMB11 million (2024: RMB12 million). Regarding the future development and outlook of the Group, please refer to the section headed "Outlook" in this "Management Discussion and Analysis" section.

## **CAPITAL COMMITMENTS**

As at 31 December 2025, the Group had committed to purchasing PP&E and related projects of approximately RMB12million (31 December 2024: RMB10 million). The funding sources related to these commitments are expected to be disbursed from the Group's own capital.

## **CHARGES (OR PLEDGES)**

As at 31 December 2025, (i) a bank loan of the Group with a remaining balance of RMB150 million was secured by the pledge of 35% of equity interest in Tibet 5100 Beer & Beverage Co., Ltd. (formerly known as Tibet Tiandi Green Beverage Development Co., Ltd.), 7% of equity interest in Highland Natural Water, and mineral water mining rights of the Group in Dangxiong; (ii) a bank loan of the Group with a remaining balance of RMB39 million was secured by the Group's factory plant and land use rights with net book value of RMB20 million and a pledge of 19% of equity interest in Highland Natural Water; (iii) a bank loan of the Group with a remaining balance of RMB32 million was secured by three production lines of the Group's factory plant with net book value of RMB33 million; and (iv) a bank loan of the Group with a remaining balance of RMB100 million was secured by land use rights and property ownership with net book value of RMB52 million.

As at 31 December 2025, the one-year bank acceptance notes amounting to RMB102 million were guaranteed by bank deposits of RMB10 million.

## **CONTINGENT LIABILITIES**

The Group provided financial guarantee net amounting to RMB266 million (31 December 2024: RMB230 million) to an associate as at 31 December 2025. As at 31 December 2025, the guarantee was provided for bank borrowings obtained by the associate in the net amount of RMB266 million, in which a loan of RMB48 million was secured by a pledge of 10% equity interest in Highland Natural Water held by Tibet Glacier Mineral Water Co., Ltd.

## **FOREIGN EXCHANGE RISK**

The Group adopts a conservative approach to cash management and risk control. The Group mainly operates in the PRC with most of its business transactions denominated in RMB. However, the Group is exposed to foreign exchange risk arising from its cash exchange transactions, which are primarily denominated in HKD. To mitigate the impact of exchange rate fluctuations, the Group continually assesses and monitors its exposure to foreign exchange risk. In 2025, the management of the Group did not consider it necessary to enter into any hedging transactions to reduce the exposure to foreign exchange risk because the exposure, after netting off the assets and liabilities subject to foreign exchange risk, was not significant.

## **PRODUCTION CAPACITY**

In 2025, the annual water production capacity and annual beer production capacity are approximately 300,000 tonnes and 2,000,000 hectolitres respectively, same as in 2024. The Group will assess its production capacity periodically and consider increasing production capacity to meet the demands of future development.

## **USE OF NET PROCEEDS FROM PLACING OF 2025 CONVERTIBLE BONDS III AND CHANGE IN USE OF NET PROCEEDS**

As disclosed in the announcement of the Company dated 17 October 2025, the gross proceeds and net proceeds (after deducting the placing commission and other expenses) from the placing of the 2025 Convertible Bonds III were HK\$297 million and approximately HK\$295 million respectively, and such net proceeds were intended to be applied as to 50% (HK\$147.5 million) for refinancing the 2025 Convertible Bonds I and the 2025 Convertible Bonds II and as to 50% (HK\$147.5 million) for the general working capital of the Group.

Since the 2025 Convertible Bonds I and the 2025 Convertible Bonds II have been fully converted into shares in 2025, it is no longer necessary to refinance or redeem such bonds. In addition, due to the actual production situation of the water plant and in order to coordinate the sales and inventory management requirements, the small-scale water plant optimization projects and major plant maintenance had not been implemented as planned and will be re-considered again in the future when conditions allow. The unutilized portion of the net proceeds originally allocated for the aforesaid usage has been reallocated after careful consideration by the Board towards the repayment of bank borrowings and other borrowings.

The following table sets out the detailed allocation of the net proceeds before and after the change in use:

	<b>Usage of net proceeds HK\$'Million</b>	<b>As at 31 December 2025 Utilized net proceeds HK\$'Million</b>	<b>As at 31 December 2025 Unutilized net proceeds (Revised) (Note 1) HK\$'Million</b>
Refinancing the 2025 Convertible Bonds I and the 2025 Convertible Bonds II (Note 2)	147.5	—	—
General Working Capital Usage:			
• Increase of the inventory level of the Group	65.0	65.0	—
• Small-scale optimization projects (including the improvement of electricity and computer appliances) of the water plant	20.0	—	—
• Major maintenance of the plants in winter	15.0	1.3	—
• Settlement of the interests of the 2025 Convertible Bonds I and the 2025 Convertible Bonds II	17.5	—	17.5
• Cash and cash equivalents of the Group to satisfy any further working capital needs	30.0	30.0	—
• Repayment of bank loans and other borrowings (Note 2)	—	48.0	133.2
	<u>295.0</u>	<u>144.3</u>	<u>150.7</u>

Note 1: The remaining net proceeds are expected to be fully utilized in accordance with the revised allocation by 30 June 2026.

