



**味千(中國)控股有限公司**  
**AJISEN (CHINA) HOLDINGS LIMITED**

(Incorporated in the Cayman Islands with Limited Liability)  
(於開曼群島註冊成立的有限公司)

Stock Code 股份代號 : 538

**讓營養  
成為中國人  
健康的基石**

**2025** ANNUAL REPORT 年報

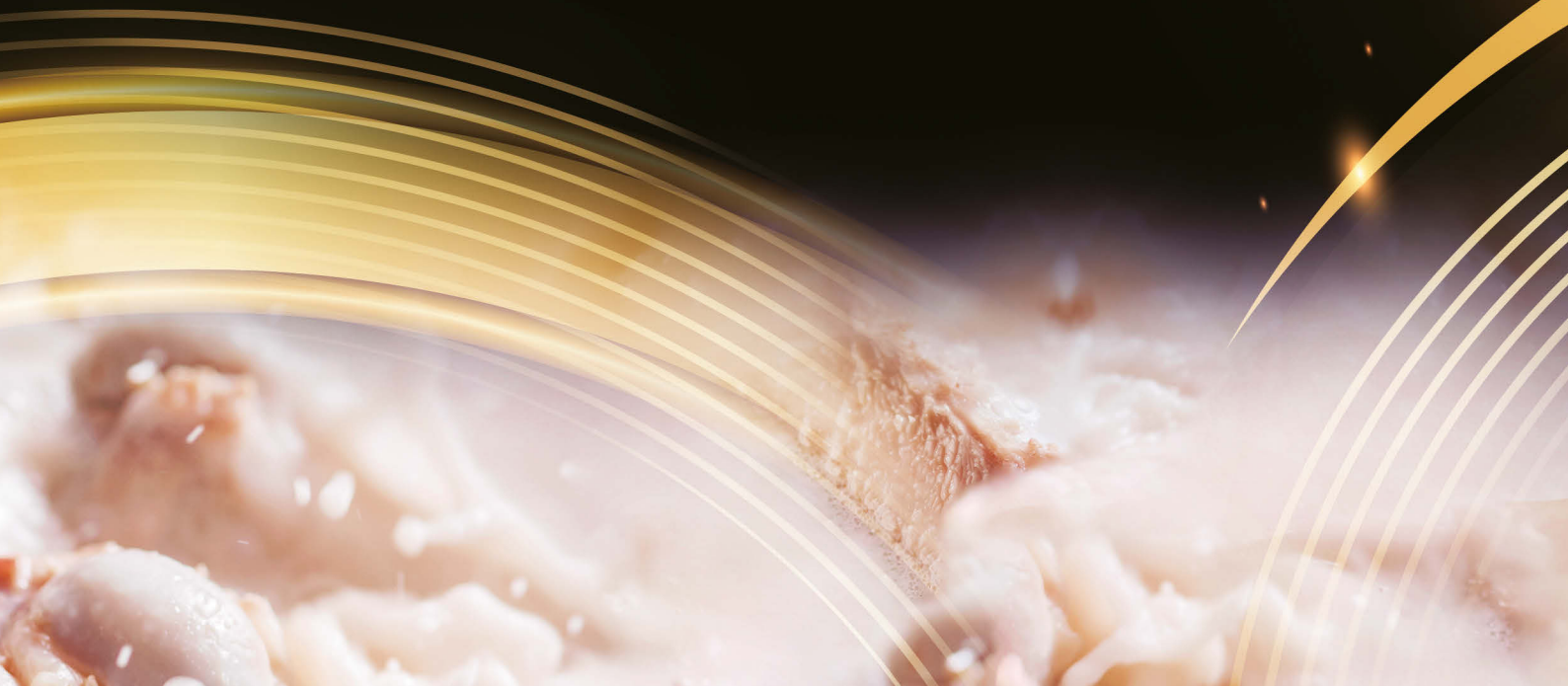
**Ajisen (China) Holdings Limited (stock code: 0538.HK) is one of the leading fast casual restaurant (“FCR”) chain operators in the People’s Republic of China (“PRC”) and the Hong Kong Special Administrative Region of the People’s Republic of China Administrative Region (“Hong Kong”). Since our establishment in 1996, we have been selling Japanese ramen and Japanese-style dishes under the “Ajisen” brand in the PRC and Hong Kong. Our dishes incorporate Chinese people’s culinary preferences and the essence of the Chinese cuisine. Our restaurants combine elements of fast food shops, including efficiency, convenience and standardised operation and elements of traditional Chinese restaurants, such as craftsmanship, traditional culture and dining atmosphere. Since 2013, we started to introduce famous Japanese brands to Hong Kong, including Menya Musashi and Konjiki Hototogisu.**

This year is our 30th anniversary in Mainland China and Hong Kong, we reiterate our founding commitment of serving value-for-money, healthy and quality food to our valued customers. Over the last three decades, our unwavering focus on food quality, extensive restaurant network and scalable central kitchens has solidified Ajisen as a trusted, long-standing household brand. Our loyal customers remain our greatest pride—many have enjoyed Ajisen for decades, first visiting on their own and later sharing our flavours with their children and grandchildren. We are deeply grateful for the opportunity to serve both longstanding patrons and new guests and provide them with warm, home-like services that define our brand.

Since our IPO in 2007, our strong capital foundation, prudent management approach, and efficient supply chain management have enabled us to maintain our leadership as a prominent FCR chain operator in Mainland China, successfully navigating various cycles in the food and beverage (“F&B”) industry.

As at 31 December 2025, our nationwide retail network comprised 617 restaurants, covering 122 cities in 28 provinces and municipalities of the PRC. Among them, Shanghai continues as our primary operational base with 107 restaurants, followed by Guangdong with 89 and Jiangsu with 84. We also operate 39 restaurants in Hong Kong and maintained one restaurant in Europe. This robust network is supported by our strategically located central kitchens in Shanghai, Chengdu, Tianjin, Wuhan, Dongguan, and Hong Kong, which ensure consistent quality, food safety, and operational efficiency.

Looking ahead, as we prepare to celebrate Ajisen’s 30th anniversary this year, we remain dedicated to our core mission: delivering the best value-for-money and quality food, while further strengthening Ajisen (China) as the leading FCR chain operator in the country.



# Contents

2	Corporate Information
4	Financial Highlights
5	Chairman’s Statement
7	Management Discussion and Analysis
15	Corporate Governance Report
34	Environmental, Social and Governance Report
74	Directors
76	Report of the Directors
94	Independent Auditor’s Report
99	Consolidated Statement of Profit or Loss and Other Comprehensive Income
101	Consolidated Statement of Financial Position
103	Consolidated Statement of Changes In Equity
106	Consolidated Statement of Cash Flows
108	Notes to the Consolidated Financial Statements
193	Properties Held for Investment
196	Financial Summary



# Corporate Information

## Board of Directors

### Executive Directors

Ms. Poon Wai  
*(Chairman and Chief Executive Officer)*  
Mr. Poon Ka Man, Jason  
Ms. Ng Minna

### Non-executive Directors

Mr. Katsuaki Shigemitsu  
Mr. Yew Yat On

### Independent Non-executive Directors

Mr. Lo Peter  
Mr. Jen Shek Voon  
Mr. Ho Pak Chuen Brian

## Audit Committee

Mr. Jen Shek Voon *(Chairman)*  
Mr. Lo Peter  
Mr. Ho Pak Chuen Brian

## Remuneration Committee

Mr. Lo Peter *(Chairman)*  
Mr. Jen Shek Voon  
Mr. Ho Pak Chuen Brian

## Nomination Committee

Mr. Ho Pak Chuen Brian *(Chairman)*  
Mr. Lo Peter  
Mr. Jen Shek Voon

## Authorised Representatives

Mr. Poon Ka Man, Jason  
Mr. Ng Tung Ching Raphael (appointed on 27 March 2025)  
Ms. Cheung Lai Ha (resigned on 27 March 2025)

## Company Secretary

Mr. Ng Tung Ching Raphael (appointed on 27 March 2025)  
Ms. Cheung Lai Ha (resigned on 27 March 2025)

## Head Office and Principal Place of Business in Hong Kong

6th Floor, Block B, Ajisen Group Tower  
24-26 Sze Shan Street  
Yau Tong, Kowloon  
Hong Kong

## Registered Office

Windward 3  
Regatta Office Park  
PO Box 1350  
Grand Cayman KY1-1108  
Cayman Islands

## Principal Share Registrar and Transfer Office

Ocorian Trust (Cayman) Limited  
Windward 3  
Regatta Office Park  
PO Box 1350  
Grand Cayman KY1-1108  
Cayman Islands

## Hong Kong Branch Share Registrar and Transfer Office

Computershare Hong Kong Investor Services Limited  
Shops 1712-1716, 17th Floor  
Hopewell Centre  
183 Queen's Road East  
Wanchai  
Hong Kong

## Principal Bankers

Hang Seng Bank Limited  
Industrial and Commercial Bank of China (Asia) Limited  
Chong Hing Bank Limited  
Bank of Shanghai Co., Ltd  
OCBC Wing Hang Bank Limited

## Auditor

Deloitte Touche Tohmatsu  
Registered Public Interest Entity Auditors

## Hong Kong Legal Adviser

Fairbairn Catley Low & Kong

## Investor and Media Relations Consultant

Wonderful Sky Financial Group

## Investor Relations Contact

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Shanghai, PRC 200021  
E-mail: [jennifer.zeng@ajisen.net](mailto:jennifer.zeng@ajisen.net)

## Company Websites

[www.ajisen.com.hk](http://www.ajisen.com.hk)  
[www.ajisen.com.cn](http://www.ajisen.com.cn)

## Stock Code

538

## Financial Highlights

	2025	2024	Change
Turnover (RMB'000)	1,831,936	1,717,290	+6.7%
Sales from restaurant operation (RMB'000)	1,783,789	1,649,827	+8.1%
Gross profit (RMB'000)	1,410,159	1,313,652	+7.3%
Profit (loss) before taxation (RMB'000)	61,140	(50,132)	N/A
Profit (loss) attributable to owners of the Company (RMB'000)	28,408	(20,224)	N/A
Basic earnings (loss) per share (RMB)	0.03	(0.02)	N/A
Recommended final dividend per share (RMB)	0.07	0.06	+16.7%
Recommended special dividend per share (RMB)	0.03	–	N/A
Total number of restaurants (as at 31 December)	617	596	+3.5%
Total assets (RMB million)	3,984.1	3,987.3	-0.1%
Net assets (RMB million)	2,905.3	2,967.5	-2.1%
Bank balances and cash (RMB million)	1,699.8	1,655.8	+2.7%
Inventory turnover (days)	59.7	69.3	-9.6 days
Trade payable turnover (days)	90.6	88.1	+2.5 days
Net gross profit margin	77.0%	76.5%	+0.5 percentage point
Net profit (loss) margin	1.8%	-0.9%	+2.7 percentage points
Current ratio	3.6	3.7	-0.1
Return on equity	1.1%	-0.5%	+1.6 percentage points
Gearing ratio	0.8%	0.9%	-0.1 percentage point



Dear Shareholders,

The year 2025 marked an important milestone for Ajisen (China), as we are about to celebrate our 30th anniversary in 2026. Over the years, we have been growing alongside China's catering industry through rounds of industry evolution, consumption upgrade and market transformation. From a Japanese-style ramen brand at the outset, we have developed into a benchmark national catering brand deeply rooted in China and our classic pork bone soup ramen has become a taste memory shared by generations of consumers. Through three decades of perseverance and endeavors, Ajisen has remained focused on its original commitment of putting products first and prioritising value-for-money. With healthy and hygienic Japanese-style food at the core of our offerings, we have grown with consumers and managed to maintain a firm foothold amid various industry cycles, and have developed ourselves as a resilient and dynamic force in China's catering market.

In 2025, China's catering industry continued to show the characteristics of overall expansion, slower growth and structural differentiation. Consumer demand gradually recovered, yet chain restaurant operators continued to face challenges such as intensifying competition and cost fluctuations. On the other hand, the Japanese-style dining segment saw new opportunities in localised innovation and expansion into lower tier markets. Against this evolving industry landscape, Ajisen continued to pursue a prudent business strategy. Leveraging our supply chain capabilities, store operation expertise and brand strengths built over the past three decades, we proactively seized market opportunities and continued to make progress in store expansion, cost optimisation, product innovation and digital transformation. As a result, we resumed a trajectory of growth and profitability.

As of 31 December 2025, we operated a total of 617 restaurants, representing an increase of 21 restaurants from 596 last year. In 2025, our turnover amounted to RMB1.83 billion, representing an increase of 6.7% as compared with last year. During the year, we recorded a profit attributable to the shareholders of the Company of RMB28.4 million. We continue our long-term commitment of implementing a stable dividend policy. Based on the Group's sound operating results in 2025 and our strong balance sheet, the Board has recommended the payment of a final dividend of RMB0.07 per share. To celebrate our 30th anniversary, the Board also recommends a special dividend of RMB0.03 per share, representing our heartfelt gratitude to our shareholders who have been supporting us through our journey of development.

In terms of financial management, the Group has consistently adhered to a prudent, responsible and consistent financial management philosophy. As of 31 December 2025, the Group's asset structure continued to improve, net cash reserves remained ample, liabilities stayed at a low level, and the overall financial position remained solid and sound.

In 2025, closely following industry trends and consumer demand, we implemented precise measures on multiple fronts while maintaining product and service quality, thereby driving an all-round enhancement in operation quality and delivering tangible results:

- **Optimising the store network.** As of the end of 2025, the Group had a total of 617 stores in operation, including one overseas store. We actively expanded into core business districts and high-potential channels to strengthen brand momentum. At the same time, we proactively closed underperformed stores and continuously optimised our store network, thereby achieving a dual improvement in brand development and channel efficiency. During the period, we opened 74 new stores, including 60 in Mainland China and 14 in Hong Kong, while closing 53 stores, including 52 in Mainland China and one in Hong Kong. We continue to evaluate our store network in terms of geographical distribution of different stores and operational efficiency of individual stores with a view to ensuring an optimal store network operation.
- **Deepening digital transformation and activating online growth.** The trend of deep integration between online and offline operations in the catering industry has become increasingly evident, and online channels have become a core battlefield for driving revenue growth and reaching diversified consumer groups. In 2025, we continued to increase our investment in the new retail model and built a full-dimensional online operating system comprising "takeaway delivery + platform group-buying + private domain operations", thereby realising an all-round upgrade of our online business. Through measures such as strengthening cooperation with takeaway platforms, optimising delivery routes, extending delivery hours, expanding delivery coverage and enhancing online-offline interaction, revenue from the takeaway business in 2025 increased by 22.5% to RMB462 million (2024: RMB377 million).

- **Strengthening cost control and enhancing operating efficiency.** Cost control is a core emphasis of our prudent operations. In 2025, we focused our efforts on two key areas, namely food ingredient costs and manpower management in order to achieve the dual objectives of cost optimisation and efficiency enhancement. On the food ingredient side, we adopted multiple measures to strictly control costs and reduce wastage: we further increased the proportion of direct procurement through our centralised direct procurement system, deepened strategic cooperation with leading suppliers such as COFCO and Yihai Kerry, increased the use of premium domestic food ingredients to effectively reduce procurement costs, refined production control process at our central kitchens to continuously enhance production efficiency, and incorporated store-level food ingredient costs control measures into performance assessment to effectively reduce wastage across all operating processes. As a result of these combined measures, the proportion of raw materials to revenue fell to 23.0% in 2025, representing a further decrease of 0.5 percentage point from 2024. On the manpower side, we continued to optimise our business processes and reorganise our office structure, while steadily advancing digital transformation. These initiatives strongly supported business expansion while enabling precise control over labour costs. In 2025, staff costs accounted for approximately 26.8% of revenue, representing a decrease of 1.1 percentage points from 27.9% in 2024.
- **Deepening brand rejuvenation and consolidating our leading position in Japanese-style ramen.** In 2025, the Group continued to strengthen brand building. We maintained steady store expansion for the second consecutive year, with a focus on high-tier cities and mainstream commercial districts, continuously strengthening brand momentum and comprehensively enhancing the overall dining experience at our stores. During the year, we focused on both family customers and young customer groups. For family customers, we launched a dedicated children's meal series and, together with internationally registered nutritionists and the "Eggy Party" IP, created an integrated brand marketing campaign. More than 400 parent-child activities were organised throughout the year, reaching over 10,000 families in aggregate, effectively driving sales growth among family customers and receiving strong recognition from both consumers and shopping mall landlords. Since 2024, we have collaborated with Michelin-starred chefs for two consecutive years to launch the innovative "Star Chef Series Ramen", continuously refreshing brand value, enhancing brand premium capability and further pulling ourselves closer to younger consumers. Through solid terminal operations and continuous content innovation, Ajisen has continued to refresh its brand image and further solidify its industry position as a leader in Japanese-style ramen.

2026 marked our 30th anniversary, we will focus on our "Freshness Strategy" and continue to provide consumers with fresh, nutritious and healthy meals. To this end, we are reshaping our supply chain system. On the one hand, we are progressively adopting premium domestic fresh pork bone suppliers and implementing full cold-chain delivery, enabling fresh bone broth to be simmered on-site at stores. On the other hand, we are shortening the delivery chain and openly displaying the time required for dish preparation processes in our new store format. At present, most ingredients in our new store format can achieve a deliver time from factory to store of less than six hours. Although the "Freshness Strategy" has brought new challenges in cost control and internal operations, Ajisen remains steadfast in its original commitment to providing consumers with fresh, nutritious and healthy high-quality meals.

On 6 February 2026, "Fresh Bone Broth" and the new product "Super Big Bone Meat Ramen" were first launched at our Shanghai MTR City Plaza store. Upon launch, both "Fresh Bone Broth" and "Super Big Bone Meat Ramen" were warmly received by younger consumers. Their word-of-mouth reputation and repurchase rate significantly exceeded expectations, giving the Group strong confidence in advancing its "Freshness Strategy". In particular, "Super Big Bone Meat Ramen" was once in short supply and received overwhelming praise. Going forward, Ajisen will continue to roll out the "Freshness Strategy" in major cities across the country.

As a catering brand with thirty years of heritage, Ajisen possesses four core strengths: ample cash reserves, a mature and well-run supply chain system, an extensive store network and profound brand equity. These are the foundations that give us the confidence to respond to market changes and seize development opportunities. We will continue to confront market challenges with more prudent operations, more innovative initiatives and better products, driving Ajisen's high-quality and sustainable development and striving to become a benchmark enterprise in China's catering industry that combines brand value, operating efficiency and social responsibility. Thirty years on, our founding vision remains steadfast; as we keep moving forward, the future holds great promise.

At this new starting point of our 30th anniversary, on behalf of Ajisen (China), I would like to express my most sincere gratitude to all of Ajisen's customers, employees, shareholders and business partners.

Thank you all!

### Poon Wai

Chairman of the Board of Directors  
Ajisen (China) Holdings Limited

## Industry Review

During the year ended 31 December 2025 (the “Period” or the “Reporting Period”), facing complex changes in the domestic and international economic environment, China thoroughly implemented the decisions and arrangements of the Party Central Committee and the State Council, steadfastly pursued the new development philosophy to drive high-quality growth, adopted more proactive and effective macro policies, and promoted in-depth the construction of a unified national market. Consequently, the national economy forged ahead under pressure, moving toward innovation and optimisation, and achieved new successes in high-quality development, successfully realising the main socioeconomic development goals and tasks. According to data released by the National Bureau of Statistics of China, during the Period, preliminary calculations show that China’s gross domestic product (GDP) reached RMB140,187.9 billion, representing a year-on-year increase of 5.0% (same period in 2024: 5.0%); the total retail sales of consumer goods amounted to RMB50,120.2 billion, representing a year-on-year increase of 3.7%; the national per capita disposable income was RMB43,377, representing a real growth of 5.0% over the same period last year; and the annual consumer price index (CPI) remained flat compared to the previous year.

In 2025, influenced by the macroeconomic environment, catering revenue maintained steady growth. The catering market demonstrated a development trend characterised by “stabilising growth rates, optimising structures, and frequently emerging highlights” amidst fluctuations. Driven by the dual engines of policy guidance and corporate innovation, the industry exhibited strong resilience and vitality. According to the National Bureau of Statistics of China, during the Period, national catering revenue reached RMB5,798.2 billion, surpassing the threshold of RMB5,700 billion, and representing a year-on-year increase of 3.2%, which reflects the robust recovery resilience and intrinsic growth momentum of catering consumption; and the catering industry accounted for 11.6% of the total retail sales of consumer goods, representing an increase of 0.2 percentage points compared to the previous year, indicating its increasingly vital role in promoting consumption recovery and driving domestic demand growth.

In 2025, China’s catering industry encountered a mix of risks and transformations amidst changes, with pain points becoming acutely visible. Frequent occurrences of food safety hazards, inadequate franchise management, controversies surrounding pre-made dishes, and eroded brand trust, coupled with the stagnation of premium pricing models, waves of store closures, and declining performance, highlighted the shortcomings and risks in the industry’s development. Despite these prominent challenges, the catering market continued to demonstrate resilience amidst volatility. Enterprises actively optimised their operational strategies in response to market demands. In light of consumer segmentation trends, on one hand, enterprises launched high cost-effective sub-brands and expanded into lower-tier cities to capture the mass market; on the other, they streamlined high-end product lines and discarded ineffective price premiums. Simultaneously, enterprises continuously strengthened internal controls, reinforced the food safety defenses while scaling up operations, standardised franchise management, and eliminated service irregularities to steadily enhance brand credibility. Furthermore, the industry actively explored new business formats and expanded into diverse consumption scenarios, injecting fresh momentum into high-quality development of the catering industry. Particularly, “first-store economy” and holiday consumption emerged as core growth engines, with brand debut stores, family dining, and tourism-related catering continuously releasing vitality. Sectors such as tea and coffee accelerated their capitalisation and health-oriented deployment, with seasonal products precisely aligning with market demands. Simultaneously, the expansion of diverse scenarios, such as “catering + cultural tourism” and “catering + digitalisation”, coupled with the empowerment of intangible cultural heritage, not only enriched the consumption experience but also opened up new avenues for value growth in the industry.

## Management Discussion and Analysis

Looking ahead to 2026, China will implement more proactive and effective macro policies, continuously expand domestic demand, and optimise supply. Leveraging the positive momentum of the macroeconomic environment and the inherent advantages of the catering industry rooted in its close ties to people's livelihoods, the catering economy is expected to capitalise on this upward trend to unleash greater vitality and achieve dual enhancements in both scale and quality amidst the wave of consumption recovery. At the same time, it should be acknowledged that the catering market still faces certain challenges, including fluctuating consumer confidence, rising cost pressures, and intensifying industry competition. The Group will adhere to the principle of pursuing progress while ensuring stability, deepen innovation-driven initiatives, continuously optimise product and service structures, strengthen risk management and brand building, actively seize market opportunities, and strive to achieve sustainable, high-quality development and deliver robust returns to shareholders and investors.

### Business Review

During the Period, the Group recorded a turnover of approximately RMB1,831.9 million, representing an increase of 6.7% as compared to approximately RMB1,717.3 million for the corresponding period in 2024. The growth was mainly attributable to the Group's continued implementation of a prudent expansion strategy amid a challenging market environment, with a net addition of 21 stores during the year. Benefiting from a stable consumption atmosphere and favourable locations, the Hong Kong market provided notable support to the Group's overall sales, driving the continued recovery of the Group's revenue. As at 31 December 2025, the Group had a total of 617 restaurants in operation.

Facing the overall slowdown in the growth of the catering industry, intensified industry competition, fluctuations in consumer confidence and rising cost pressures, the Group adhered to a prudent and pragmatic business approach and remained focused on internal optimisation, including strictly controlling the site selection process for new stores, upgrading the hardware and software of existing stores, and enhancing customer experience and brand appeal. These measures further consolidated the Group's competitive position in its principal markets.

In terms of product and service innovation, the Group continued to launch a diversified range of food and beverage products. Building on the strong popularity of the "Star Chef Series" ramen launched in 2024, the Group further introduced the innovative "Super Big Bone Meat Ramen". The product quickly sparked a strong market response after its launch and further enhanced brand attention.

In terms of cost and expense control, the Group continued to deepen the optimisation of its procurement system and improve the operating efficiency of its five major production bases (Shanghai, Chengdu, Tianjin, Wuhan and Dongguan), thereby effectively reducing wastage and demonstrating the benefits of economies of scale and enhanced operational efficiency. Staff costs recorded only a slight year-on-year increase of 2.3%, while the staff cost-to-turnover ratio decreased to 26.8% from the corresponding period of last year. This reflected the Group's effective management of human resource expenses through adjustments to its manpower structure and optimisation of job functions while expanding its store network, thereby promoting greater organisational efficiency.

Looking ahead to 2026, the catering industry is expected to maintain an overall growth trend, benefiting from macroeconomic policy support and expanding consumer demand, although industry uncertainties and competitive pressures will remain. Looking forward, the Group will adhere to its fundamental strategy of seeking progress while maintaining stability, continue to deepen product innovation, strengthen cost and risk management, and seize market opportunities to promote sustainable and high-quality development, reinforce its long-term competitiveness and create continuing value for shareholders.

## Retail Chain Restaurants

In 2025, the Group's major business and primary source of income continued to stem from the retail chain restaurant business. During the year, the Group's restaurant business income recorded approximately RMB1,783,789,000 (2024: approximately RMB1,649,827,000), accounted for approximately 97.4% (2024: approximately 96.1%) of the Group's total revenue.

As at 31 December 2025, the Group's restaurant portfolio consisted of 617 chain restaurants, comprising the following:

	31 December 2025	31 December 2024	+/-
<b>By provinces/cities</b>			
Shanghai	107	109	-2
Beijing	42	35	+7
Tianjin	2	2	-
Guangdong (excluding Shenzhen)	63	65	-2
Shenzhen	26	23	+3
Jiangsu	84	78	+6
Zhejiang	58	62	-4
Sichuan	14	13	+1
Chongqing	12	10	+2
Fujian	12	12	-
Hunan	13	13	-
Hubei	15	13	+2
Liaoning	4	4	-
Shandong	31	34	-3
Guangxi	15	15	-
Guizhou	4	4	-
Jiangxi	11	12	-1
Shaanxi	8	7	+1
Yunnan	11	10	+1
Henan	3	4	-1
Hebei	7	7	-
Anhui	14	14	-
Xinjiang	2	2	-
Hainan	3	3	-
Shanxi	2	2	-
Neimenggu	3	3	-
Heilongjiang	6	6	-
Ningxia	1	1	-
Jilin	4	5	-1
Hong Kong	39	26	+13
Rome	1	1	-
Finland	0	1	-1
<b>Total</b>	<b>617</b>	<b>596</b>	<b>+21</b>

## Management Discussion and Analysis

	31 December 2025	31 December 2024	+/-
<b>By geographical region</b>			
Northern China	98	95	+3
Eastern China	263	263	–
Southern China	169	156	+13
Central China	86	80	+6
Europe	1	2	-1
<b>Total</b>	<b>617</b>	<b>596</b>	<b>21</b>

## Financial Review

### Turnover

For the year ended 31 December 2025, the Group's turnover increased by approximately 6.7% or approximately RMB114,646,000 to approximately RMB1,831,936,000 from approximately RMB1,717,290,000 for the corresponding period in 2024. In 2025, the economy remained stable, and the Group achieved a net increase of 21 stores, with a net addition of 13 stores in the Hong Kong region accounted for a relatively larger proportion of the overall sales growth. The Group will continue to expand its restaurant network with a prudent and steady strategy.

### Cost of inventories consumed

For the year ended 31 December 2025, the Group's cost of inventories increased by approximately 4.5% or approximately RMB18,139,000 to approximately RMB421,777,000 from approximately RMB403,638,000 for the corresponding period in 2024.

During the year, the ratio of inventory costs to turnover was approximately 23.0%, representing a decrease of 0.5 percentage points from approximately 23.5% for the corresponding period in 2024. This improvement in the inventory costs to turnover ratio was primarily attributable to the Group's sustained and disciplined efforts in optimising procurement practices, enhancing production efficiency, and implementing effective measures to minimise wastage across its operations.

### Gross profit and gross profit margin

Driven by the above factors, the Group's gross profit for the year ended 31 December 2025 increased by approximately 7.3% or approximately RMB96,507,000 to approximately RMB1,410,159,000 from approximately RMB1,313,652,000 for the corresponding period in 2024.

The Group's gross profit margin increased to 77.0%, compared to approximately 76.5% for the corresponding period in 2024.

### Staff costs

For the year ended 31 December 2025, the Group's staff costs increased by approximately 2.3% or approximately RMB11,094,000 to approximately RMB490,550,000 from approximately RMB479,456,000 for the corresponding period in 2024.

Staff costs as a proportion of turnover decreased by 1.1 percentage point to 26.8%, compared to approximately 27.9% for the corresponding period in 2024. This improvement was primarily attributable to the Group's ongoing efforts to optimise operational processes and reorganise its office structure, which have effectively reduced manpower costs while supporting business expansion.

### Depreciation

For the year ended 31 December 2025, the Group's depreciation increased by approximately 6.2% or approximately RMB19,882,000 to approximately RMB341,370,000 from approximately RMB321,488,000 for the corresponding period in 2024. The increase in depreciation was primarily attributable to the net addition of stores during the year, which resulted in a corresponding rise in depreciation of right-of-use assets.

With the increase in the number of stores, other operating expenses have also risen accordingly, particularly in service charges for delivery platforms. Due to intensified competition in the food delivery market, the Group recorded higher delivery revenue. This growth, however, resulted in a substantial increase in service fees paid to delivery platforms. In addition, the Group increased its spending on advertising and promotions to enhance brand visibility.

### Other operating expenses

For the year ended 31 December 2025, other operating expenses increased by approximately 3.2% to approximately RMB513,686,000 from approximately RMB497,793,000 for the corresponding period in 2024.

Set out below is the breakdown of the main operating expenses for the years ended 31 December 2025 and 2024.

	<b>2025</b>	2024	<b>%</b>
	<i>RMB million</i>	<i>RMB million</i>	<i>+/-</i>
Utilities	<b>94.4</b>	91.2	+3.5%
Service charges for delivery platforms	<b>85.1</b>	56.9	+49.6%
Store and factory management fee	<b>65.1</b>	59.4	+9.6%
Consumables & utensils	<b>55.7</b>	47.8	+16.5%
Logistics expenses	<b>26.6</b>	26.4	+0.8%
Advertising and promotions	<b>23.7</b>	21.0	+12.9%
Rental expenses under short-term lease	<b>21.4</b>	12.9	+65.9%
Franchise expenses	<b>18.0</b>	22.2	-18.9%
Rental expenses under variable lease payment	<b>19.4</b>	21.7	-10.6%
Consultancy fee	<b>9.5</b>	18.3	-48.1%
Travelling expenses	<b>6.0</b>	7.0	-14.3%
Repairment and maintenance expenses	<b>3.5</b>	5.1	-31.4%
Cleaning expenses	<b>3.5</b>	2.5	+40.0%
Auditors' remuneration	<b>2.8</b>	3.1	-9.7%

## Management Discussion and Analysis

### Other income

For the year ended 31 December 2025, the Group's other income decreased by approximately 8.9% or approximately RMB7,955,000 to approximately RMB81,026,000 from approximately RMB88,981,000 for the corresponding period in 2024. The decrease in other income was primarily attributable to lower interest income during the year, resulting from a decline in prevailing market interest rates in 2025 as compared to 2024.

### Other gains and losses

The decrease in net other losses compared to the previous year was primarily attributable to a moderation in the impairment on investment properties. For the year ended 31 December 2025, the Group recorded a fair value loss on investment properties of approximately RMB48,131,000 (2024: fair value loss of approximately RMB101,253,000). The Group anticipates that market conditions for investment properties will remain subject to a certain degree of uncertainty in 2026.

### Finance costs

For the year ended 31 December 2025, finance costs increased by approximately 10.6% or approximately RMB2,391,000 to approximately RMB24,984,000 from approximately RMB22,593,000 for the corresponding period in 2024. The rise in finance costs was predominantly due to higher interest on lease liabilities arising from the net addition of 21 new stores during the year.

The following table shows the breakdown of the major investments:

#### Financial assets at FVTPL:

	31 December 2025	31 December 2024	Initial
	RMB'000	RMB'000	investment cost RMB'000
Hezhi	68,796	72,281	99,120
Jialan Jiahua Fund	22,133	20,000	20,000
Jiahua Anyuan Fund	13,255	13,254	50,000
Reverse repurchase treasury bond	10,128	10,000	10,000
Others	5,000	10,000	14,907
Yunxi	–	–	60,000
	<b>119,312</b>	<b>125,535</b>	<b>254,027</b>

### Profit (loss) before tax

Being affected by the factors referred to above, the Group recorded a profit before tax of approximately RMB61,140,000 for the year ended 31 December 2025 (31 December 2024: a loss before tax of approximately RMB50,132,000).

### Profit (loss) attributable to owners of the Company

Being affected by the factors referred to above, the profit attributable to owners of the Company for the year ended 31 December 2025 amounted to approximately RMB28,408,000 (31 December 2024: loss of approximately RMB20,224,000).

### Investments

The Group maintained an investment portfolio, which is categorized into three types based on its accounting treatment:

Financial assets at fair value through profit or loss ("FVTPL"), interests in associates and interest in a joint venture.

Financial assets at FVTPL represented the unlisted equity investments and fund investments. The Group engaged an independent qualified professional valuer to access the valuation.

### Interests in associates

	<b>31 December 2025</b>	31 December 2024	Initial investment cost
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Jiangsu Hong Xuan Ecological Agriculture Company Limited	–	–	43,354
Yunnex Inc.	–	–	64,791
Others	<b>33,469</b>	35,763	53,196
	<b>33,469</b>	35,763	161,341

The carrying amount of the interests in these associates was adjusted to reflect their estimated recoverable amount.

### Interest in a joint venture

	<b>31 December 2025</b>	31 December 2024	Initial investment cost
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Beijing Feicui Jinghua & Restaurant Management Co., Ltd	<b>8,353</b>	8,593	12,858

The decrease in the value of joint venture mainly represented the share of post-acquisition results and other comprehensive expense of the joint venture.

## RISK MANAGEMENT

### Liquidity and financial resources

The liquidity and financial position of the Group as at 31 December 2025 remained healthy and strong, with bank balances amounting to approximately RMB1,699,731,000 (31 December 2024: approximately RMB1,655,833,000) and a current ratio of 3.6 (31 December 2024: 3.7).

As at 31 December 2025, the Group had bank borrowings of approximately RMB29,966,000 (31 December 2024: approximately RMB34,609,000) and therefore the gearing ratio (expressed as a percentage of total borrowings over total assets) was 0.8% (31 December 2024: 0.9%).

### Exposure to exchange rates

Presently, most of the Group's business transactions, assets and liabilities are denominated in RMB and settled in RMB. The Group's exposure to currency risk is minimal as the Group's assets and liabilities as at 31 December 2025 and 31 December 2024 were denominated in the respective Group companies' functional currencies. The Group does not have any currency hedging policy and has not entered into any hedging or other instrument to reduce currency risks. However, the management will closely monitor the Group's exposure to the fluctuation of exchange rates and take appropriate measures as necessary to minimise any adverse impact that may be caused by such fluctuation.

### Interest rate risk

As the Group has no significant interest-bearing assets (other than bank balances and cash), the Group's income and operating cash flows are substantially independent of changes in market interest rates.

### Credit risk

The Group has no significant concentrations of credit risk. The carrying amounts of trade receivables, deposits and other receivables and bank balances and cash, included in the consolidated balance sheets represent the maximum exposure to credit risk in relation to the Group's financial assets. The Group typically does not require collaterals from customers. Provisions are made for the balance that is past due when the management considers the loss from non-performance by the customers is likely. Sales to retail customers are settled in cash or by using major credit cards. The Group also makes deposits to the relevant landlords for lease of certain of the self-managed outlets. As of 31 December 2025 and 31 December 2024, all of the bank balances were deposited with highly reputable and sizable banks and financial institutions without significant credit risk in Mainland China and Hong Kong. The management does not expect to incur any loss from non-performance by these banks and financial institutions.

### Significant investments held, material acquisitions and disposals of subsidiaries, and future plans for material investments or capital assets

Save for those disclosed in this announcement, there were no other significant investments held, nor were there any material acquisitions or disposals of subsidiaries during the year under review. Apart from those disclosed in this announcement, there was no plan authorised by the Board for other material investments or additions of capital assets at the date of this announcement. The Board further confirms that the Group's transactions in financial assets during the Reporting Period, whether considered on a standalone or aggregate basis, did not constitute notifiable transactions under Chapter 14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules").

### Contingent liabilities

As of 31 December 2025, the Group did not have any significant contingent liabilities.

### Assets and liabilities

The Group's net current assets were approximately RMB1,370,198,000 and the current ratio was 3.6 as at 31 December 2025 (31 December 2024: 3.7). As the Group is primarily engaged in the restaurant business, most of the sales are settled in cash. As a result, the Group was able to maintain a relatively high current ratio.

### Cash flows

Cash generated from operations for the year ended 31 December 2025 was approximately RMB453,149,000, while the Group recorded profit before taxation for the same period was approximately RMB61,140,000. The difference was due to the non-cash items, mainly fair value movements on the investment properties and depreciation of property, plant and equipment and right-of use assets.

### Capital expenditure

For the year ended 31 December 2025, the Group's capital expenditure was approximately RMB82,111,000 (2024: approximately RMB110,461,000). This was primarily achieved through careful site selection and strict control over capital expenditure, leading to the decrease in spending.

## Introduction

The board (the “Board”) of directors (the “Directors”) and the senior management (the “Management”) of the Company recognize that sound corporate governance practices are crucial to the efficient operation of the Group and the safeguarding of our shareholders’ interests. The Board believes that good corporate governance principles ensuring ethical business integrity, sustainable economic, environmental, and social development will enable the Group’s stakeholders, including shareholders, investors, customers, suppliers, employees and the community to have trust and faith in the Group to take care of their needs, enhance corporate value as well as formulate its business strategies & policies. In this regard, the Board emphasizes on transparency, accountability and independence in order to enhance our long-term shareholders’ return.

## Corporate Governance Practices

The Company has, throughout the year ended 31 December 2025, adopted the Corporate Governance Code (the “Code”) as set out in Appendix C1 of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) and complied with all applicable code provisions under the Code, save and except for the deviation from the code provision C.2.1 of the Code. Pursuant to the code provision C.2.1, the roles of the chairman and chief executive should be separate and should not be performed by the same individual. Currently, the Company does not comply with code provision C.2.1, i.e. the roles of the chairman and chief executive have not been separated. Although Ms. Poon Wai performs both the roles of chairman of Board (the “Chairman”) and the chief executive officer of the Company (the “CEO”), the division of responsibilities between the Chairman and CEO is clearly established and set out in writing. In general, the Chairman is responsible for supervising the functions and performance of the Board, while the CEO is responsible for the management of the business of the Group. The two roles are performed by Ms. Poon distinctly. The Board believes that at the current stage of development of the Group, vesting the roles of both Chairman and CEO in the same person provides the Company with strong and consistent leadership, allows

for effective and efficient planning and implementation of business decisions and strategies. The relevant deviation is therefore considered reasonable at the current stage. It is also considered that the current structure does not impair the balance of power and authority between the Board and the Management given the appropriate delegation of the power of the Board and the effective functions of the Independent Non-executive Directors (the “INEDs”) (number of which exceeds one-third of the members of the Board). However, it is the long-term objective of the Company to have these two roles performed by separate individuals when suitable candidates are identified.

The Board will continue to review and monitor the corporate governance practices of the Company for the purpose of complying with the code provisions of the Code and maintaining a high standard of corporate governance of the Company.

## Model Code for Securities Transactions

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard (the “Required Standard”) of the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix C3 of the Listing Rules.

The Company has made specific enquiry to all Directors, and all Directors have confirmed that, throughout the year under review, they complied with the Required Standard.

In addition, the Board has adopted written guidelines (the “Employees’ Guidelines governing Securities Transactions”) for securities transactions by employees (the “Relevant Employees”) who are likely to be in possession of inside information of the Company, on terms no less exacting than the Model Code.

Having made specific enquiry to all the Relevant Employees, the Company confirmed that all the Relevant Employees have complied with the Required Standard as set out in the Employees’ Guidelines for Securities Transactions throughout the year ended 31 December 2025.

## DISCLOSURE OF INSIDE INFORMATION

The Group acknowledges its responsibilities under the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong and the Listing Rules and the overriding principle that inside information should be announced promptly when it is the subject of a decision. The procedures and internal controls for the handling and dissemination of inside information are as follows:

- the Group conducts its affairs with close regard to the disclosure requirements under the Listing Rules as well as the “Guidelines on Disclosure of Inside Information” published by the Securities and Futures Commission of Hong Kong in June 2012;
- the Group has implemented and disclosed its policy on fair disclosure by pursuing broad, non-exclusive distribution of information to the public through channels such as financial reporting, public announcements and the Company’s website;
- the Group has strictly prohibited unauthorised use of confidential or inside information; and
- the Group has established and implemented procedures for responding to external enquiries about the Group’s affairs, so that only the executive Directors of the Company are authorised to communicate with parties outside the Group.

## Anti-corruption

At the employees’ level as well as the suppliers’ level, the Group strictly complies with the state laws and regulations and has formulated internal anti-corruption guidelines. For details, please refer to the Environmental, Social and Governance Report on page 34 of this annual report.

The Group also organises anti-corruption briefings and training courses from time to time to ensure that employees and suppliers understand how to avoid bribery, conflicts of interest and receipt of gains. The Group encourages employees to report any corruption case. During the Reporting Period, the Group or its employees were not involved in any legal cases related to corruption.