Note 2: As mentioned above, it is no longer necessary to refinance the 2025 Convertible Bonds I and the 2025 Convertible Bonds II as they have been fully converted into shares in 2025. In line with the original planning to reduce/maintain an appropriate level of borrowings for the Group, the Company has re-directed part of the net proceeds originally allocated for refinancing such bonds to the repayment of bank loans and other borrowings of the Group and has also reallocated the unutilized portion to this usage.

## FINAL DIVIDEND

No dividend has been declared by the Company in respect of 2025 (2024: nil).

## OUTLOOK

### **OUR MISSION: serve the best quality water to the World**

Water is the starting point of life and also the answer to health.

For the past two decades, 5100 Tibet Glacial Mineral Water has been originating from the glaciers of the Nyainqêntanglha Mountains. With reverence for nature, it has adhered to the principles of “**Natural, Pure, and High-Quality**” to bring the gifts of this “**Roof of the World**” to everyone who cherishes health.

This water originates from the melting of millennia-old glaciers. It is naturally pure, a small-molecule cluster, low-gas water, rich in natural minerals, highly active, and easily absorbed. Even in extreme cold of  $-9.8^{\circ}\text{C}$ , it does not freeze, earning it the name “**Unfrozen Water**” Just like our unwavering commitment over the past twenty years, it remains steadfast and unchanged.

In this fast-paced era, we hope that this pure essence of glaciers can not only replenish your moisture and protect your health, but also soothe your anxiety and bring you inner peace and strength.

What we offer is more than just a bottle of water; it's a precious gift from the snowy plateau. What we will uphold is not just a promise of quality, but a responsibility to “**The World's Best Water**”. 5100 originates from China and is steadily expanding globally. With this confidence, we move forward with determination and composure. The road ahead may be long, but perseverance will lead to our destination. 5100 Tibet Glacial Mineral Water, with its glacial purity, will continue to contribute to this era and to everyone who cherishes and loves life!

We will continue with:

- Deeply ploughing in Tibet and laying out in national market
- Product innovation and cost control
- Optimizing channel layout
- Taking up corporate social responsibility

## **EXTERNAL AUDITOR**

HLB Hodgson Impey Cheng Limited (“**HLB**”) has been re-appointed as the auditor of the Company with effect from the conclusion of the annual general meeting of the Company (“**AGM**”) held on 30 June 2025 and holds office until the conclusion of the next AGM. The consolidated financial statements for the year ended 31 December 2025 were audited by HLB, who will retire at the conclusion of the forthcoming AGM 2026 and, being eligible, will offer itself for re-appointment as external auditor of the Company.

## **SCOPE OF WORK OF EXTERNAL AUDITOR**

The financial figures in respect of this announcement of the Group’s results for the year ended 31 December 2025 have been agreed by the Group’s auditor, HLB, to the figures set out in the Group’s consolidated financial statements for the year ended 31 December 2025. The work performed by HLB in this respect did not constitute an assurance engagement in accordance with International Standards on Auditing and consequently no assurance has been expressed by HLB on the preliminary announcement.

## **CORPORATE GOVERNANCE PRACTICES**

For the year 2025, the Company has complied with the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the Listing Rules, save for the following deviation.

Under Code Provision C.1.6 of the CG Code, independent non-executive directors and other non-executive directors should attend general meetings to gain and develop a balanced understanding of the views of shareholders. Ms. LIN Ting, an independent non-executive Director, was unable to attend the annual general meeting of the Company held on 30 June 2025 as she was obliged to be away for her other business matters.

Following the appointment of Mr. CHEN Di as a non-executive Director with effect from 15 July 2025, the Company had a total of 10 Directors, 3 of whom were independent non-executive Directors. Accordingly, the number of independent non-executive Directors had fallen below one-third of the Board as required under the Rule 3.10A of the Listing Rules. Following the appointment of Ms. ZHENG Jue as an independent non-executive Director with effect from 15 October 2025, the independent non-executive Directors represent not less than one third of the Board and the Company has therefore re-complied with Rule 3.10A of the Listing Rules.

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules. Specific enquiry has been made to all the Directors and each of the Directors has confirmed that each of them has complied with the Model Code for the year ended 31 December 2025. Specific employees who are likely to be in possession of inside information of the Group have been requested to comply with the provisions of the Model Code. No incident of non-compliance has been noted by the Company.

## **AUDIT COMMITTEE**

The audit committee is mainly responsible for monitoring the integrity of the Company’s financial statements, overseeing the audit process and performing other duties and responsibilities as assigned by the Board. The audit committee has reviewed the annual results of the Group for the year ended 31 December 2025.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S SHARES**

During the year ended 31 December 2025, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s shares.

## **ACKNOWLEDGEMENT**

The Board would like to express its sincere appreciation for the devotion and hard work of the management team and all the staff members, as well as the support to the Group from the shareholders, business partners and loyal customers.

By order of the Board  
**5100 Xizang Glacier Company Limited**  
**CHEN Di**  
*Chairman and Non-Executive Director*

Hong Kong, 31 March 2026

*As of the date of this announcement, the executive Directors are Mr. CHOW Wai Kit, Mr. CHENG Gwan Sing and Mr. YUE Zhiqiang, the non-executive Directors are Ms. JIANG Xiaohong, Mr. XIE Kun, Mr. WEI Zheming and Mr. CHEN Di (Chairman) and the independent non-executive Directors are Dr. ZHANG Chunlong, Mr. LO Wai Hung, Ms. LIN Ting and Ms. ZHENG Jue.*