## The Board of Directors

The Board is the core of the corporate governance structure of the Company. It is responsible for giving guidance to and reviewing the efficiency of the Management. The Board is fully aware of its prime responsibilities to the Company and its duties to protect and enhance long-term shareholders' return.

To ensure effective supervision and proper guidance of the Management, the Board considers and approves decisions in relation to the Company's long-term strategy, annual business plan and financial budget, major acquisition and disposal, dividend policy, appointment of Directors, remuneration policy, risk management and internal control. While the daily management, administration, and operation of the Group are delegated to the Company's management, the Board provides clear directions and guidance regarding the management's powers and the circumstances under which it must report to the Board, as well as ensuring that their performance is efficient.

The Company has arranged appropriate liability insurance to indemnify the Directors for their liabilities arising out of corporate activities. The insurance coverage will be reviewed on an annual basis.

As regards the code provision of C.1.4 of the Code, requiring the Directors to disclose the number and nature of offices held in public companies or organisations and other significant commitments as well as their identity and the time involved to the issuer, the Directors have agreed to disclose their commitments to the Company in a timely manner.

### Composition

The Board currently consists of eight Directors as follows:

#### *Executive Directors*

Ms. Poon Wai (*Chairman and Chief Executive Officer*)

Mr. Poon Ka Man, Jason

Ms. Ng Minna

#### *Non-executive Directors*

Mr. Katsuaki Shigemitsu

Mr. Yew Yat On

#### *Independent non-executive Directors*

Mr. Lo Peter

Mr. Jen Shek Voon

Mr. Ho Pak Chuen Brian

All Directors have appropriate professional qualification or substantive experience and industry knowledge. The Board as a whole has achieved an appropriate balance of skills and experience. The Directors' biographies are set out under the section headed "Directors" of this annual report.

Ms. Poon Wai, the Chairman, Chief Executive Officer and executive Director, is the sister of Mr. Poon Ka Man, Jason, an executive Director and is the mother of Ms. Ng Minna, an executive Director. Save as disclosed above, there is no other relationship among the members of the Board.

During the Reporting Period, the composition of the Board is in accordance with the requirement of Rules 3.10 and 3.10A of the Listing Rules. There are three INEDs and one of them has accounting professional qualification. More than one-third of the members of the Board are INEDs, which brings a fairly strong independence element in its composition.

## Independent Non-Executive Directors

The INEDs have the same duties of care, skill and fiduciary duties as the executive Directors. They are expressly identified as such in all corporate communications that disclose the names of the Directors.

The INEDs are experienced professionals with expertise in respective areas of accounting, finance, industry knowledge and expertise. With their professional knowledge and experience, the INEDs advise the Company on its operation and management; provide independent opinion on the Company's connected transactions; and participate in the Company's various committees including Audit Committee, Remuneration Committee and Nomination Committee. The INEDs have contributed to provide adequate checks and balance to protect the interests of the Company and the Company's shareholders (the "Shareholders") as a whole, and to advise strategically the development of the Company.

Notwithstanding that two of the three INEDs have served on the Board for more than nine years, the Nomination Committee is of the view and is satisfied that the length of their respective tenures has not affected their independence having regard to their actual contributions, impartiality and ability to continue to demonstrate effective oversight of management of the Company. The Nomination Committee is confident that the wealth of skills, knowledge and experience of each of INEDs enables each to continue to contribute meaningfully and objectively to the deliberations of the Board. Save as disclosed herein, none of the INEDs has any material business with or significant financial interests in the Company or its subsidiaries, and accordingly, all the INEDs continue to be considered to be independent by the Company. The Board considers that the independence of the long-serving INEDs from the management has not been diminished by their years of service.

The Company has received an annual confirmation from each of the INEDs, namely Mr. Jen Shek Voon, Mr. Lo Peter and Mr. Ho Pak Chuen Brian in respect of his independence in accordance with Rule 3.13 of the Listing Rules. The Company considers each of them is independent.

### Board Independence

The Company recognises that Board independence is pivotal to sound corporate governance and the effectiveness of the Board. The Board has established mechanisms to ensure independent views and input from any Director of the Company are conveyed to the Board or enhancing an objective and effective decision making.

The governance framework and the following mechanisms are reviewed annually by the Board to ensure their continued effectiveness.

At Board meetings, the Directors are free to express their views and important decisions are subject to detailed discussion before they are made. If the Directors consider it necessary to seek advice from an independent professional institution, they may engage an independent professional institution in accordance with the procedures and at the expense of the Company. If a Director has an interest in a matter proposed by the Board, the relevant Director must withdraw from the discussion of the relevant proposal and abstain from voting, and the Director will not be counted in the quorum for voting on the resolution. In addition, the independent non-executive Directors should also express an objective and impartial independent opinion on matters discussed by the Company. The independent non-executive Directors of the Company do not hold any position in the Company other than that of a Director, do not have any relationship with the Company and the Company's major shareholders that might influence their independent and objective judgement, and do not have any business or financial interests in the Company or its subsidiaries. During the Reporting Period, the participation of the INEDs effectively ensured that there was a strong and sufficient element of independence on the Board. The Board will review the implementation and effectiveness of the above mechanism on an annual basis.

### Delegation by the Board

To maximise the effectiveness of the Group's operations, the Board has delegated management and administration of the Group's daily operations to the Executive Committee while reserving several important matters for its approval. Accordingly, the Board has delegated specific authority to the Executive Committee, which comprises the Chairman of the Board, the Chief Executive Officer, the Executive Directors and the Chief Operating Officer to discharge clearly defined responsibilities with appropriate authority. The Executive Committee is responsible for overseeing the daily operations of the Company, advising the Board on the formulation of strategic directions and policies, making significant corporate decisions within the authority delegated by the Board, and ensuring the proper implementation of resolutions approved by the Board. To facilitate effective oversight, the Board has established clear written terms of reference which specify the circumstances under which matters and commitments must be referred to the Board for prior approval and decision.

Pursuant to the terms of reference of the Executive Committee, the major functions specifically reserved to the Board are summarized as follows:

- (i) approving annual operating budget of the Group;
- (ii) approving connected transactions;
- (iii) approving mergers and acquisitions;
- (iv) approving fund raising activities (including debt or capital issues);
- (v) approving corporate guarantee;
- (vi) approving internal control policy;
- (vii) approving financial results announcements; and
- (viii) approving other disclosures specifically required by or matters as specifically mentioned under the Listing Rules.

The Executive Committee is principally, among others, responsible for:

- (i) reviewing business strategies and management of the Company;
- (ii) formulating and implementing investment and financing activities of the Company;
- (iii) implementing the Company's strategies, monitoring performance of the Management and ensuring appropriate internal risk controls and risk management are in place;
- (iv) implementing measures and procedures in compliance with the laws, regulations, Listing Rules, Articles of Association and internal regulations applicable to the Company;

- (v) setting human resources policies of the Company; and
- (vi) granting of share options to the eligible employees (other than Directors and Management) for a total of not more than the number of share options as specified and approved by the Board from time to time.

### Corporate Governance Function

The Board recognizes that corporate governance is a collective responsibility of the Directors. The corporate governance duties of the Board include the following:

- (a) to develop, review and implement the Company's policy and practices on corporate governance;
- (b) to review and monitor the training and continuous professional development of the Directors and Management;
- (c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and the Directors;
- (e) to review the Company's compliance with the Code and disclosure in the Corporate Governance Report; and
- (f) to develop, review and monitor the implementation of the shareholders' communication policy to ensure its effectiveness, and make recommendation to the Board where appropriate to enhance shareholders' relationship with the Company.

During the year, the above corporate governance functions were duly performed and discharged by the Board, and the Board has reviewed the Company's compliance with the Code.

## Chairman and Chief Executive Officer (“CEO”)

Under code provision C.2.1 of the Code, the roles of Chairman and chief executive should be separate and should not be performed by the same individual. Under the current organization structure of the Company, Ms. Poon Wai is the Chairman of the Board and the CEO. With her extensive experience in the industry, the Board believes that vesting the roles of both Chairman and CEO in the same person provides the Company with strong and consistent leadership, allows for effective and efficient planning and implementation of business decisions and strategies, and is beneficial to the business prospects and management of the Group. Although Ms. Poon Wai performs both roles, the division of responsibilities between the Chairman and the CEO has been clearly defined and set out in writing. In general, the Chairman is responsible for supervising the functions and performance of the Board, while the CEO is responsible for the management of the business of the Group. The two roles are performed by Ms. Poon Wai distinctly. In her capacity as Chairman, Ms. Poon encourages Directors to make a full and active contribution to the Board’s affairs and takes the lead to ensure that the Board acts in the best interest of the Company. She also encourages Directors with different views to express their concerns and allows sufficient time for discussion of issues arising, and ensures that Board decisions fairly reflect the consensus of the Board. The Board considers that the current structure does not impair the balance of power and authority between the Board and Management, having regard to the appropriate delegation of the authority by the Board and the effective functions of the INEDs, who represent more than one-third of the members of the Board. Nevertheless, it remains the long-term objective of the Company to separate the roles of Chairman and CEO when suitable candidates are identified.

Pursuant to code provision B.2.2 of the Code, every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. All of the Directors including the non-executive Director and the INEDs are appointed for a specific term. Each of the non-executive Director and the INEDs has entered into a letter of appointment with the Company for a period of two to three years subject to the rotation requirement. In accordance with the Company’s articles of association (the “Articles of Association”), at each annual general meeting of the Company (the “AGM”), one-third of the Directors for the time being shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years and any Director appointed by the Board or elected by the Shareholders to fill a casual vacancy or as an addition to the Board shall hold office until the next first AGM after his appointment and shall then be eligible for re-election.

Mr. Poon Ka Man, Jason, Ms Ng Minna and Mr. Ho Pak Chuen, Brian shall retire or hold office until the forthcoming AGM and being eligible, shall offer themselves for re-election at the forthcoming AGM.

## Induction and Continuous Professional Development of Directors

Each newly appointed Director shall receive formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

Pursuant to Rule 3.09F of the Listing Rules, every Director is required to receive continuous professional development in each financial year. During the Reporting Period, all Directors complied with the said requirement by keeping themselves updated on the statutory and regulatory regime and the business environment to facilitate the discharge of their responsibilities. The Company will arrange appropriate training for Directors as and when necessary to enable them to properly discharge their duties and to enhance their awareness of good corporate governance practices.

According to the information provided by the Directors, a summary of training received by the Directors throughout the year ended 31 December 2025 is set out below:

<u>Name of Directors</u>	<u>Nature of continuous professional development programmes</u>
<b>Executive Directors</b>	
Ms. Poon Wai	A
Mr. Poon Ka Man, Jason	A
Ms. Ng Minna	A
<b>Non-Executive Directors</b>	
Mr. Katsuaki Shigemitsu	A
Mr. Yew Yat On	A
<b>INEDs</b>	
Mr. Jen Shek Voon	A
Mr. Lo Peter	A
Mr. Ho Pak Chuen Brian	A

*Note:*

- A: reading seminar materials and updates relating to the latest development of the Listing Rules and other applicable regulatory requirements

### Supply of and Access to Information

The Company provides all Directors with monthly updates on the Company's performance, position and prospects. In addition, in order to ensure that the Directors' duties can be properly discharged, the Directors are entitled to seek advice from independent professional advisers whenever deemed necessary by them at the Company's expense.

### Board Meetings

The Board meets regularly, and at least four times a year, in person or by means of electronic communication. The Chairman also meets with the INEDs at least once a year without the presence of other Directors. Notices of regular Board meetings are served to all Directors at least 14 days before the meetings. For all other Board and Board committee meetings, reasonable notice is generally given. All notices, agendas, schedules and the relevant information of each Board and Board committee meeting are generally made available to Directors or Board committee members in advance. For regular board meetings, an agenda and accompanying board papers should be sent, in full, to Directors at least 3 days before the board or board committee meeting. The Board is to ensure each director is given an opportunity to include matter(s) in the agenda for before the meeting. The Board and each Director also have separate and independent access to the Management whenever necessary.

The company secretary of the Company or the secretary to the Board committees is responsible for taking and/or keeping minutes of all Board meetings and various Board committees meetings in sufficient detail. Draft minutes are normally circulated to the Directors for comment within a reasonable time after each meeting is held, and the final version of the minutes is opened for Directors' inspection.

During the year ended 31 December 2025, the Board convened a total of four meetings in person or by means of electronic communication. Attendance of each Director at the Board meetings and the general meetings of the Company is set out below:

Name of Directors	Board Meetings Attended/Eligible to Attend	General meetings Attended/ Number of meeting(s) held
<b>Executive Directors</b>		
Ms. Poon Wai	4/4	1/1
Mr. Poon Ka Man, Jason	4/4	1/1
Ms. Ng Minna	4/4	1/1
<b>Non-Executive Directors</b>		
Mr. Katsuaki Shigemitsu	3/4	1/1
Mr. Yew Yat On	4/4	1/1
<b>INEDs</b>		
Mr. Lo Peter	4/4	1/1
Mr. Jen Shek Voon	4/4	1/1
Mr. Ho Pak Chuen Brian	4/4	1/1

### Independent Board Committee

Where there are matters involving connected or continuing connected transactions, so far as required under the Listing Rules, an Independent Board Committee, comprising wholly the INEDs, will be established.

### Board Committees

The Board has established four committees, including the Executive Committee, the Remuneration Committee, the Nomination Committee and the Audit Committee with delegated powers for overseeing particular aspects of the Company's affair. Each of the Board committees of the Company has been established with defined written terms of reference.

## Executive Committee

To assist the Directors to discharge some of their duties and to enable effective management and execution, the Board has established an Executive Committee on 29 June 2007. Details of the authorities and duties of the Executive Committee are set out in its terms of reference. The Executive Committee reviews specific issues and makes their suggestions to the Board on reserved matters as mentioned above.

Currently, the Executive Committee comprises three members as follows:

- Ms. Poon Wai (*Chairman and CEO*),  
an executive Director
- Mr. Poon Ka Man, Jason (*Chief Marketing Officer*),  
an executive Director
- Ms. Ng Minna (*Director of New Business Department and Operating Officer of Hong Kong and Macau Businesses*),  
an executive Director

During the year ended 31 December 2025, two Executive Committee meetings were held. The attendance record of each Executive Committee member at the Executive Committee Meetings is set out below:

<b>Name of Members</b>	<b>Executive Committee Meeting Attended/ Number of meeting(s) held</b>
Ms. Poon Wai	2/2
Mr. Poon Ka Man, Jason	2/2
Ms. Ng Minna	2/2

## Remuneration Committee

The Remuneration Committee was set up on 8 March 2007 in compliance with Appendix C1 of the Listing Rules. Details of the authorities and duties of the Remuneration Committee are set out in its terms of reference, which are available on the websites of the Company and the Stock Exchange. The main purpose for establishing the Remuneration Committee is to ensure that the Company can recruit, retain and motivate suitably qualified staff in order to reinforce the success of the Company and create return for our shareholders. The terms of reference of the Remuneration Committee are summarized as follows:

- (i) to make recommendations to the Board on the policy and structure for all remuneration of Directors and senior management of the Company, as well as on the establishment of a formal and transparent procedure for developing policy on such remuneration;
- (ii) to have delegated responsibility to determine the specific remuneration packages of all executive Directors and senior management, and make recommendations to the Board of the remuneration of non-executive Directors subject to the provision (vi) below;
- (iii) to review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time;
- (iv) to review and approve the compensation payable to executive Directors and senior management in connection with any loss or termination of their office or appointment and ensure that such compensation is determined in accordance with relevant contractual terms and that such compensation is not otherwise unfair and in excessive for the Company;

- (v) to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct and ensure that such arrangements are determined in accordance with the relevant contractual terms and that any compensation payment is not otherwise unreasonable and inappropriate;
- (vi) to ensure that no Director or any of his/her associates is involved in deciding his/her own remuneration;
- (vii) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group; and
- (viii) to review and/or approve matters relating to share schemes under chapter 17 of the Listing Rules.

Currently, the Remuneration Committee comprises three members as follows:

Mr. Lo Peter (*Chairman*), an INED  
 Mr. Jen Shek Voon, an INED  
 Mr. Ho Pak Chuen Brian, an INED

The Remuneration Committee may call any meetings at anytime when necessary or desirable pursuant to the terms of reference of the Remuneration Committee.

During the year ended 31 December 2025, the Remuneration Committee held one committee meeting. The attendance record of each Remuneration Committee member is set out below:

<u>Name of Members</u>	<b>Remuneration Committee Meeting Attended/ Number of meeting(s) held</b>
Mr. Jen Shek Voon	1/1
Mr. Lo Peter	1/1
Mr. Ho Pak Chuen Brian	1/1

The Remuneration Committee discussed and reviewed the remuneration policy and packages for Directors and senior management during the meeting, including the remuneration package and term of appointment for the newly appointed independent non-executive director.

Details of the Directors' remuneration are set out in note 11 to the consolidated financial statements.

## Nomination Committee

The Nomination Committee was set up on 8 March 2007. Details of the authorities and duties of the Nomination Committee are set out in its terms of reference, which are available on the websites of the Company and the Stock Exchange. Its roles are highlighted as follows:

- (i) to review the structure, size and composition of the Board (including the skills, knowledge and experience) on an annual basis and make recommendations to the Board regarding any proposed changes;
- (ii) to identify individuals suitably qualified to become Board members, and select or make recommendations to the Board on the selection of individuals nominated for directorships;
- (iii) to assess the independence of INEDs; and
- (iv) to make recommendations to the Board on the relevant matters relating to the appointment or reappointment of Directors and succession planning for Directors in particular the Chairman and the CEO.

The Nomination Committee will assess the candidate or incumbent on criteria such as integrity, experience, skill and ability to commit time and effort to carry out the duties and responsibilities. The recommendations of the Nomination Committee will then be put to the Board for decision.

## Nomination Policy

The Company has adopted a nomination policy (the "Nomination Policy") which sets out the selection criteria and nomination procedures to identify and select potential candidates for directorship.

### Selection Criteria

The following factors would be considered in assessing any potential candidate for directorship:

- (a) reputation for integrity;
- (b) commitment in respect of available time and attention;
- (c) accomplishment, professional knowledge and industry experience which are relevant to the Company;
- (d) the number of existing directorships held by the potential candidate, in particular, on the boards of the listed companies;
- (e) the potential contributions that the potential candidate can bring to the Board in terms of qualifications, skills, experience, independence and gender diversity; and
- (f) in case of appointment of independent non-executive director, the compliance with the criteria of independence as ascribed under Rule 3.13 of the Listing Rules.

### Nomination Procedures

#### A. Appointment of New Director

- (i) The potential candidate will submit biographical information as required by the Nomination Committee for its evaluation whether the potential candidate is qualified to be a director of the Company.
- (ii) A meeting of the Nomination Committee will be convened for the members of the Committee to discuss and consider (having regard to the potential contributions that the potential candidate can bring to the Board in terms of qualifications, skills, experience, independence and gender diversity); and make recommendation to the Board, if applicable.

- (iii) Where appropriate, the Board will make recommendations to the shareholders for election of the proposed director at general meeting.

#### B. Re-election of Director

- (i) The Nomination Committee will review the contribution and services rendered to the Company of the retiring directors to be re-elected at general meeting in accordance with the Articles of Association.
- (ii) The Nomination Committee will make recommendations to the Board for the proposed directors to stand for re-election at general meeting.
- (iii) Where appropriate, the Board will make recommendations to the shareholders for re-election of retiring directors at general meeting.

### Disclosure of the Policy

A summary of the work performed by the Nomination Committee during a financial year, including the disclosure of the Policy for the nomination of directors, nomination procedures and the process and criteria adopted to select and recommend for directorship, is disclosed in this corporate governance report.

### Review of the Policy

The Nomination Committee will monitor and review the Policy regularly with reference to the structure, size and composition of the Board to ensure the Policy meets the current regulatory requirements and the business needs of the Company.

Currently, the Nomination Committee comprises three members as follows:

Mr. Ho Pak Chuen Brian (*Chairman*), an INED  
 Mr. Lo Peter, an INED  
 Mr. Jen Shek Voon, an INED

The Nomination Committee may call any meetings at anytime when necessary or desirable pursuant to the terms of reference of the Nomination Committee.

During the year ended 31 December 2025, the Nomination Committee held one committee meeting and had assessed the independence of INEDs, considered the reappointment of the retired Directors and discussed matters relating to procedure of nomination of director candidate by Shareholders, Directors' evaluation and succession plan etc. We have conducted board evaluation annually. A board range of areas have been assessed including board composition, succession planning, sufficiency and effectiveness of the board committees, board effectiveness to ensure independent views and input are available to the Board.

The Board is committed to review its own performance and effectiveness at regular intervals. The last evaluation was conducted in 27 March 2026.

The attendance record of each Nomination Committee member at the Nomination Committee meeting is set out below:

<u>Name of Members</u>	<b>Nomination Committee Meeting Attended/ Number of meeting(s) held</b>
Mr. Ho Pak Chuen Brian	1/1
Mr. Lo Peter	1/1
Mr. Jen Shek Voon	1/1

### Board Diversity Policy

On 2 December 2014, the Board adopted a board diversity policy (the "Board Diversity Policy") to enhance the effectiveness of the Board and to maintain high standard of corporate governance. Under the Board Diversity Policy, the Nomination Committee will monitor the implementation of the Board Diversity Policy and give adequate consideration to the Board Diversity Policy when identifying suitably qualified candidates to become members of the Board. Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience and qualifications, length of service, skills, knowledge and industry experience. The selection of potential candidate will be based on the potential contributions that the potential candidate can bring to the Board, having due regard to the benefits of diversity on the Board without focusing on a single diversity aspect. As at the date of this annual report, the Board consists of two female and six male Directors. The Board considers that the gender diversity in respect of the Board taking into account the business model and specific needs of the Company is satisfactory. The Group has also taken, and continues to take, steps to promote diversity at all levels of its workforce. Opportunities for employment, training and career development are equally opened to all eligible employees without discrimination. As at 31 December 2025, among the eight directors of the Group, two are female.

As at 31 December 2025, approximately 67% of total workforce of the Group are female and 33% of the total workforce of the Group are male, The gender ratio of female to male in the workforce of the Group including senior management and other employees was approximately 67:33.

## Audit Committee

The Audit Committee was established on 8 March 2007 with written terms of reference in compliance with Rules 3.21 and 3.22 of the Listing Rules, its terms of reference are available on the websites of the Company and the Stock Exchange. The principal duties of the Audit Committee include:

- (i) to be primarily responsible for making recommendation to the Board on the appointment, re-appointment and removal of external auditor, and to approve the remuneration and terms of engagement of the external auditor and any questions of resignation or dismissal of that auditor;
- (ii) to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standard;
- (iii) to discuss with the external auditor before the audit commences, the nature and scope of the audit and reporting obligations, and ensure coordination where more than one audit firms are involved;
- (iv) to develop and implement policy on the engagement of an external auditor to supply non-audit services;
- (v) to monitor integrity of the Company's financial statements and the Company's annual report and accounts, half-year report and, if prepared for publication, quarterly reports and to review significant financial reporting judgements contained in them before submission to the Board;

- (vi) to review the Company's financial controls, internal control and risk management systems;
- (vii) to discuss with the Management the system of internal control and ensure that the Management has discharged its duty to have an effective internal control system, including the adequacy of resources, qualifications, and experience of staff of the Company's accounting and financial reporting function, and their training programmes and budget;
- (viii) to review the Group's financial and accounting policies and practices;
- (ix) to report to the Board on any other matters set out in the Code; and
- (x) to review the Group's Internal Audit Function.

As at the end of the Reporting Period, the Audit Committee comprise of three INEDs as follows:

Mr. Jen Shek Voon (*Chairman*)  
 Mr. Lo Peter  
 Mr. Ho Pak Chuen Brian

The Audit Committee meeting shall be held not less than twice a year pursuant to the terms of reference of the Audit Committee.

## Corporate Governance Report

During the year ended 31 December 2025, the Audit Committee held two committee meetings. The attendance record of each Audit Committee member at the Audit Committee meetings is set out below:

<u>Name of Members</u>	<b>Audit Committee Meetings Attended/ Number of meeting(s) held</b>
Mr. Jen Shek Voon	2/2
Mr. Lo Peter	2/2
Mr. Ho Pak Chuen Brian	2/2

The Audit Committee is satisfied with its review of the auditor's remuneration and the independence of the auditor, Deloitte Touche Tohmatsu ("DTT"), and recommended to the Board the re-appointment of DTT as the Company's auditor for the year 2026, which is subject to the approval of shareholders at the forthcoming AGM.

The Company's interim results for the six months ended 30 June 2025 and the annual results for the year ended 31 December 2025 have been reviewed by the Audit Committee, which is of the opinion that applicable accounting standards and requirements have been complied with and that adequate disclosures have been made.

### Risk Management and Internal Control

The Board strives to cultivate and disseminate a good internal control and risk management culture of the Company and its subsidiaries by:

- (i) identifying and assessing relevant risks, considering and giving approval to necessary control activities proposed by executive Directors in accordance with risk assessments, to rationalize the control environment so as to lower operational risks but without impeding operating efficiency;

- (ii) ensuring constantly updating information and coordinated sharing of information;
- (iii) exercising appropriate levels of supervision to ensure the effectiveness and efficiency in the performance of various functions and activities of the Group;
- (iv) establishing and reviewing internal control measures for minimising and eliminating identified risks; and
- (v) seeking advice from external consultants for the enhancement and maintenance of the Group's internal control system.

The executive Directors, with the coordination of the management of the Group, strive to develop, implement and maintain an internal control and risk management system by conducting on-going business reviews; evaluating significant risks faced by the Group; formulating appropriate policies, programmes and authorization criteria; conducting business variance analyses of actual result versus business plan; undertaking critical path analyses to identify the impediments in attaining the corporate goals and initiating corrective measures; following up on isolated cases; identifying inherent deficiencies in the internal control system; and making timely remedies and adjustments to avoid recurrence of problems.

The Board acknowledges that it is its responsibility to ensure that the Company establishes and maintains sound risk management and internal control systems within the Group and to review the effectiveness of the systems. Such systems are designed to manage and mitigate risks inherent in the Group's business faced by the Group to an acceptable level, but not eliminating the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement, loss or fraud.

Under the Company's risk management and internal control structure, the Management is responsible for the design, implementation and maintenance of risk management and internal control systems to ensure, amongst others, (i) appropriate policies and control procedures have been designed and established to safeguard the Group's assets against improper use or disposal; (ii) relevant laws, rules and regulations are adhered to and complied with; and (iii) reliable financial and accounting records are maintained in accordance with relevant accounting standards and regulatory reporting requirements.

The main features of risk management and internal control structure of the Company are as follows:

- (1) Risk Identification: by heads of major operation units or departments;
- (2) Risk Mitigation and Control: by heads of major operation units or departments in accordance with the internal guidelines approved by the Board and the Audit Committee;
- (3) Risk Reporting: during the financial year, the heads of major operation units or departments have received IAF Report in which they have implemented the recommendation after due consideration and in consultation with the Chairman and CEO.

During the Reporting Period, major works performed by the Management in relation to risk management and internal control include the following:

- each major operation unit or department was responsible for daily risk management activities, including identifying major risks that may impact on the Group's performance; assessing and evaluating the identified risks according to their likely impacts and the likelihood of occurrence; formulating and implementing measures, controls and response plans to manage and mitigate such risks;

- the Management, together with the finance department, monitored and reviewed the risk management and internal control systems on an ongoing basis and reported to the Audit Committee regarding the status of the systems;
- the Management periodically followed up and reviewed the implementation of the measures, controls and response plans to major risks identified in order to make sure that sufficient attention, monitor and responses were paid to all major risks identified;
- the Management reviewed the risk management and internal control systems periodically to identify process and control deficiencies, and designed and implemented corrective actions to address such deficiencies; and
- the Management ensured appropriate procedures and measures such as safeguarding assets against unauthorized use or disposition, controlling capital expenditure, maintaining proper accounting records and ensuring the reliability of financial information used for business and publications, etc. are in place.

The internal audit function of the Company monitored the internal governance of the Company and provided independent assurances as to the adequacy and effectiveness of the Company's risk management and internal control systems. The internal audit reports that were submitted to the Audit Committee, and the internal audit process, have been reviewed and the external professional firm attended meetings of the Audit Committee to present and explain their findings. The Audit Committee reviewed the draft reports submitted by the external professional firm and has made the necessary recommendations to the Board to put in place the mechanism for implementing an effective internal audit function. The Board has accepted the recommendations of the Audit Committee.

The Company has maintained internal guidelines for ensuring that inside information is disseminated to the public in an equal and timely manner in accordance with the applicable laws and regulations. Senior executives of the investor relations, corporate affairs and financial control functions of the Group are delegated with responsibilities to control and monitor the proper procedures to be observed on the disclosure of inside information. Access to inside information is at all times confined to relevant senior executives and confined on “need-to-know” basis. Relevant personnel and other professional parties involved are reminded to preserve confidentiality of the inside information until it is publicly disclosed. Other procedures such as pre-clearance on dealing in the Company’s securities by Directors and designated members of the Management, notification of regular blackout period and securities dealing restrictions to Directors and employees, and identification of project by code name have also been implemented by the Company to guard against possible mishandling of inside information within the Group.

The Company has adopted arrangement to facilitate employees and other stakeholders to raise concerns, in confidence, about possible improprieties in financial reporting, internal control or other matters. The Audit Committee reviewed such arrangement regularly and ensured that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action.

During the Reporting Period, the Audit Committee had discussions with the Management and senior executives regarding the effectiveness of the risk management and internal control systems and the works of the internal audit function. Such discussions include the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company’s accounting, internal audit and financial reporting functions.

On the basis of the aforesaid, the Audit Committee was not aware of any significant issues that would have an adverse impact on the effectiveness and adequacy of the risk management and internal control of the Company.

## Whistle-Blowing Policy

The Whistle-Blowing Policy (the “WBP”) was set up on 17 April 2009 and updated on 27 March 2024. The WBP aims to provide an avenue for employees to raise concerns and reassurance that they will be protected from reprisals or victimization for whistleblowing in good faith. For details, please refer to the Environmental, Social and Governance Report on page 34 of this annual report.

The Board believes that, in the absence of any evidence to the contrary, the system of internal controls maintained by the Group throughout the year ended 31 December 2025 provides reasonable assurance against material financial misstatements or loss, and includes the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information, compliance with appropriate legislation, regulation and best practice, and the identification and containment of business risks.

## Directors’ Responsibility for the Financial Statements

The Directors understand and acknowledge their responsibility for ensuring that the financial statements for each financial year are prepared to give a true and fair view of the state of affairs, profitability and cash flow of the Group in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

In preparing the financial statements of the Group for the year ended 31 December 2025, the Directors have adopted appropriate and consistent accounting policies and made prudent and reasonable judgements and estimations. The Directors are responsible for maintaining proper accounting records which reflect with reasonable accuracy, the state of affairs, operating results, cash flows and equity movement of the Group at any time. The Directors confirm that the preparation of the financial statements of the Group is in accordance with statutory requirements and applicable accounting standards.

The Directors also confirm that, to the best of their knowledge, information and belief, having made all reasonable enquiries, they are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company’s ability to continue as a going concern.

The auditor's statement about their reporting responsibilities on the financial statements is set out on pages 97 to 98 of this annual report.

## Auditor's Remuneration

The Group's independent external auditor is DTT. The remuneration for the audit and non-audit services provided by DTT to the Group during the year ended 31 December 2025 was approximately as follows:

Type of Services	Fee paid/payable (RMB'000)
Audit	2,800
Non-audit services	–
<b>Total:</b>	<b>2,800</b>

## Company Secretary

In order to uphold good corporate governance and ensure compliance with the Listing Rules and applicable Hong Kong laws, the Company engaged Ms. Cheung Lai Ha ("Ms. Cheung"), a representative of Computershare Hong Kong Investor Services Limited (a company secretarial services provider), as its company secretary. Ms. Cheung resigned from her position as company secretary on 27 March 2025 due to her departure from Computershare Hong Kong Investor Services Limited, and Mr. Ng Tung Ching Raphael ("Mr. Ng") was appointed as the new company secretary on the same date. The primary contact person for the Company is Mr. Poon Ka Man, Jason, the Executive Director.

During the year ended 31 December 2025, Mr. Ng has undertaken not less than 15 hours of relevant professional training in compliance with Rule 3.29 of the Listing Rules.

## Communication with Shareholders and Investor Relations

The Board recognizes the importance of good communications with all Shareholders. The 2025 AGM is a valuable forum for the Board to communicate directly with the Shareholders. The Chairmen of the Board, the Audit Committee, the Nomination Committee and the Remuneration Committee and the external auditor present at the 2025 AGM held on 20 May 2025 to answer Shareholders' questions. The Company's forthcoming AGM will be held on 23 June 2026 (the "2026 AGM").

A key element of effective communication with Shareholders and investors is prompt and timely dissemination of information in a transparent manner in relation to the Group. The Company has announced its inside information, announcement, interim and annual results in a timely manner according to the Listing Rules.

A shareholders' communication policy was adopted pursuant to the Code which aims at establishing a two-way relationship and communication between the Company and its Shareholders. To promote effective communication, the Company maintains two websites at [www.ajisen.com.hk](http://www.ajisen.com.hk) and [www.ajisen.com.cn](http://www.ajisen.com.cn) where up-to-date information on the Company's business operations and developments, financial information, corporate governance practices and other information are available for public access.

The Board regularly reviews the existing channels of communication with Shareholders and investors to make sure they remain effective and provide recommendations for improvements when needed. The Board considers the current practices were all well-implemented throughout the year and achieved satisfactory.

The Group values feedback from Shareholders on its efforts to promote transparency and foster investor relationships. Enquiries, comments and suggestions to the Board or the Company are welcome and can be addressed to 6/F, Block B, Ajisen Group Tower, 24-26 Sze Shan Street, Yau Tong, Kowloon with attention to Mr. Poon Ka Man, Jason.

### Closure of register of members

The record date for determining the eligibility of Shareholders (except for holders of treasury shares, if any) to attend and vote at the 2026 AGM is 23 June 2026. The register of members of the Company will be closed from 17 June 2026 to 23 June 2026, both days inclusive, during which period no transfer of shares will be effected.

In addition, the record date for determining the entitlement of Shareholders (except for holders of treasury shares, if any) to the proposed final dividend for the year ended 31 December 2025 is 2 July 2026. The register of members of the Company will be closed from 29 June 2026 to 2 July 2026, both days inclusive, during which period no transfer of shares will be effected.

In order to qualify for attending and voting at the 2026 AGM, and the entitlement for the final dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 16 June 2026 and 26 June 2026 respectively.

### Shareholders' Rights

To safeguard Shareholders' interests and rights, a separate resolution is proposed for each issue at Shareholders' meetings, including the election of individual directors.

All resolutions put forward at Shareholders' meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and the Stock Exchange in a timely manner after each Shareholders' meeting. At the 2025 AGM, all resolutions were passed by poll by the Shareholders of the Company.

### Convening an extraordinary general meeting by Shareholders

Pursuant to article 64 of the Articles of Association, any Shareholder holding not less than one-tenth of the paid up share capital of the Company carrying the right of voting at general meetings of the Company has statutory rights to call for extraordinary general meetings and put forward agenda items for consideration by Shareholders by sending to the Board or the company secretary of the Company at the principal place of business of the Company in Hong Kong a written request for such general meeting duly signed by the Shareholders concerned together with the proposed agenda items and such meeting shall be held within two months of the deposit of such requisition. Shareholders also have the right to propose a person for election as a Director, the procedures are available on the websites of the Company and the Stock Exchange.

### Dividend Policy

Pursuant to code provision F.1.1 under Part 2 of the Code, the Company has formulated and adopted a dividend policy (the "Dividend Policy") which aims to set out the principles and guidelines in recommending or declaring dividends to the Shareholders.

The Company is committed to healthy and sustainable business development and attaches great importance to generating reasonable investment returns to the Shareholders by declaring and distributing dividends to the Shareholders conservatively.

#### *Principles and Guidelines*

1. The Board has the discretion to declare and distribute dividends to the Shareholders subject to the requirements of the Articles of Association, the laws of Cayman Islands, and other any applicable laws, rules and regulations and the policies.

2. The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for meeting working capital requirements of the Company.
3. Currently, no fixed payment ratio has been set. The Board shall take into account the following factors of the Group when considering the declaration or recommendation of dividends:
  - the Company's actual and expected financial performance;
  - the Group's working capital requirements, capital expenditure requirements/plans and future expansion plans;
  - the Group's liquidity position;
  - retained earnings and distributable reserves of the Company and each of the subsidiaries of the Group;
  - any restrictions on payment of dividends that may be imposed by the Group's lenders;
  - taxation consideration;
  - the shareholders' interests;
  - the general economic conditions, business cycle of the Group's business and other internal and external factors that may have an impact on the business or financial performance and position of the Group; and
  - other factors that the Board may consider relevant.
4. The Company in each AGM may declare dividends in any currency but no dividends shall exceed the amount recommended by the Board.
5. The Board may pay half-yearly or at other suitable intervals to be settled by it any dividend which may be payable at a fixed rate if the Board is of the opinion that the financial conditions and the profits of the Company justify the payment.
6. The Board may from time to time declare any special dividends of such amounts and on such dates and out of such distributable funds of the Company as it thinks fit.
7. The Company may declare and pay dividends by way of cash or an allotment of shares credited as fully paid or by other means that the Board considers appropriate.
8. Any unclaimed dividend shall be forfeited by the Board and shall revert to the Company in accordance with the Articles of Association and the laws of the Cayman Islands. No dividends shall be declared or payable except out of the Company's profits and reserves lawfully available for distribution.
9. For the avoidance of doubt, the Dividend Policy shall in no way constitute a legally binding commitment by the Company in respect of its future dividend and/or in no way obligate the Company to declare a dividend at any time or from time to time.
10. Dividends declared in the past may not be indicative of the Company's future dividend policy.

## CONSTITUTIONAL DOCUMENTS

During the year ended 31 December 2025, no amendments were made to the Company's constitutional documents. An up-to-date consolidated version of the Memorandum and Articles is available on the websites of the Hong Kong Stock Exchange and the Company.

## Looking Forward

The Company will review its corporate governance practices regularly and the Board endeavors to implement necessary measures and policies to ensure the compliance with the Code introduced by the Stock Exchange.

# Environmental, Social and Governance Report

## ABOUT THE REPORT

Ajisen (China) Holdings Limited (the “Company”, together with its subsidiaries, collectively the “Group”, “we”, “our” or “us”) is one of the leading fast casual restaurant chain operators in the mainland (“Mainland China”) and the Hong Kong Special Administrative Region (“Hong Kong”) of the People’s Republic of China. Adhering to the principles of environmental protection, social responsibility and good corporate governance, the Group hereby presents the 2025 environmental, social and governance report (the “Report”), which elaborates on the implementation of the Group’s policies, the execution of measures and the performance of the Group in all aspects of environmental, social and governance (“ESG”).

## Reporting Scope

The Report covers the period from 1 January 2025 to 31 December 2025 (the “Reporting Period” or “2025”). The reporting scope is determined based on the materiality and significance of ESG impacts on each business unit under the Group’s direct operational control, including the Group’s business operations in Mainland China and Hong Kong, China, which primarily involve the manufacture and sale of noodles and related products. Disclosure of ESG policies, measures and relevant laws and regulations is made on a Group-wide basis, while the environmental key performance indicators (KPIs) cover offices in Mainland China and Hong Kong, China, as well as production bases in Shanghai, Chengdu, Tianjin, Wuhan and Dongguan. In addition, greenhouse gas emissions (Scope 1, Scope 2 and Scope 3 categories) are disclosed using the operational control approach, and the reporting boundary is generally consistent with that of this ESG Report, unless otherwise stated. The Group is committed to continuously enhancing its data collection system and regularly reviewing and adjusting the reporting scope.

## Reporting Principles

The Report has been prepared in accordance with the ESG Reporting Code (the “Code”) under Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. We strictly adhere to the four core reporting principles in the Code:

Reporting Principles	Definitions and Application
Materiality	The Report focuses on the disclosure of environmental (including climate change), social and governance matters that have a material impact on the Group’s operations and stakeholders. Through a rigorous assessment process, the Board has identified and determined material issues as key disclosures. The relevant assessment methodology and results are detailed in the section headed “Stakeholder Communication and Materiality Assessment”.
Quantitative	To ensure the objectivity and comparability of the Report, the Group has commissioned independent professional advisers to conduct data assessment and established a comprehensive data collection system to quantitatively record and present ESG key performance indicators. We also provide historical data for reference to enable stakeholders to assess the Group’s progress in sustainable development.
Balance	The Group upholds the principles of fairness and objectivity in truthfully reporting its ESG performance. The Report covers both achievements and challenges to ensure that stakeholders have a comprehensive understanding of the Group’s sustainability status.
Consistency	The Group has adopted consistent methodologies for statistics and disclosures to ensure the comparability of annual data. Any changes will be clearly stated in the Report and, where appropriate, historical data will be restated.

The Group's greenhouse gas emissions are calculated based on the calculation methodologies and emission factors set out in the section of the Report relating to the environmental performance indicators with reference to the Environmental, Social and Governance Reporting Guide and Appendix II: Reporting Guidance on Environmental KPIs issued by the Stock Exchange. The calculation methodologies for Scope 1, Scope 2 and Scope 3 (including sources of activity data and emission factors) are explained in detail in the relevant KPI disclosures. The Group has also, as encouraged by the Stock Exchange, made reference to the climate-related metrics guidance under the IFRS Sustainability Disclosure Standards.

### Source of Information

The information and data contained in the Report are all sourced from the Group's official documents, records and statistical materials. The Group has established a sound information management mechanism to ensure the accuracy and reliability of all reported data. The board of directors of the Group (the "Board") reviewed and approved the Report on 27 March 2026.

### Feedback

The Group attaches great importance to the opinions of stakeholders and regards them as an important driving force for continuous improvement. If you have any opinions or enquiries about the contents of the Report or the Group's ESG performance, please feel free to contact us at [jennifer.zeng@ajisen.net](mailto:jennifer.zeng@ajisen.net).

## ESG MANAGEMENT

The Board is fully responsible for overseeing the management of ESG matters (including climate change). In response to climate change as a global issue, and as a responsible corporate citizen, the Group fully supports this vision and has incorporated climate change-related matters into the Group's overall ESG governance framework. The Board recognises the importance of ESG to the Group's corporate value and long-term sustainable development, and assumes the following principal responsibilities:

- formulating and approving ESG management approaches, strategies and targets (including climate change);
- regularly assessing and reviewing ESG-related risks and opportunities (including climate change);
- monitoring the implementation of ESG policies and the performance in this regard;
- ensuring the effectiveness of the ESG management system; and
- approving the ESG Report.

The Board has established an ESG working group to coordinate the implementation of ESG initiatives by various departments, collect data and carry out relevant work, and report to the Board on the progress of its work on a regular basis. The working group maintains close communication with various stakeholders to collect feedback and continuously improve the Group's ESG performance.

Based on the Code, reporting trends and the materiality assessment arising from stakeholder engagement, the Board reviews and confirms the priority and management focus of material ESG issues (including climate change), and incorporates such material issues into the Group's annual strategy review and risk assessment process. The Board is committed to maintaining effective communication with the ESG working group, regularly hearing reports from the ESG working group, and participating in and reviewing, where appropriate, the identification and assessment of ESG-related risks and opportunities (including climate change). The Board understands that the establishment of ESG targets contributes to the Group's ESG governance. Accordingly, the Board will, where appropriate, formulate ESG targets (including climate change) relevant to the Group's business, and review and assess the progress of ESG-related targets (including climate change) on an annual basis, so as to evaluate the Group's progress in enhancing ESG performance and ensure that the Group's overall strategy remains aligned with its sustainable development objectives.

The Board is responsible for formulating the sustainable development strategy and direction, approving ESG-related policies and the Report, and implementing policies, collecting data and carrying out relevant work through the cross-departmental ESG working group. In accordance with relevant government requirements, the Group has established short-term and long-term sustainable development targets and continues to promote emissions reduction. The Group also regards the globally recognised target of achieving carbon neutrality by 2050 as an important milestone and adopts it as a guiding principle of its climate strategy.

Looking ahead, the Group will further optimise its ESG management structure, formulate specific sustainability goals and action plans, actively respond to the expectations of stakeholders, and contribute to the achievement of sustainable development.

### Risk and Compliance Management

The Group has a well-established risk management and internal control framework, and the Board takes full responsibility for continuous monitoring and annual review to ensure the effective operation of the system. The audit committee assists the Board in conducting the relevant review, while management is responsible for implementing appropriate measures to address key operational risks. The heads of each operating unit and department carry out risk identification and mitigation in accordance with internal guidelines. Following a comprehensive review during the Reporting Period, the Board confirmed that the existing risk management and internal control systems were operating effectively and adequately.

To achieve business objectives and ensure stable development, the Group identifies and manages ESG risks. We adopt a risk management system under a top-down risk management framework. The Board bears overall responsibility for maintaining the Group's sound ESG risk management and internal control systems. Through exercising oversight over the Group's management and

maintaining active and constructive communication with management personnel and employees involved in the Group's day-to-day operations, the Board is able to identify the Group's material ESG risks and opportunities relating to emissions, resource consumption, impacts on natural resources and climate change, as well as other social aspects relevant to the Group. As part of this process, the Board is responsible for identifying and assessing the Group's material ESG risks (including climate change), determining the level of such risks and formulating corresponding response measures, while the ESG working group and various business units are responsible for implementation and management of the relevant measures. The Board is also responsible for reviewing and monitoring the effectiveness of the Group's ESG risk management and internal control systems, and ensuring that the Group has taken reasonable measures to manage material risks. The Group considers ESG risks to have gradually become an important factor in its business operations. Accordingly, it has adopted an approach of incorporating ESG risks into its regular risk management process so as to enhance its overall capability in risk assessment, prioritisation and management control.

To strengthen risk management in the ESG area, the Group will continue to optimise the relevant systems and fully integrate ESG factors. For details of internal control and risk management, please refer to the section headed "Corporate Governance Report".

As an organisation committed to corporate responsibility, the Group strictly complies with the laws and regulations of the regions in which it operates. We are well aware that any non-compliance may lead to legal sanctions, regulatory penalties and reputational damage. Accordingly, we have established a comprehensive compliance operation system and internal control mechanism that all employees are required to strictly adhere to. During the Reporting Period, the Group did not have any known material ESG breaches and was not involved in any concluded corruption litigation cases.

## Environmental, Social and Governance Report

Areas	Issues	Major laws and regulations (including but not limited to)	Compliance
Environmental	Emissions	Chinese Mainland Wastewater Quality Standards for Discharge to Municipal Sewers (GB/T31962-2015) Discharge Standards for Water Pollutants for Meat Packing Industry (GB13457-92)	The Group had no known relevant material violations of laws and regulations
	Environment and Natural Resources	Emission Standards for Air Pollutants from Boilers (DB31/387-2018) Integrated Emission Standards for Air Pollutants (DB31/933-2015) Emission Standards for Kitchen Fumes in Catering Industry (Trial) (GB18483-2001) Standards for Noise Emission at the Plant Boundary Environment of the Industrial Enterprises (GB12348-2008)	The Group had no known relevant material violations of laws and regulations
Social	Employment and Labour Standards	Chinese Mainland Labour Law of the People's Republic of China Labour Contract Law of the People's Republic of China  Hong Kong, China Employment Ordinance of Hong Kong Special Administrative Region	The Group had no known relevant material violations of laws and regulations
	Health and Safety	Chinese Mainland Regulation on Work Injury Insurance  Hong Kong, China Occupational Safety and Health Ordinance	The Group had no known relevant material violations of laws and regulations
	Product Responsibility	Chinese Mainland Consumer Protection Law Food Safety Law of the People's Republic of China Advertisements Law of the People's Republic of China Measures for the Management of Food Business License  Hong Kong, China Food Safety Ordinance of the Hong Kong Special Administrative Region	The Group had no known relevant material violations of laws and regulations
	Anti-corruption	Chinese Mainland Company Law of the People's Republic of China Law Against Unfair Competition of the People's Republic of China Anti-money Laundering Law of the People's Republic of China  Hong Kong, China Prevention of Bribery Ordinance	The Group had no known relevant material violations of laws and regulations, nor did it have any corruption cases filed and concluded against the Group and its employees

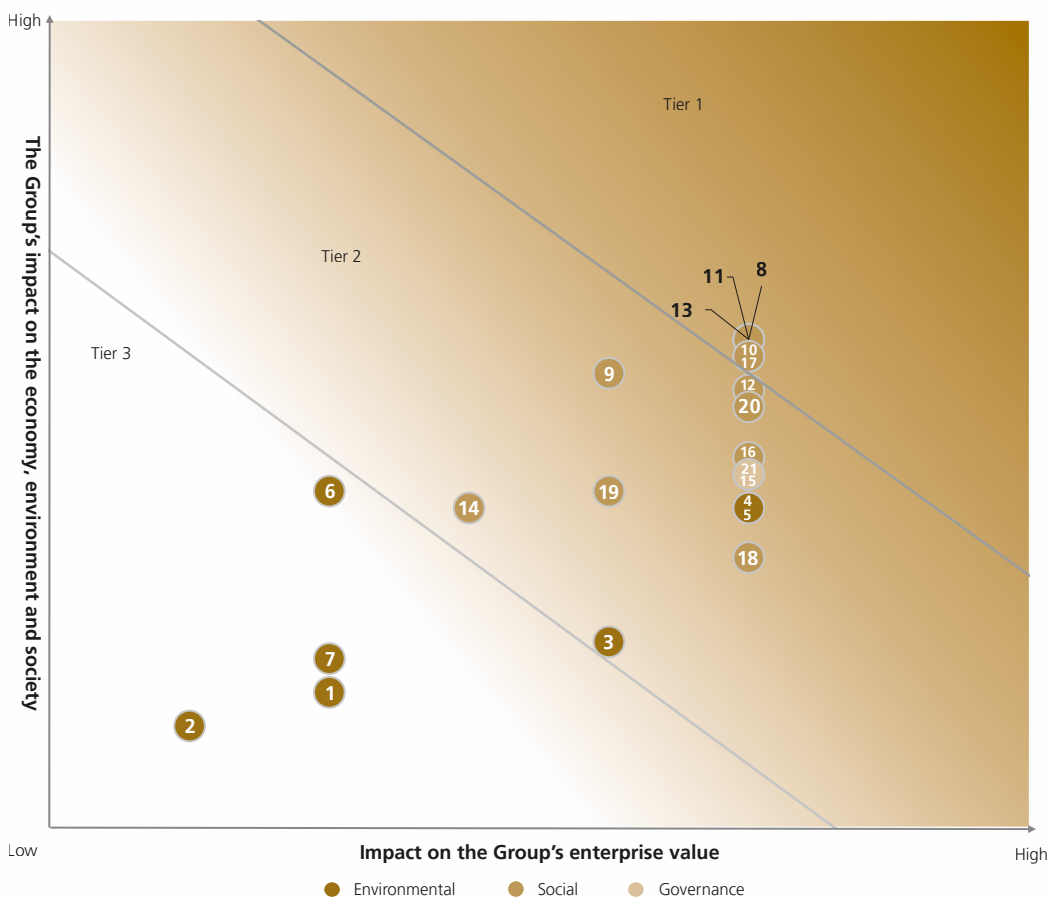
## STAKEHOLDER COMMUNICATION AND MATERIALITY ASSESSMENT

The Group recognises the importance of stakeholder engagement in its sustainability strategy. We have established a comprehensive stakeholder communication mechanism to maintain regular dialogue with various stakeholders through diversified channels to actively understand and respond to their key concerns.

Customers	Meetings, questionnaire surveys, interviews, phone calls, emails and social media
Suppliers and business partners	Audits and assessments, site visits, meetings
Community	Community activities

Key stakeholders	Major communication methods
The Board, management and staff	Board meetings, internal meetings, training, internal communications, emails and social media
Investors and shareholders	General meetings and events, financial reports and announcements, meetings, group communications and websites

To ensure the effectiveness of its ESG efforts, the Group engaged an independent adviser to assist with a comprehensive materiality assessment during the Reporting Period. During the assessment process, we identified 21 ESG issues relevant to the Group and conducted questionnaire surveys with both internal and external stakeholder groups to determine the materiality of each issue from two dimensions, namely corporate value impact and economic, environmental and social impact. This will enable us to



better understand the views of various stakeholders on ESG issues and comprehensively assess the relevant risks and opportunities, so as to lay a more solid foundation for the sustainable development of the Group.

	Issue	Tier	Materiality
8	Employment Practices	1	Important
11	Occupational Health and Safety	1	
13	Product and Service Quality and Safety	1	
10	Training and Development	1	
17	Responsible Supply Chain Management	1	
3	Waste	2	Moderately important
4	Energy	2	
5	Water Resources	2	
9	Diversity and Equal Opportunities	2	
12	Labour Standards	2	
14	Customer Engagement	2	
15	Privacy and Data Security	2	
16	Responsible Marketing and Labelling	2	
18	Community Engagement and Investment	2	
19	Business Ethics and Integrity	2	
20	Risk Management	2	
21	Protection of Intellectual Property Rights	2	Others
1	Exhaust Gas Emissions	3	
2	Greenhouse Gas Emissions	3	
6	Materials	3	
7	Climate Change and Resilience	3	

### Material Issues

### Corresponding Section

Employment Practices  
Occupational Health and Safety  
Product and Service Quality and Safety  
Training and Development  
Responsible Supply Chain Management

People-oriented  
People-oriented  
Responsible Operations  
People-oriented  
Responsible Operations

### ENVIRONMENTAL PROTECTION AND SUSTAINABLE DEVELOPMENT

The Group recognises the potential impact of its business operations on the environment and natural resources, and is committed to actively reducing its operational environmental footprint through the implementation of green and low-carbon production and office measures. As a responsible corporate citizen, we strictly comply with environmental laws and regulations, comprehensively control and prevent the discharge of various pollutants, and continuously optimise the efficiency of resource utilisation. With environmental protection as a key focus, the Group has progressively improved its internal management mechanism and established a target-oriented environmental management system to effectively reduce the environmental impact of its operations. We strictly comply with relevant laws and regulations, including the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution, the Law of the People's Republic of China on the Prevention and Control of Air Pollution by Solid Waste, and the Law of the People's Republic of China on the Prevention and Control of Water Pollution. For new construction or renovation projects, we complete the required environmental protection filing procedures and update exhaust gas, noise and drainage works. Third-party environmental monitoring is also conducted for newly opened stores to ensure that emissions comply with regulatory requirements. At the same time, we have formulated comprehensive environmental protection policies requiring all employees to strictly comply with them, while actively promoting environmental protection concepts to stakeholders to jointly build a sustainable future. We have established a systematic environmental assessment mechanism to regularly review the impact of material environmental issues and relevant regulations on our business operations.

To continuously enhance environmental performance, the Group has established a comprehensive environmental performance monitoring and disclosure mechanism to regularly identify opportunities for improvement and formulate corresponding environmental targets. Detailed environmental performance data for the Reporting Period are set out in the appendix headed "Environmental Performance"<sup>1</sup>. We are pleased to report that our "Ajisen Ramen" brand was awarded the honour of "Green Restaurant" by the Shanghai Restaurant Cuisine Association in recognition of our continued efforts in environmental protection and low-carbon operations.

We plan to regularly measure and disclose environmental performance in order to identify opportunities for enhancing environmental performance and formulate environmental targets. Progress against such targets will be regularly disclosed through ESG reports to promote sustainable development. For the Group's environmental performance during the Reporting Period, please refer to the appendix headed "Environmental Performance".

#### Emissions Management

##### *Air pollutants*

The Group has adopted comprehensive measures to manage and reduce air pollutant and greenhouse gas emissions arising from its business operations. In respect of vehicle management, in order to reduce vehicle exhaust emissions, we have strengthened vehicle usage standards and effectively reduced exhaust gas and greenhouse gas emissions through measures such as regular maintenance of vehicles, requiring drivers to switch off engines while idling, and optimising travel routes. In respect of cooking fume exhaust control, the Group has installed fume purifiers with automatic grease removal functions for range hoods and also ensures that cooking fume exhaust generated during baking processes is treated by professional purification devices. In addition, at the production bases, we use light diesel oil as boiler fuel to reduce emission intensity.

<sup>1</sup> The number of employees and revenue used in intensity data calculation are consistent with the scope of environmental KPIs. In addition, as the Group converted certain permanent employees into outsourced staff during the Reporting Period, such outsourced staff were not included in the employee headcount for reporting purposes, resulting in a significant change in the basis of the denominator. Accordingly, the relevant intensity data calculated by reference to the number of employees may not be fully comparable with those of prior periods.

In daily operations, the Group actively promotes environmental protection measures, including implementing paperless office policies, encouraging double-sided printing and reuse of waste paper, and advocating prudent use of various resources by employees. Furthermore, we also encourage employees to make full use of communication systems for business communication so as to reduce unnecessary travel arrangements and thereby further reduce the carbon footprint.

During the Reporting Period, the Group's motor vehicle transportation activities generated air pollutant emissions, among which nitrogen oxides, sulphur oxides and respirable suspended particulates amounted to 2,629.02 kg (2024: 2,001.88 kg), 1.52 kg (2024: 223.96 kg) and 240.22 kg (2024: 184.33 kg), respectively. Overall, the Group's air pollutant emissions increased as compared with last year, mainly due to the increase in natural gas consumption resulting from higher production output during the Reporting Period.

### *Hazardous and non-hazardous waste*

The Group has always been committed to reducing waste generation and enhancing waste management efficiency. We implement the 4R environmental protection principles in our daily operations, including Reduction, Reuse, Replacement and Recycling. All waste is collected and disposed of in strict compliance with relevant laws and regulations. To further put environmental protection concepts into practice, our production bases actively explore waste recycling and secondary utilisation of waste. Waste oil is properly handled by qualified recyclers and converted into renewable energy; waste paper is sent directly to paper mills for the production of recycled paper; beverage bottles, cans, plastics and other items are sent to relevant factories for conversion into recyclable resources; and electrical kitchen equipment is sent to specialised manufacturers for dismantling and recycling, so as to enhance the reuse rate of resources.

During the Reporting Period, the Group's waste management performance remained stable. The amount of hazardous waste generated was 0.90 (2024: 0.70) tonnes, mainly comprising heavy metal waste and waste mineral oil. The disposal of such hazardous waste strictly complied with the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste, and all such waste was entrusted to professionally qualified third-party institutions for harmless treatment. As for non-hazardous waste, the Group generated a total of 908.68 tonnes (2024: 836.52 tonnes), mainly comprising kitchen waste, scrap metal, general domestic and production waste, and general sludge and other general solid waste. These non-hazardous wastes were all professionally handled by qualified recyclers to ensure that resources were properly recycled and reused. As production output increased, both hazardous and non-hazardous wastes increased during the Reporting Period as compared with last year.

### *Wastewater*

The Group is committed to ensuring the sustainable use of water resources and strictly complies with national standards in wastewater management, including the Wastewater Quality Standards for Discharge to Municipal Sewers (GB/T31962-2015) and the Discharge Standard of Water Pollutants for Meat Packing Industry (GB13457-92). In daily life, we advocate water conservation and avoid unnecessary wastage of water resources. We have also adopted self-owned wastewater treatment facilities to conduct preliminary treatment of various types of operational wastewater, including raw material washing water, filter-press water, equipment cleaning water and floor cleaning water. After treatment to the required standard, such wastewater is discharged together with domestic sewage into the municipal water pipeline network for further treatment. According to statistics, the Group's total wastewater discharge during the Reporting Period amounted to 96,203.90 tonnes (2024: 35,278.00 tonnes). Due to changes in production processes and increased output, the Group's water consumption and corresponding wastewater discharge during the production process increased significantly as compared with the corresponding period of last year. However, the Group has ensured that the relevant wastewater has been properly treated.

## Environmental, Social and Governance Report

### Target setting

In the long run, the Group will continue to regularly strengthen its environmental management strategies by monitoring and minimising the environmental impacts brought about by its business operations. Accordingly, we have set absolute management and control targets for reducing emissions and waste generation. In the future, we

will formulate clearer quantitative environmental targets so as to foster environmental protection and cherish natural resources.

The Group has formulated environmental targets for waste generation and the progress as at the end of the Reporting Period is as follows:

Environmental KPIs	Target	2025 VS 2024 (base year)	Status
Emissions	To maintain or reduce total emissions using 2024 as the base year	Increased by 19%	In progress
Waste	To maintain or reduce non-hazardous waste generation using 2024 as the base year	Increased by 9%	In progress

### Use of Resources

The Group places great emphasis on the efficient use of resources and is committed to reducing waste so as to minimise the environmental impact of its operations. We have formulated comprehensive environmental protection measures that all employees are required to strictly comply with, so as to ensure the reasonable and efficient use of resources at each operating site. For specific measures, please refer to the section headed "Emissions Management".

The Group strictly complies with the Environmental Protection Law of the People's Republic of China, the Energy Conservation Law of the People's Republic of China and other relevant national and local laws and regulations applicable to the places where its operating units are located. During the course of operations, the Group continuously improves the efficiency of the use of resources such as energy, water resources and packaging materials, reduces unnecessary waste of resources, and minimises environmental impact to the greatest extent possible.

### Energy

In terms of energy management, the Group is committed to improving energy efficiency by adopting energy-saving technologies, optimising energy use in operations and continuously monitoring consumption. During the Reporting Period, the Group's total energy consumption amounted to 64,271.84 MWh (2024: 25,853.23 MWh), and energy consumption intensity was 10.66 MWh (2024: 3.31 MWh) per employee. Our energy mix includes direct energy (natural gas, diesel and town gas) and indirect energy (purchased electricity). As production output increased during the Reporting Period, energy consumption for production increased significantly. In addition, electricity consumption data for the Hong Kong office had not been included in the previous year, whereas the relevant data collection was completed during the Reporting Period. Accordingly, the Group's total energy consumption during the Reporting Period increased as compared with the corresponding period of last year. For detailed data, please refer to the table headed "Environmental Performance" in the appendix to the Report.

To comprehensively strengthen energy management, the Group actively explores the use of energy-saving equipment and standardises the configuration and layout of store equipment.

### Equipment Improvement

- Use LED lighting, high-efficiency equipment, compressor heat recovery systems and insulation facilities (extruded boards, glass and partitions);
- Cold rooms are equipped with automatic door closing devices and insulated curtains to reduce the loss of cold air;
- Energy-saving transformation has been carried out on ovens by installing energy-saving covers to recover residual heat.

### Configuration and Layout

- Use timer switches to control the use of store signboards and ensure that they are switched off during non-business hours to reduce power consumption;
- Configure energy-saving lighting according to the actual operational requirements of different areas within stores and install switches by area to reduce electricity consumption during store cleaning and other processes;
- Optimise store exhaust layout and duct arrangement through professional store ventilation design, and adopt low-power, high-air-volume exhaust equipment to reduce power consumption while reducing noise generation.

### Water resources

In respect of water resources management, the Group's business operations require a substantial amount of water, which is mainly sourced from municipal water supply and is stable and sufficient. The Group is committed to conserving water through responsible water use, waste reduction and regular monitoring so as to improve operational water-use efficiency. To improve water efficiency, we have equipped workshops at the production bases with advanced cooling water recycling systems to enable the recycling of water used for product cooling. During the Reporting Period, the Group's total water consumption amounted to 166,373.37 m<sup>3</sup> (2024: 130,612.00 m<sup>3</sup>), and water consumption intensity was 27.59 m<sup>3</sup> (2024: 16.74 m<sup>3</sup>) per employee. On the one hand, production water consumption increased due to changes in production processes. On the other hand, as water consumption data for the Hong Kong office had not been collected in the previous year but the relevant

data collection was completed during the Reporting Period, water consumption during the Reporting Period increased as compared with the corresponding period of last year. The Group continues to promote the concept of water conservation and enhances employees' awareness of water saving through green office policies, including reminding employees to turn off taps promptly and regularly inspecting and maintaining water facilities. The Group is also committed to further improving water-use efficiency and ensuring the sustainable use of water resources by strengthening water resources management and formulating relevant measures. During the Reporting Period, the Group did not encounter any issue in sourcing water that was fit for purpose.

### Packaging materials

In respect of the use of packaging materials, the Group is committed to the efficient use of raw materials and packaging materials by reducing waste, improving recyclability and, where practicable, prioritising the use of materials with lower environmental impact. During the Reporting Period, the Group used a total of 2,044.12 tonnes (2024: 1,803.00 tonnes<sup>2</sup>) of packaging materials in its production and packaged noodle process, and packaging material intensity amounted to 1.12 tonnes (2024: 1.05 tonnes<sup>2</sup>) per RMB million of revenue. Our packaging materials mainly include plastic bags, cartons, tableware, takeaway bags and beverage cups and other necessary supplies. Due to increased production output and packaging upgrades during the Reporting Period, the weight of packaging materials increased accordingly.

The Group is fully aware of the impact of its business activities on the environment and natural resources and therefore actively promotes a green and low-carbon development strategy. We regularly review and update environmental protection technologies and equipment and continuously improve emissions management and resource-use efficiency. Based on the results of environmental assessments, the Group is committed to exploring and implementing innovative environmental protection measures to strike a balance between economic development and environmental protection.

2 The Group has revisited and revised the data for 2024.

## Environmental, Social and Governance Report

In the area of sustainable tableware and packaging, the Group strengthens source management and gives priority to environmentally friendly and degradable raw materials in order to reduce the environmental impact of plastic products. At the same time, we actively respond to the call to “reduce waste and plastics” and work with suppliers to explore environmentally friendly designs, striving to provide customers with 100% degradable tableware and packaging. We also optimise resource recycling and reuse initiatives, increase the proportion of environmentally friendly products used and actively participate in environmental protection activities. In addition, by strengthening cooperation with various stakeholders, the Group promotes green supply chain management, provides customers with more environmentally friendly products and services, and fully fulfils its corporate social responsibility in sustainable development.

### Target setting

In addition, the Group advocates energy conservation and resource saving, and is committed to achieving sustainable operations in compliance with the emission requirements of local authorities. To this end, we have set preliminary control targets on an absolute basis in respect of energy-use efficiency so as to better carry out energy-saving efforts. In the future, we will formulate clearer quantitative environmental targets so as to foster environmental protection and cherish natural resources. The environmental targets set by the Company and the steps taken to achieve energy saving, together with the progress as at the end of the Reporting Period, are as follows:

Environmental KPIs	Target	2025 VS 2024 (base year)	Status
Energy consumption	To maintain or reduce electricity consumption using 2024 as the base year	Increased by 15%	In progress
Water consumption	To maintain or reduce water consumption using 2025 as the base year	N/A	In progress

### Climate Change

Climate change has become one of the most influential challenges globally and is reshaping economies and societies around the world. Chinese mainland continues to advance its green transformation by setting clear targets for energy conservation and emissions reduction and steadily progressing towards its carbon peaking and carbon neutrality goals. At the same time, Hong Kong has also introduced the Climate Action Plan 2050 to strengthen decarbonisation measures and optimise its energy mix in support of international commitments.

As a responsible corporate citizen, the Group places great importance on climate-related issues. We are committed to promoting low-carbon operations, optimising our supply chain and business processes, and reducing our environmental footprint. Through the adoption of energy-saving technologies, improvement in resource efficiency and introduction of more healthy dining options, the Group aligns with the policy directions of Mainland China and Hong Kong and demonstrates our commitment to sustainable development. We believe that a sound low-carbon strategy can not only enhance corporate resilience, but also create long-term value for investors and stakeholders.

### *Governance*

The Board bears ultimate oversight responsibility for the Group's climate strategy, climate-related risks and opportunities, and the achievement of climate-related targets. Insights gained from the assessment are incorporated by the Board into its processes for overseeing the Group's overall strategy, assessing significant transactions and reviewing the risk management framework. This process takes into account the trade-offs among different climate-related risks and opportunities in support of balanced decision-making.

The Board is responsible for providing guidance on, reviewing and overseeing climate-related matters. Under the Board's governance structure, the Group has established an ESG working group, which is responsible for implementing climate- and energy-related measures, coordinating cross-departmental ESG work, and reporting progress to the Board on a regular basis. The working group and its core members are responsible for operational oversight, risk management and internal control, and integrate climate considerations into their respective functions and responsibilities. The ESG working group also maintains close communication with stakeholders, gathers feedback and continuously improves the Group's ESG performance. This governance structure not only strengthens effective communication between the decision-making and execution levels, but also facilitates the integration of low-carbon operating strategies into daily business activities. The Board receives regular reports from the ESG working group and participates in the identification and assessment of climate-related risks and opportunities, while reviewing and monitoring progress against annual climate targets to ensure alignment with the Group's overall strategy and sustainable development objectives. The Group has incorporated climate change-related governance into its ESG governance framework. Further details of the governance structure are set out in the section headed "ESG Management" of the Report.

Through structured self-assessments and discussions at regular meetings, the Board periodically reviews its knowledge needs in order to assess whether it possesses, at the overall level, the appropriate skills and competencies to oversee climate-related risks and opportunities. Such reviews enable the Board and senior management to identify areas in which additional climate-related expertise is required. Where capability gaps are identified, the Group will arrange external briefings, industry updates or targeted ESG-related training for Directors and senior management to ensure continued alignment with evolving regulatory requirements and climate-related developments.

The Group believes that linking climate performance to senior management remuneration would help strengthen climate governance and enhance corporate resilience, while also serving as an important driver for long-term value creation. At the current stage, climate-related considerations have not yet been formally incorporated into the Group's remuneration policy. Going forward, we will assess the feasibility of incorporating climate-related indicators into the remuneration framework to ensure that management decision-making more fully integrates sustainable development objectives.

### *Strategy*

In response to the challenges and opportunities brought about by climate change, the Group adopts a proactive approach, continuously deepens its research into climate risks relevant to the industry, and formulates corresponding response strategies on that basis. We have established a systematic risk management framework and utilise scenario analysis tools to assess the performance of operating assets and business activities under different carbon emission pathways, including low-carbon and high-carbon scenarios, so as to identify potential threats early and capture opportunities arising from the green transition.

## Environmental, Social and Governance Report

The Group's climate strategy is aligned with the International Sustainability Standards Board ("ISSB") IFRS S2 Climate-related Disclosures, which enables us to analyse potential future global climate trends, identify risks and opportunities, and assess the Group's climate resilience under different scenarios. To strengthen resilience to climate risks and capture climate-related opportunities, the Group has completed climate risk assessments and scenario analyses to review the potential impacts of climate change on its operations and value chain in the short term (2025-2026), medium term (2027-2030) and long term (2031-2050). To enable more targeted assessments, the Group adopted two sharply contrasting climate scenarios for each risk category. This approach enables us to assess the resilience and stability of our business model and value chain under different possible future conditions.

During the Reporting Period, the Company completed preliminary studies on its principal operating sites and core businesses, and will progressively explore the feasibility of expanding the scope of assessment to cover additional assets and business segments. At the same time, to assess and respond to financial impacts across the upstream and downstream supply chain, we will continue to strengthen communication and collaboration with our partners, encourage suppliers to establish climate risk assessment and monitoring systems, and progressively expand assessment coverage. The scenario analysis covers the long-term period from 2025 to 2050. Both sets of scenarios are based on publicly available frameworks issued by internationally authoritative institutions, including the Intergovernmental Panel on Climate Change ("IPCC") and the Network for Greening the Financial System ("NGFS"). The Group adopted the IPCC's SSP1-2.6 and SSP5-8.5 scenarios, as well as the NGFS's Net Zero 2050 and Current Policies pathways, to assess the resilience of its businesses under different climate scenarios.

Scenario	Description
Decarbonisation scenario (temperature increase controlled at 1.5°C to 2°C by 2100)	<p>IPCC SSP1-2.6 Governments, industries and institutions around the world drive fundamental changes in production and consumption patterns through legislation, global carbon taxes and other measures, thereby achieving substantial reductions in greenhouse gas emissions. Global warming can ultimately be limited to within 1.5°C.</p> <p>NGFS Net Zero 2050 This scenario simulates a rapid decarbonisation pathway adopted by the international community to achieve the goal of limiting global warming to no more than 1.5°C, and projects that the global energy system will achieve net zero emissions by 2050.</p>
High-temperature scenario (temperature increase of 3°C to above 5°C by 2100)	<p>IPCC SSP5-8.5 Governments, industries and institutions fail to adopt sufficient and effective policies and measures to curb the continued rise in greenhouse gas emissions, resulting in an increase in global average temperature of 4°C or above by 2100.</p> <p>NGFS Current Policies This scenario reflects only currently implemented or legislated climate policies, without any new major commitments. Global temperatures are projected to rise by approximately 2.7°C by 2100. This scenario is characterised by slow decarbonisation, continued dominance of fossil fuels and heightened transition risks, such as policy gaps and stranded assets.</p>

Although the Group's short-, medium- and long-term time horizons have not yet been formally integrated into its internal strategic planning cycle, we use them as reference time frames for strategic planning to guide our ongoing climate-related assessments. As the Group's capabilities in climate-related areas continue to improve, we will continue

to assess how these time horizons can progressively be aligned with our business planning and capital allocation processes. A major source of such uncertainty lies in the reliance on climate models, which require multiple assumptions regarding the frequency, intensity and geographical distribution of climate events in order to project future conditions.

Description of Risk/Opportunity	Impact Level and Time		Financial Impact	Countermeasures
	Horizon	Impact Pathway		
<b>Physical Risks</b>				
<i>Acute physical risk</i>				
<ul style="list-style-type: none"> <li>Increased likelihood of extreme weather events such as typhoons, rainstorms and floods</li> </ul>	<ul style="list-style-type: none"> <li>Medium</li> <li>Short to medium term</li> </ul>	<ul style="list-style-type: none"> <li>Business model: temporary store closures, reduced customer traffic, increased energy and repair costs for cold chain and air-conditioning</li> <li>Value chain: disruption to production base operations, logistics delays or interruptions, and increased risk of food spoilage</li> </ul>	<ul style="list-style-type: none"> <li>Potential short-term revenue decline due to operational disruption</li> <li>Increased operating costs for repairs, energy and emergency logistics</li> <li>Increased inventory losses leading to a decline in revenue</li> </ul>	<ul style="list-style-type: none"> <li>Prepare emergency plans for extreme weather</li> <li>Establish inventory reserves for raw materials and finished goods;</li> <li>Flexibly adjust logistics routes and operating hours</li> <li>Regularly arrange emergency response and safety training for employees</li> </ul>
<i>Chronic physical risk</i>				
<ul style="list-style-type: none"> <li>Long-term increase in average temperature and sea level rise</li> </ul>	<ul style="list-style-type: none"> <li>Medium</li> <li>Long term</li> </ul>	<ul style="list-style-type: none"> <li>Business model: sustained increase in electricity costs for cold chain and air-conditioning, with high-temperature working environments affecting staff efficiency and health</li> <li>Value chain: increased procurement costs in certain ingredient-producing regions and continued increases in cold chain logistics energy costs</li> </ul>	<ul style="list-style-type: none"> <li>Long-term upward pressure on operating expenses</li> <li>Increased capital expenditure on energy-efficient equipment and insulation upgrades</li> </ul>	<ul style="list-style-type: none"> <li>Include investment in high-efficiency energy-saving equipment, such as HVAC and cold chain systems, in operational considerations</li> <li>Strengthen monitoring of energy consumption</li> <li>Conduct long-term climate risk assessments and incorporate findings into supply chain and capital expenditure planning</li> </ul>

## Environmental, Social and Governance Report

Description of Risk/Opportunity	Impact Level and Time		Financial Impact	Countermeasures
	Horizon	Impact Pathway		
<b>Transition Risks</b>				
<p><i>Policy and regulation</i></p> <ul style="list-style-type: none"> <li>• More stringent energy/ environmental requirements</li> </ul>	<ul style="list-style-type: none"> <li>• Medium</li> <li>• Short to medium term</li> </ul>	<ul style="list-style-type: none"> <li>• Business model: increased compliance and resource management costs; tighter regulation over resource use</li> <li>• Value chain: non-compliant suppliers may affect the stability of raw material procurement; stores may need to comply with local environmental regulations, increasing management burden</li> </ul>	<ul style="list-style-type: none"> <li>• Increased operating costs</li> <li>• Increased capital expenditure on monitoring equipment and compliance systems</li> </ul>	<ul style="list-style-type: none"> <li>• Strengthen compliance monitoring</li> <li>• Enhance compliance systems;</li> <li>• Promote paperless office operations</li> <li>• Strengthen emissions management</li> </ul>
<p><i>Market</i></p> <ul style="list-style-type: none"> <li>• Rising demand for healthy/ low-carbon diets</li> </ul>	<ul style="list-style-type: none"> <li>• Low</li> <li>• Medium to long term</li> </ul>	<ul style="list-style-type: none"> <li>• Business model: demand for traditional products may decline; product transition may be required, increasing R&amp;D and marketing costs; fluctuations in raw material prices may affect pricing and profitability</li> <li>• Value chain: new product lines may require adjustments to procurement and logistics arrangements; suppliers need to support the provision of low-carbon or plant-based ingredients; logistics costs may rise due to temperature control and traceability requirements</li> </ul>	<ul style="list-style-type: none"> <li>• Revenue may decline if market demand is not met</li> <li>• Increased R&amp;D and marketing costs</li> <li>• Fluctuations in ingredient and logistics costs may compress gross profit margin</li> </ul>	<ul style="list-style-type: none"> <li>• Develop plant-based or low-carbon product lines</li> <li>• Adjust menu mix</li> <li>• Strengthen green supply cooperation</li> <li>• Formulate long-term procurement strategies to stabilise costs</li> </ul>
<p><i>Technology</i></p> <ul style="list-style-type: none"> <li>• Need for renewable energy and high-efficiency equipment</li> </ul>	<ul style="list-style-type: none"> <li>• Medium</li> <li>• Short to medium term</li> </ul>	<ul style="list-style-type: none"> <li>• Business model: upgrading cold chain and kitchen systems leads to increased capital expenditure; initial investment in energy-saving equipment is relatively high</li> <li>• Value chain: logistics partners need temperature control and tracking capabilities to meet cold chain management requirements</li> </ul>	<ul style="list-style-type: none"> <li>• Increased capital expenditure</li> <li>• Higher depreciation charges</li> <li>• Short-term increase in operating costs due to technology adoption</li> </ul>	<ul style="list-style-type: none"> <li>• Invest in high-efficiency energy-saving equipment, such as HVAC and cold chain systems</li> <li>• Implement energy management systems</li> <li>• Prioritise equipment and logistics suppliers with low-carbon technology capabilities</li> </ul>

Description of Risk/Opportunity	Impact Level and Time		Financial Impact	Countermeasures
	Horizon	Impact Pathway		
<p><i>Reputation</i></p> <ul style="list-style-type: none"> <li>Increased investor attention to corporate ESG performance</li> </ul>	<ul style="list-style-type: none"> <li>Low</li> <li>Medium to long term</li> </ul>	<ul style="list-style-type: none"> <li>Business model: ESG performance and brand image may affect consumer choices and financing terms</li> <li>Value chain: suppliers' ESG performance may indirectly affect corporate compliance and brand risks</li> </ul>	<ul style="list-style-type: none"> <li>Fluctuations in brand value may lead to a decline in customer traffic, thereby reducing revenue</li> <li>Financing costs may increase as a result of fluctuations in brand value</li> <li>Indirect impact on revenue and gross profit margin</li> </ul>	<ul style="list-style-type: none"> <li>Improve transparency of ESG disclosures</li> <li>Formulate and disclose carbon reduction and sustainable procurement targets</li> <li>Strengthen supplier ESG management mechanisms</li> </ul>
<p><b>Opportunities</b></p> <p><i>Resource efficiency</i></p> <ul style="list-style-type: none"> <li>Energy-saving systems, energy management, waste reduction and water saving</li> </ul>	<ul style="list-style-type: none"> <li>Medium</li> <li>Short to medium term</li> </ul>	<ul style="list-style-type: none"> <li>Business model: reduced energy and operating costs, reduced material losses and improved operating efficiency</li> <li>Value chain: suppliers' coordinated waste reduction can optimise packaging costs; logistics optimisation can reduce transportation losses</li> </ul>	<ul style="list-style-type: none"> <li>Lower management costs</li> <li>Improved gross profit margin</li> <li>Lower long-term energy costs</li> </ul>	<ul style="list-style-type: none"> <li>Upgrade high-efficiency energy-saving equipment, such as HVAC and cold chain systems</li> <li>Implement energy monitoring</li> <li>Promote packaging reduction and logistics optimisation across the supply chain</li> </ul>

## Environmental, Social and Governance Report

Description of Risk/Opportunity	Impact Level and Time		Financial Impact	Countermeasures
	Horizon	Impact Pathway		
<p><i>Energy source</i></p> <ul style="list-style-type: none"> <li>Renewable energy, solar energy and clean fuels</li> </ul>	<ul style="list-style-type: none"> <li>Medium</li> <li>Medium to long term</li> </ul>	<ul style="list-style-type: none"> <li>Business model: reduced Scope 2 carbon emissions, lower long-term energy costs and improved regulatory readiness</li> <li>Value chain: logistics partners using clean fuels can reduce carbon footprint; suppliers using renewable energy can improve supply chain sustainability</li> </ul>	<ul style="list-style-type: none"> <li>Lower long-term energy costs</li> <li>Possible reduction in financing costs</li> <li>Enhanced brand image may drive customer traffic, thereby increasing revenue</li> </ul>	<ul style="list-style-type: none"> <li>Increase the use of renewable energy</li> <li>Conduct feasibility studies on solar applications</li> <li>Prioritise logistics partners using clean fuels</li> </ul>
<p><i>Products and services</i></p> <ul style="list-style-type: none"> <li>Supply of low-carbon products</li> </ul>	<ul style="list-style-type: none"> <li>Medium</li> <li>Short to medium term</li> </ul>	<ul style="list-style-type: none"> <li>Business model: expansion into new markets, enhanced customer preference and improved brand image through sustainable packaging</li> <li>Value chain: sustainable raw material suppliers ensure product quality; sustainable packaging supply chains support brand commitments</li> </ul>	<ul style="list-style-type: none"> <li>Revenue growth from new product lines</li> <li>Enhanced brand premium capability may help improve gross profit margin</li> </ul>	<ul style="list-style-type: none"> <li>Develop plant-based or low-carbon product lines</li> <li>Introduce sustainable packaging</li> <li>Strengthen cooperation with sustainable raw material suppliers</li> </ul>

Description of Risk/Opportunity	Impact Level and Time		Financial Impact	Countermeasures
	Horizon	Impact Pathway		
<p><i>Market</i></p> <ul style="list-style-type: none"> <li>Rising demand for low-carbon products</li> </ul>	<ul style="list-style-type: none"> <li>Medium</li> <li>Short to medium term</li> </ul>	<ul style="list-style-type: none"> <li>Business model: market expansion, strengthened carbon competitiveness and enhanced brand competitiveness through ESG image</li> <li>Value chain: sustainable supply chain operations support market circulation; supply chain collaboration in low-carbon product development enhances competitiveness</li> </ul>	<ul style="list-style-type: none"> <li>Increase in market share, thereby driving revenue growth</li> <li>Enhanced brand premium capability</li> <li>Improved financing conditions may help reduce borrowing rates and financing costs, thereby lowering finance costs</li> </ul>	<ul style="list-style-type: none"> <li>Formulate and disclose carbon reduction targets</li> <li>Promote supply chain collaboration in developing low-carbon products</li> <li>Strengthen ESG brand communication</li> </ul>
<p><i>Resilience</i></p> <ul style="list-style-type: none"> <li>Enhanced supply chain and facility resilience</li> </ul>	<ul style="list-style-type: none"> <li>Medium</li> <li>Short to medium term</li> </ul>	<ul style="list-style-type: none"> <li>Business model: improved long-term operational stability; diversified supply chains reduce risks</li> <li>Value chain: reduced risk of operational interruption; multi-route logistics supports product delivery</li> </ul>	<ul style="list-style-type: none"> <li>Mitigation of revenue volatility caused by supply chain disruptions</li> <li>Possible decrease in insurance costs</li> <li>Potential reduction in additional expenses for emergency repairs, shutdown clean-up and related measures</li> </ul>	<ul style="list-style-type: none"> <li>Establish a diversified supplier network</li> <li>Optimise multi-route logistics delivery</li> <li>Strengthen regional inventory monitoring and backup mechanisms</li> </ul>

At the current stage, due to the limited availability of reasonable and supportable forward-looking data, as well as the measurement uncertainty involved in assessing the financial effects, the Group has not yet provided quantitative disclosure of the financial effects arising from climate-related risks and opportunities.

Under the decarbonisation scenario, as global climate action accelerates, carbon prices are expected to rise and more stringent energy efficiency and disclosure requirements are imposed, the Group faces greater transition pressure. These scenarios require further strengthening of energy management, upgrading equipment at stores and production bases, and stronger collaboration with suppliers to promote low-carbon procurement. Although capital expenditure may increase in the short term, physical climate risks are relatively lower, with fewer operational disruptions caused by extreme weather and more predictable operating conditions. Over the long term, such investments help reduce operating costs, strengthen the Group's low-carbon operating model, and enhance overall business resilience and brand competitiveness.

By contrast, under the high-temperature scenario, due to insufficient global mitigation action, temperatures rise significantly and the frequency and severity of extreme weather events increase. Such scenarios pose significant physical risks to the Group's restaurant operations, production bases, warehousing facilities, cold chain transportation and supply chain. More frequent typhoons, rainstorms, floods and heatwaves may lead to temporary store closures, logistics delays, increased cold chain energy consumption and higher risks of food spoilage. Warehousing and temperature-controlled facilities would need to bear greater operating burdens, while fluctuations in agricultural supply may also drive up ingredient costs. Under such scenarios, transition pressures would increase more slowly, but physical disruption becomes the main challenge. Priority should therefore be given to strengthening climate-resilient infrastructure, enhancing emergency response capabilities, improving cold chain reliability and promoting supplier diversification to reduce reliance on climate-sensitive regions.

Taken together, across the four climate scenarios, lower-temperature scenarios subject the Group to higher policy and transition requirements, while higher-temperature scenarios create greater physical impacts on operations

and the supply chain, particularly in coastal and South China regions. Regardless of which climate pathway the world follows, the Group must continue to strengthen the resilience of cold chain and warehousing facilities, enhance supply chain flexibility, improve energy efficiency and equipment performance, and reinforce its ability to respond to extreme weather. These measures are critical to maintaining business continuity and achieving long-term sustainable operations.

The Group has not yet established a formal climate-related transition plan. At the current stage, the Group continues to monitor updates in regulatory policies, market expectations and industry practices, and will progressively refine its management arrangements relating to low-carbon operations and resource efficiency where appropriate and practicable. Given that climate-related data, particularly data relating to the value chain, are still being progressively enhanced, and that the relevant methodologies and internal management mechanisms require further development, the Board considers that the formulation of a specific and systematic climate transition plan should be approached with due caution at this stage. Going forward, the Board will continue to review the Group's business development, climate-related regulatory requirements and data maturity, and will assess, at an appropriate time, the feasibility of further refining and formulating a climate transition plan to support the Group's long-term sustainable development.

To fulfil our corporate social responsibility, we actively implement comprehensive environmental protection strategies, including systematic greenhouse gas reduction plans, application of innovative energy-saving technologies, and robust resource management systems. By optimising production processes and improving energy efficiency, the Group is committed to reducing the carbon footprint of its operations. At the same time, we have established a sound waste management system to ensure that resources are recycled and reused to the greatest extent possible. For specific measures, please refer to the section headed "Environmental Protection and Sustainable Development" of the Report.

### *Risk management*

Climate-related risks and opportunities have been fully integrated into the Group's risk management framework, with the core objective of enhancing operational resilience and maintaining competitiveness amid evolving climate challenges.

The Group allocates resources for climate-related risk management through its existing management and operational functions. Relevant responsibilities are incorporated into the day-to-day duties of senior management and department heads, with resources supported through the regular budgets for ESG-related activities, such as data collection, employee training and operational improvements. The Group will continue to allocate resources to climate-related measures on a proportionate basis according to its business scale and operational needs, and will dynamically assess the need for additional resource allocation as regulatory expectations rise and climate-related risks evolve.

Climate-related risks are prioritised using the same qualitative considerations as those applied under the Group’s broader risk management framework. Risks with potentially greater operational, financial or compliance impacts are assigned higher monitoring and management priority, thereby ensuring consistency with the Group’s overall risk prioritisation approach. Compared with the previous reporting period, there were no material changes in the Group’s processes for identifying, assessing,

prioritising and monitoring climate-related risks. The Group will continue to optimise its process framework as climate-related data accumulates, regulatory guidance improves and professional management tools evolve, in order to enhance the granularity and effectiveness of risk management.

The Group formulates a corporate risk management plan each year, into which climate-related risks are incorporated, updates its risk register, and regularly reviews and optimises management strategies. At the same time, we actively engage with internal and external stakeholders to incorporate diverse perspectives and ensure that climate-related management strategies are closely aligned with the Group’s overall business development priorities and emission reduction targets. Specific measures, performance data and long-term response planning for climate risk management have been disclosed in the sections headed “Environmental Protection and Sustainable Development” and “Appendix – Environmental Performance” of this Report.

On this basis, the table below summarises the principal processes and measures adopted by the Group in managing climate-related risks.

Process	Climate-related Risk Management Measures
Identification of climate risks and opportunities	<ol style="list-style-type: none"> <li>1. Track the latest climate-related policy and regulatory developments in Chinese Mainland and Hong Kong.</li> <li>2. Monitor extreme weather patterns, such as heatwaves and typhoons, and their potential impacts on restaurant operations and cold chain logistics.</li> <li>3. Collect feedback from franchisees, suppliers and customers to understand climate-related operational challenges.</li> <li>4. Conduct cross-departmental reviews across operations, supply chain and ESG functions to ensure pragmatic and forward-looking identification of risks and opportunities.</li> </ol>
Risk assessment and quantification	<ol style="list-style-type: none"> <li>1. Use climate scenario analysis to assess the impacts on production bases, cold chain systems and store operations under different scenarios.</li> <li>2. Where practicable, focus on trend analysis of operational and financial indicators such as energy costs, food spoilage rates and supply chain disruptions.</li> <li>3. Benchmark against practices in the catering and retail industries to validate the reasonableness of assumptions.</li> <li>4. Improve parameter setting and assessment accuracy through cross-departmental collaboration.</li> </ol>
Risk response measures	<ol style="list-style-type: none"> <li>1. Develop operating contingency standards for extreme weather, such as backup power and raw material reserves.</li> <li>2. Upgrade energy systems and refrigeration equipment to improve efficiency and resilience.</li> <li>3. Adopt diversified supply chain and logistics cooperation to reduce single-source risks.</li> <li>4. Regularly review and dynamically adjust relevant measures to ensure continued effectiveness.</li> </ol>

At the present stage, due to the limited availability of reasonable and supportable forward-looking data and the high degree of measurement uncertainty, the Group is not yet able to provide reliable quantitative forecasts of the effects of climate-related risks and opportunities on its future financial position and cash flows. The Group currently has no capital deployment or divestment plans specifically driven by climate-related considerations. Any future climate-related capital expenditure will be assessed based on operational needs, business rationale and evolving regulatory requirements. The Group has also not established any climate-specific financing strategy at this stage. Where necessary, climate-related measures will continue to be supported through the existing operating budget, and the Group will assess additional funding needs as climate-related requirements or strategic priorities evolve. Although the financial effects of individual climate-related items cannot yet be separately quantified, the Group expects that the combined financial effects of climate-related risks, mainly associated with extreme weather events, energy price volatility and supply chain disruptions, are most likely to affect operating costs, cost of sales and gross profit margins in future periods. Given the Group's business scale and level of risk exposure, such effects are not expected to be material in the short term.

### *Metrics and targets*

The Group discloses Scope 1, Scope 2 and relevant Scope 3 greenhouse gas emissions data for its principal operations in Mainland China and Hong Kong, including carbon dioxide, methane and nitrous oxide. In general, we adopt the operational control approach in setting the reporting boundary, unless otherwise stated. The reporting boundary for greenhouse gas data is generally consistent with the reporting scope of the Report. Please refer to "About the Report – Reporting Scope" of the Report for details.

The Group measures its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004). In addition, we have for the first time made reference to the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011) to identify our Scope 3 greenhouse gas emissions across the 15 Scope 3 categories. During the Reporting Period, we identified and for the first time disclosed four Scope 3 categories relevant to our business. The other categories were excluded either because they were not relevant to our business or because the data

were not currently available and could not be quantified. Specifically, during the Reporting Period, we preliminarily disclosed Scope 3 greenhouse gas emissions for four categories, namely purchased goods and services, waste generated in operations, business travel and employee commuting. As the data collection process had not yet been implemented for the corresponding period in 2024, a year-on-year comparison is not available. As a complete mechanism for the quantification and disclosure of Scope 3 emissions has not yet been established, the Scope 3 data disclosed for the Reporting Period did not cover the Group's operations in Hong Kong and only included offices in Chinese Mainland and operations at production bases in Shanghai, Chengdu, Tianjin, Wuhan and Dongguan, with a focus on categories that have a relatively more significant impact on the Group's business and emissions. The Group will further improve its data collection mechanism and consider more comprehensive measurement and disclosure where data become available.

During the Reporting Period, the Group's total Scope 1 and Scope 2 greenhouse gas emissions amounted to 14,091.28 tonnes (2024: 14,726.64 tonnes) of carbon dioxide equivalent, and the intensity of Scope 1 and Scope 2 greenhouse gas emissions was 2.34 kg (2024: 1.89 kg) of carbon dioxide equivalent per employee. During the Reporting Period, the Group optimised the management of its logistics fleet, which led to a reduction in fuel consumption by the Hong Kong logistics fleet and a corresponding decrease in Scope 1 greenhouse gas emissions. On the other hand, compared with the corresponding period of last year, Scope 2 greenhouse gas emissions during the Reporting Period newly included greenhouse gas emissions from purchased electricity in the Group's Hong Kong operations, resulting in a corresponding increase in Scope 2 greenhouse gas emissions. During the Reporting Period, the Group's total Scope 3 greenhouse gas emissions amounted to 3,798.60 tonnes of carbon dioxide equivalent, while the total Scope 1, Scope 2 and Scope 3 greenhouse gas emissions amounted to 17,889.88 tonnes of carbon dioxide equivalent. For detailed greenhouse gas emissions data, please refer to the section headed "Appendix – Environmental Performance" of the Report.

During the Reporting Period, the Group did not incur any material capital expenditure, financing or investment specifically for addressing climate-related risks or capturing climate-related opportunities. Climate-related measures

are currently implemented through the existing operating budget. The Group will continue to monitor its exposure to climate-related risks and may allocate dedicated capital resources as needed where climate-related projects become necessary or align with operational development needs.

The Group's climate-related targets for the short to medium term are set out in the table below and in the sections headed "Emissions Management" and "Use of Resources" of this Report. The Group's long-term climate-related targets are formulated with reference to the Paris Agreement, China's dual carbon goals (30-60) and Hong Kong's Climate Action Plan 2050. The Group has established a long-term vision of achieving carbon neutrality by 2050. This target provides a core directional guide for the Group's continued climate-related actions and also takes into account the global temperature control targets set out in the latest

international climate agreements, including the emission reduction pathways referred to by the Intergovernmental Panel on Climate Change (IPCC).

At the current stage, the Group has formulated quantified emissions baselines and transitional decarbonisation milestones based on operational realities. The formulation of a more detailed carbon neutrality roadmap in the future will depend on improvements in data availability, evolving regulatory requirements and the continued enhancement of the Group's climate-related measurement capabilities. The carbon neutrality target established this time has not been formulated based on an industry decarbonisation methodology, and the Group currently does not intend to rely on carbon credits to achieve its emissions reduction targets. If, following future assessment, the Group considers the use of carbon credits, it will make timely disclosure of the relevant certification schemes and applicable standards.

Environmental KPIs	Target	2025 VS 2024 (base year)	Status
Total greenhouse gas emissions of Scope 1 and Scope 2	To reduce total greenhouse gas emissions of Scope 1 and Scope 2 by 5% by 2030 using 2024 as the base year	Decreased by 4%	In progress

As the Group has not yet established a complete mechanism for quantifying and disclosing Scope 3 emissions, the Scope 3 data disclosed during the Reporting Period are not yet fully complete, and quantitative targets for Scope 3 greenhouse gas emissions have not yet been set. Nevertheless, the Group has established preliminary directional targets for its Scope 3 greenhouse gas emissions and is committed to playing a guiding role by continuously strengthening decarbonisation across its value chain through green travel initiatives, the use of renewable packaging materials and raw materials, optimisation of transport routes, reduction of road freight and vehicle energy transition. Going forward, the Group will further improve its data collection mechanism and consider more comprehensive measurement and disclosure where data become available. For targets and progress relating to environmental KPIs other than greenhouse gases, please refer to the section headed "Environmental Protection and Sustainable Development" of the Report.

We will improve energy efficiency through equipment upgrades, process optimisation and enhanced cold chain operating efficiency, while also promoting green operational measures, including sustainable packaging and improved

energy management efficiency at stores. At the same time, the Group also plans to progressively increase the use of green energy where feasible and enhance the climate resilience of relevant assets, including major production bases and key stores.

Taking into account the business nature of the Group's catering operations and the characteristics of its asset footprint, the Group's overall climate-related risk exposure remains at a controllable level. Core operating assets have all been incorporated into the climate risk assessment system, and resilience-building has been strengthened for medium- to high-risk assets. In addition, as the regulatory environment and business operations continue to evolve, the Group will dynamically assess the level of climate-related risk exposure and continue to explore climate-related opportunities that align with its business, integrating green development concepts into the entire process of business upgrading. During this process, we will also continue to refine our metrics system, closely monitor policy developments and seek expert advice in support of the Group's long-term sustainable growth.

### PEOPLE-ORIENTED

#### Employment Management

As a responsible employer, the Group has always adhered to a people-oriented philosophy and attached great importance to safeguarding employees' welfare and rights. We have established a sound employment management system, including the Human Resources Policy, the Employee Handbook and other core policy documents. While complying with relevant laws and regulations such as the Labour Law of the People's Republic of China and the Labour Contract Law of the People's Republic of China, the Group is committed to safeguarding employees' rights and interests in an all-round manner, covering various aspects such as remuneration and benefits, career development, working conditions, leave arrangements, equal opportunities, diversity and inclusion. Through regular review and optimisation of relevant policies and measures, we continue to strengthen our employment management standards to ensure compliance with the latest labour law requirements.

#### *Recruitment, promotion and dismissal*

The Group adheres to the principle of fair and equitable talent recruitment, and selects suitable talent through a sound recruitment process and assessment mechanism. In accordance with the recruitment procedures set out in the Human Resources Policy, the Group comprehensively considers various objective factors such as applicants' academic qualifications, professional experience and professional ethics to ensure fairness in the talent selection process. To achieve effective talent management and development, the Group has established a comprehensive performance appraisal system to regularly review employees' work performance and development potential, and uses the results as an important basis for promotion and salary adjustment. In terms of resignation management, the Group strictly follows the standard procedures set out in the Employee Handbook and ensures that all resignation and dismissal arrangements comply with the requirements of relevant laws and regulations, so as to fully protect the rights and interests of both employers and employees.

#### *Compensation and other welfare and benefits*

The Group has established a comprehensive and competitive remuneration system, aiming to enhance employees' motivation and maintain a competitive edge in the market. We regularly review and adjust the Office Operating Salary Structure in accordance with the Group's operating conditions, market salary levels, industry standards and relevant government guidelines. Employees' remuneration packages, including basic salary, year-end bonuses and other benefits, are adjusted accordingly based on the results of performance appraisals. In addition, the Group provides a comprehensive employee benefits scheme, covering various areas such as medical coverage, pension insurance, unemployment insurance, work-related injury insurance, maternity insurance and the Mandatory Provident Fund.

To promote team cohesion and enhance employees' sense of belonging, the Group regularly organises a variety of corporate culture activities. These activities include monthly recognition of cultural role models, employees' birthday celebrations, outdoor team-building activities and traditional festival gatherings, which effectively enrich employees' leisure time and foster a harmonious and inclusive corporate culture.

#### *Working hours and holidays*

The Group is committed to the reasonable arrangement of employees' working hours and has clearly set out working hour arrangements in the Employee Handbook and employment contracts. We provide employees with a comprehensive leave benefits system, including statutory holidays, paid annual leave, sick leave, marriage leave, compassionate leave and maternity leave. The Group implements a standard working hours system. Where overtime work is required under special circumstances, employees shall apply to their supervisors and obtain approval from the Human Resources Department to ensure the standardisation and legality of working time management.

### *Equal opportunity, diversity and anti-discrimination*

The Group upholds the values of fairness, justice, openness and inclusiveness, and is committed to creating a diverse and inclusive working environment. We strictly enforce our anti-discrimination policy and prohibit discrimination on the grounds of gender, race, religious belief, ethnicity, age and disability. In terms of human resources management, the Group ensures that all employees enjoy equal opportunities in all aspects, including recruitment, training, promotion and work allocation.

To promote workplace diversity, the Group actively pays attention to and responds to the different backgrounds and needs of employees, ensuring that every employee can give full play to his or her strengths and achieve career development. Through cooperation with the Selective Placement Division of the Labour Department, we proactively provide employment opportunities for people with disabilities. At the corporate governance level, the Group has adopted a board diversity policy. When selecting candidates, it considers not only their potential contribution to the Board but also their positive impact on the Board's diversified composition.

### *Elimination of child labour and forced labour*

The Group strictly complies with employment-related laws and regulations and firmly prohibits the employment of child labour and forced labour. During the recruitment process, we require all applicants to provide valid identification documents to verify their age eligibility. To protect the rights and interests of both employers and employees, the Group signs a formal labour contract with each employee, clearly setting out the rights and obligations of employees and their employing departments, thereby ensuring that the employment relationship is established on a voluntary and lawful basis. Once any violation of the provisions on the prevention of child labour and forced labour is identified, the Group will take appropriate legal and administrative measures in accordance with the law, including reporting to the relevant government authorities and assuming corresponding compensation liabilities.

As at the end of the Reporting Period, the Group had a total of 6,031 employees (2024: 7,803 employees), mainly working in core business areas including restaurant operations, and the manufacture and sale of noodles and related products. Detailed employee profiles, employee turnover and other relevant data are set out in the section headed "Social Performance" in the appendix to the Report.

### Health and Safety

The Group attaches great importance to the physical and mental health of its employees and is committed to creating a healthy and safe working environment. The Group strictly complies with laws and regulations such as the Work Safety Law of the People's Republic of China and the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, and implements internal management systems such as the Employee Handbook, the Code of Occupational Safety and Health and the Work Safety Instruction to provide clear safety guidance for various workplaces. For high-risk positions, we have further strengthened safety management measures, including regularly updating operating guidelines and providing professional training, so as to prevent work-related accidents.

In cultivating occupational safety awareness, the Group adopts diversified training and promotional approaches to ensure that all employees fully understand and strictly comply with various safety requirements. We regularly organise production safety training to strengthen employees' safety awareness and operational skills. At the same time, the Group provides employees with a comprehensive health protection plan, including pre-employment medical examinations and comprehensive employer's liability insurance. During the three years including the Reporting Period, there were no work-related fatalities. During the Reporting Period, the Group recorded 124 (2024: 112) work-related accidents, the main types of which included scalds, bruises, falls, cuts and traffic accidents during commuting, with a work-related injury rate of 20.56 (2024: 14.35) per 1,000 employees and a total of 616 (2024: 553) lost working days. In response to these situations, the Group has further strengthened the development and promotion of its occupational health and safety management system.

### Development and Training

The Group regards talent cultivation and development as an important cornerstone for building long-term competitiveness. To ensure that employees can effectively perform their duties and improve work efficiency, we continue to devote resources to enhancing employees' professional skills and overall capabilities. Based on business

development plans, talent needs, employees' overall capabilities and career development aspirations, the Group has formulated comprehensive annual training plans, a training and development system, and a reserve strategy for mid-level and senior talent. These initiatives are aimed at nurturing outstanding talent and driving the continuous advancement of the Group's business.

Types of training	Examples of training activities	Purpose
Orientation training	Basic Hygiene Instructions for New Employees, Food Safety and ISO 22000 Basics	To help employees better understand the Group's policies and corporate culture, and acquire the necessary work skills and knowledge so as to adapt to their roles as soon as possible
New product training	Face-to-face job skills training for new products	To ensure that employees understand the latest product information, while meeting their different development needs and enhancing their overall professional capabilities

To support the continuous development of employees, the Group actively encourages employees to participate in external training and continuing education activities, and provides support such as educational funding and subsidies for special government training fees. We have established a sound performance management system to regularly evaluate employees' performance and provide promotion opportunities for outstanding employees. Department heads work together with employees to set annual work goals, and conduct regular performance communication and feedback to ensure that employees receive appropriate guidance and support for their career development.

During the Reporting Period, a total of 6,101 employees (2024: 9,880 employees) of the Group received training, representing 101.16% (2024: 126.62%) of the total number of employees, with an average of 51.79 hours (2024: 50.65 hours) of training per employee. Detailed data on employee training are set out in the section headed "Social Performance" in the appendix to this Report. The number of trained employees and training hours include data relating to employees who had left employment during the Reporting Period.

### Labour Standards

The Group strictly complies with relevant labour laws and regulations in the PRC, including but not limited to those set out in the section headed "Employment" of this Report, as well as the Law of the People's Republic of China on the Protection of Minors and other laws and regulations. Child labour and forced labour infringe fundamental human rights and are detrimental to sustainable social and economic development. The Group prohibits the employment of child labour and forced labour. During the recruitment process, the Group verifies applicants' actual age by checking identification documents and other records to prevent the employment of child labour. To prevent forced labour, we safeguard employees' right to freely choose employment and ensure that all employment relationships are voluntary. The Group and its employees may terminate employment contracts for personal or other reasons, subject to an appropriate notice period or payment in lieu of notice. If any non-compliance is identified, it will be dealt with seriously and handled in accordance with national and local laws and regulations based on the actual circumstances. The Group properly maintains employment contracts and other records containing all relevant employee details, including age, for verification by relevant statutory authorities upon request.

## RESPONSIBLE OPERATIONS

### Product Responsibility

Adhering to the highest standards of product responsibility management, the Group is committed to ensuring that its products and services achieve excellence in quality, health and safety, advertising, labelling and privacy protection, so as to fully satisfy customer needs and exceed their expectations.

### Supply Chain Management

As a leading company in the catering industry, the Group has always placed supplier management at the core of its business operations and is committed to ensuring excellent quality and safety standards for its products and services. We have established a sound procurement tendering process and supplier performance evaluation and management system to regulate procurement standards and procedures, and to ensure that the supplier selection process is fair, open and reasonable. During the supplier admission assessment stage, the Group implements a stringent on-site evaluation system and requires suppliers to provide industry qualification certifications for the relevant product categories. For existing cooperating suppliers, we continue to conduct regular and ad hoc on-site inspections and reviews, and take measures such as terminating cooperation with suppliers that fail to meet the required standards.

To manage supply chain risks, the Group integrates social responsibility into the management and operation of the supply chain, and incorporates environmental and social considerations when evaluating suppliers:

Areas	Standards considered
Governance	<ul style="list-style-type: none"> <li>• Operating in compliance with laws and regulations</li> <li>• Social, economic and environmental contributions</li> <li>• Corporate culture and philosophy</li> <li>• Any record of bad credit or penalties</li> </ul>
Environmental	<ul style="list-style-type: none"> <li>• Whether the products involved in the research and development or production stage are low-carbon and environmentally friendly</li> <li>• Participation in community environmental activities</li> </ul>
Social	<ul style="list-style-type: none"> <li>• Social responsibility and creditworthiness</li> <li>• Food quality and safety</li> </ul>

In terms of supply chain risk management, the Group deeply integrates the concept of social responsibility into its supply chain management system. We have established long-term strategic cooperative relationships with suppliers and effectively communicate the Group's vision and requirements for environmental and social responsibility through goal setting, event organisation and training programmes. At the same time, we have established a sound supplier supervision mechanism, requiring suppliers to conduct regular self-assessments of their environmental and social responsibility performance and implement corresponding improvement plans.

## Environmental, Social and Governance Report

The Group actively promotes its green procurement strategy by holding seminars and training activities on environmental protection to encourage suppliers to adopt environmentally friendly materials and promote the concepts of resource conservation and recycling. We have established an annual supplier appraisal and reward mechanism to recognise partners with outstanding performance in environmental protection.

During the Reporting Period, there were approximately 451 suppliers (2024: 451 suppliers) suppliers and subcontractors on our approved supplier list, all of whom were located in China. All suppliers and subcontractors are required to comply with the above practices relating to the engagement of suppliers and subcontractors.

Looking ahead, the Group will continue to optimise its supply chain data collection system, strengthen the disclosure of relevant information, and further improve the supply chain environmental and social risk assessment mechanism. We will give priority to the procurement of environmentally friendly products and services and work together with suppliers to achieve sustainable development goals.

### *Quality Control*

The Group regards food safety as the top priority of its operations and strictly complies with food safety-related laws and regulations. We implement a comprehensive quality management system and strictly regulate every stage from raw material procurement to final distribution. Through a scientific and systematic management model, we integrate large-scale procurement, standardised operations and intensive production, and establish a complete cold chain production and distribution network with the production bases as the core. In addition, we make full use of modern technology to ensure production efficiency and product consistency while fully safeguarding the safety of ingredients during processing, outbound handling, logistics and distribution, so as to continuously provide customers with safe and high-quality food and beverage products.

Process	Main quality control measures
Raw materials	<ul style="list-style-type: none"> <li>• Formulate the Description of Bidding Process for Raw Material Procurement and the Raw Materials Supplier Delivery Quality Rating Standard to manage the quality of raw materials provided by suppliers</li> <li>• Give priority to well-known enterprises in the industry and require them to possess the necessary qualifications and provide product inspection and acceptance reports</li> <li>• Require cooperating suppliers to sign the Food Quality and Safety Commitment Letter and comply with its requirements, ensuring that raw materials meet required standards, contaminated raw materials are not used in the production process, labels are not falsified, the production environment is kept clean, and inspections and sample checks by government regulatory authorities are accepted</li> <li>• Require suppliers to satisfy the qualification requirements for supplied raw materials as set out in the Supplier Development and Selection Evaluation Form, comply with relevant hygiene regulations, and submit product safety certificates and laboratory reports on a regular basis</li> <li>• Require any supplier providing food products for the first time to be reviewed by the procurement and quality control departments</li> <li>• Require procurement and quality control personnel to conduct on-site audits at processing plants and review production processes to ensure that suppliers have effective food safety control systems and independent research and development capabilities</li> <li>• Trace products manufactured by suppliers and strictly monitor and test every stage from raw materials to finished products</li> </ul>

Process	Main quality control measures
Production	<ul style="list-style-type: none"> <li>• Conduct regular training for workers to ensure that they understand the latest food safety measures and best practices</li> <li>• Implement strict quality control and management measures, including inspection, labelling, packaging and storage</li> <li>• Require all products to be manufactured in accordance with the relevant laws and standards for quality and safety, and to pass audits by relevant institutions</li> </ul>
Distribution	<ul style="list-style-type: none"> <li>• For products distributed to stores from production bases or sub-warehouses, sign contracts with third-party transportation companies and require disinfection and related procedures before loading</li> <li>• Ensure that goods requiring refrigerated storage and transportation are not mixed with toxic substances, chemicals or the like</li> <li>• Use temperature-controlled systems to distribute frozen and chilled products to ensure that products delivered to stores meet requirements</li> <li>• Install thermometers in vehicles to monitor cargo compartment temperatures and carry out regular spot checks</li> <li>• Require receiving personnel at stores to measure the temperature of logistics-delivered products to check whether temperature requirements have been met</li> </ul>

*Intelligent Tracking for Quality Assurance: Building Intelligent Tracking for Food Safety Management Across the Entire Chain*

The Group actively complies with food safety regulatory requirements and has established a complete product traceability and tracking system. We use the CTIC Global Traceability Cloud Platform and implement a “one bag, one code” tracking mechanism, which enables comprehensive tracking of every stage from raw material procurement and production through to receipt by stores. This system not only helps enhance internal control, but also effectively addresses external concerns and has been recognised by government regulators.

In addition, we strictly comply with the requirements of the Shanghai Food Safety Information Traceability Management Measures. Through the Shanghai Food Safety Information Traceability Platform, we implement information traceability management throughout the entire process of food production, circulation and catering services. The traceability scope covers ten categories of food and edible agricultural products, ranging from grains and livestock products to aquatic products, fully demonstrating the Group’s strong commitment to food safety.

*Realising the standardised production of bone soup through an integrated production model*

At the production bases, the soup-making process comprises seven stages, namely material selection, dicing, simmering, evaporation, packaging, distribution and final serving. Through integrated quality control management and careful control over time, temperature, measurement and sequence, the stability of taste can be better ensured.

During the Reporting Period, the percentage of products sold or shipped that were subject to recall for safety and health reasons was 0.03%.

### *Customer service*

Adhering to a customer-oriented service philosophy, the Group has established diversified customer communication channels and is committed to maintaining close contact with customers. We have a dedicated customer service hotline to actively receive and handle customer feedback, which is translated into a driving force for the continuous improvement of service quality. The Group has established a sound customer complaint handling mechanism to ensure that relevant departments can respond to and follow up on each case promptly, and report progress to customers in a timely manner, reflecting the importance we attach to service commitments.

In 2025, the Group received a total of 403 (2024: 390) customer enquiries and complaint cases, all of which were largely satisfactorily resolved, fully demonstrating our efficient complaint handling capabilities and customer-oriented service attitude.

### *Customer privacy and intellectual property rights*

The Group attaches great importance to the protection of customer privacy and intellectual property rights. To ensure the effective operation of our information security management system, we have implemented a comprehensive cyber security strategy, including the deployment of advanced network firewalls and anti-virus systems, as well as the establishment of a sound server security management mechanism. In terms of data management, we adopt a systematic classification and storage solution and regularly carry out backup procedures for important data. In addition, we implement strict login access controls, regularly update system software, and continuously optimise the security management system of our server room. To further strengthen information confidentiality, the Group clearly stipulates that all employees must strictly comply with confidentiality agreements, and it is strictly prohibited to disclose any customer information, business data or intellectual property-related information to third parties without authorisation.

### *Advertising and labelling*

The Group attaches great importance to protecting consumer rights and interests and strives to ensure the accurate communication of product information. In terms of the dissemination of corporate and product information, we strictly comply with relevant national laws and regulations, and carry out prudent and reasonable advertising activities based on consumer needs. To standardise the management of advertisements and labels, the Group has specifically formulated the Guidelines for the Labelling and Identification of Ajisen Raw Materials, with a view to ensuring that all advertisements and labels not only meet the requirements of authenticity, accuracy and legality, but also effectively and clearly convey relevant information to consumers.

### *Anti-corruption*

The Group adheres to the highest standards of business integrity and adopts a zero-tolerance approach towards any form of corruption or unethical conduct. We have established a comprehensive anti-corruption management system, strictly comply with relevant laws and regulations, and formulated sound internal policies and measures. The Employee Handbook sets out detailed standards of conduct for employees and expressly prohibits any form of bribery, improper transfer of benefits and conflicts of interest. All employees are required to sign a Declaration of Receipt of Gifts/Gains upon onboarding to ensure that they fully understand the relevant requirements.

To strengthen confidentiality management and maintain a fair competitive environment, the Group strictly regulates the use and disclosure of customer and supplier information. We regularly carry out anti-corruption training and integrity education activities to continuously enhance the compliance awareness of employees and suppliers. Although the Group did not conduct formal anti-corruption training during the year, it strengthened communication of anti-corruption policies and compliance requirements in its daily operations to ensure that all management and employees had a sufficient understanding of the relevant information.

The Group has established a sound whistleblowing mechanism to encourage employees to report any suspected improper conduct through confidential channels. We undertake to protect the rights and interests of whistleblowers, ensure that they are free from any form of retaliation, and take appropriate investigation and rectification measures in a timely manner. Through the effective implementation of these mechanisms, we are committed to upholding the Group's culture of integrity and sound business ethics. During the Reporting Period, the Group did not receive any whistleblowing cases relating to business ethics, nor were there any concluded corruption litigation cases brought against the issuer or its employees.

## COMMUNITY INVESTMENT

Upholding the core values of corporate social responsibility, the Group is committed to creating long-term value for stakeholders and the communities in which it operates. By gaining an in-depth understanding of community needs and identifying key areas for development, we actively invest resources in social welfare projects, including charitable donations and volunteer services. The Group's outstanding performance in community engagement has been widely recognised, and it has been awarded the "Caring Company" logo by the Hong Kong Council of Social Service for fifteen consecutive years. During the Reporting Period, we donated approximately HK\$2 million to the assistance fund for Wang Fuk Court in Tai Po, Hong Kong, to provide financial assistance to the relevant residents, and also donated relief supplies to help them overcome the difficulties.

As a corporate citizen committed to social responsibility, the Group fully recognises its important role in social development. We incorporate community interests into the core considerations of corporate decision-making, formulate a comprehensive community investment strategy, and continue to explore innovative social investment solutions. By strengthening in-depth dialogue and cooperation with all sectors of society, the Group is committed to building closer partnerships, working together to promote sustainable social development, and creating long-term and stable value for stakeholders.

## APPENDIX

### Environmental Performance

Environmental KPIs <sup>3</sup>	Unit	2025	2024
<b>Air pollutant emissions<sup>4</sup></b>			
Nitrogen oxides	kg	<b>2,629.02</b>	2,001.88
Sulphur oxides	kg	<b>1.52</b>	223.96
Respirable suspended particulates	kg	<b>240.22</b>	184.33
<b>Greenhouse gas emissions<sup>5,6</sup></b>			
Scope 1 <sup>7</sup> Direct greenhouse gas emissions	tonnes CO <sub>2</sub> e	<b>7,105.30</b>	8,585.78
Scope 2 <sup>8</sup> Energy indirect greenhouse gas emissions	tonnes CO <sub>2</sub> e	<b>6,985.98</b>	6,140.86
Scope 3 <sup>9</sup> Other indirect greenhouse gas emissions	tonnes CO <sub>2</sub> e	<b>3,798.60</b>	N/A <sup>10</sup>
Total greenhouse gas emissions (Scope 1 and 2)	tonnes CO <sub>2</sub> e	<b>14,091.28</b>	14,726.64
Total greenhouse gas emissions (Scope 1, 2 and 3)	tonnes CO <sub>2</sub> e	<b>17,889.88</b>	N/A <sup>9</sup>
Greenhouse gas emissions intensity (Scope 1 and 2, in terms of number of employees)	tonnes CO <sub>2</sub> e per employee	<b>2.34</b>	1.89
Greenhouse gas emissions intensity (Scope 1, 2 and 3, in terms of number of employees)	tonnes CO <sub>2</sub> e per employee	<b>2.97</b>	N/A <sup>9</sup>
<b>Hazardous waste</b>			
Total hazardous waste	tonnes	<b>0.90</b>	0.70
Hazardous waste intensity (in terms of number of employees)	tonnes per employee	<b>0.0001</b>	0.0001

- 3 The number of employees and revenue used in intensity data calculation are consistent with the scope of environmental KPIs.
- 4 The calculation refers to "How to prepare an ESG Report? – Appendix II: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange. Emissions are mainly generated from production workshops and kitchens.
- 5 The Group's air pollutant emissions increased as compared with last year, mainly due to the increase in natural gas consumption resulting from higher production output during the Reporting Period.
- 6 The calculation and emission factors refer to the "GHG Protocol Tool For Energy Consumption in China (Version 2.1)" published by World Resources Institute, the "Guidelines for Accounting Methods and Reporting of Greenhouse Gas Emissions from Enterprises – Power Generation Facilities (2022 Revision)" issued by the Ministry of Ecology and Environment of the People's Republic of China, the "Guidelines for Accounting Methods and Reporting of Greenhouse Gas Emissions from Industrial and Other Industrial Enterprises" issued by the National Development and Reform Commission of the People's Republic of China, and "How to prepare an ESG Report? – Appendix II: Reporting Guidance on Environmental KPIs" issued by HKEX.
- 7 Scope 1 includes direct greenhouse gas emissions from the combustion of diesel, town gas and natural gas in stationary and mobile sources.
- 8 Scope 2 includes energy indirect greenhouse gas emissions from purchased electricity from third parties.
- 9 During the Reporting Period, Scope 3 includes other indirect greenhouse gas emissions from purchased goods and services, waste generated in operations, business travel and employee commuting. Other categories are excluded because they are not relevant to our business, or the data are currently unavailable and cannot be quantified.
- 10 The Scope 3 data collection process had not yet been implemented for the corresponding period in 2024, and therefore no year-on-year comparison is available.

## Environmental, Social and Governance Report

Environmental KPIs <sup>3</sup>	Unit	2025	2024
<b>Non-hazardous waste<sup>11</sup></b>			
Total non-hazardous waste	tonnes	<b>908.68</b>	836.52
Non-hazardous waste intensity (in terms of number of employees)	tonnes per employee	<b>0.15</b>	0.11
<b>Energy</b>			
Direct energy <sup>12</sup>	MWh	<b>50,761.63</b>	14,117.13
Indirect energy <sup>13</sup>	MWh	<b>13,510.21</b>	11,764.38
Total energy consumption	MWh	<b>64,271.84</b>	25,853.23
Energy consumption intensity (in terms of number of employees)	MWh per employee	<b>10.66</b>	3.31
<b>Water resources</b>			
Total water consumption	m <sup>3</sup>	<b>166,373.37</b>	130,612.00
Water consumption intensity (in terms of number of employees)	m <sup>3</sup> per employee	<b>27.59</b>	16.74
<b>Packaging materials</b>			
Total packaging material consumption	tonnes	<b>2,044.12</b>	1,803.00 <sup>2</sup>
Packaging material consumption intensity (in terms of revenue)	tonnes per RMB million revenue	<b>1.12</b>	1.05 <sup>2</sup>

## Social Performance

		2025		2024	
		Number	Percentage	Number	Percentage
<b>Employee profile<sup>14</sup></b>					
<b>Total</b>		<b>6,031</b>	<b>100%</b>	7,803	100%
<b>Gender</b>	Male	<b>1,976</b>	<b>32.76%</b>	2,768	35.47%
	Female	<b>4,055</b>	<b>67.24%</b>	5,035	64.53%
<b>Age</b>	24 or below	<b>1,444</b>	<b>23.94%</b>	2,277	29.18%
	25-40	<b>2,054</b>	<b>34.06%</b>	2,575	33.00%
	41-59	<b>2,359</b>	<b>39.11%</b>	2,798	35.86%
	60 or above	<b>174</b>	<b>2.89%</b>	153	1.96%
<b>Rank</b>	Senior management	<b>43</b>	<b>0.71%</b>	47	0.60%
	Middle management	<b>423</b>	<b>7.01%</b>	428	5.49%
	General staff	<b>5,565</b>	<b>92.28%</b>	7,328	93.91%
<b>Employment type</b>	Full-time	<b>2,563</b>	<b>42.50%</b>	3,670	47.03%
	Part-time	<b>3,468</b>	<b>57.50%</b>	4,133	52.97%

11 The amount of non-hazardous waste and hazardous waste generated during the Reporting Period increased as compared with the corresponding period in 2024, mainly due to increased production output.

12 Includes diesel, town gas and natural gas.

13 Includes purchased electricity.

14 Employee data at the end of the Reporting Period.

## Environmental, Social and Governance Report

Employee profile <sup>14</sup>		2025		2024	
		Number	Percentage	Number	Percentage
Geographical region	Chinese Mainland	5,441	90.22%	7,396	94.78%
	Hong Kong, China	589	9.76%	407	5.22%
	Other regions	1	0.02%	–	–
Employee turnover <sup>15</sup>		2025		2024	
		Number	Percentage	Number	Percentage
Total		9,165	151.96%	9,280	100.00%
Gender	Male	3,724	188.46%	4,075	100.00%
	Female	5,441	134.18%	5,205	100.00%
Age	24 or below	5,342	369.94%	5,542	100.00%
	25-40	1,801	87.68%	1,908	74.10%
	41-59	1,926	81.64%	1,732	61.90%
	60 or above	96	55.17%	98	64.05%
Rank	Senior management	8	18.60%	8	17.02%
	Middle management	72	17.02%	90	21.03%
	General staff	9,085	163.25%	9,182	100.00%
Geographical region	Chinese Mainland	8,622	158.46%	8,760	100.00%
	Hong Kong, China	543	92.19%	520	100.00%
New employees <sup>16</sup>		2025		2024	
		Number	Percentage	Number	Percentage
Total		7,341	121.72%	10,454	100.00%
Gender	Male	2,898	146.66%	4,443	100.00%
	Female	4,443	109.57%	6,011	100.00%
Age	24 or below	4,503	311.84%	6,315	100.00%
	25-40	1,266	61.64%	2,028	78.76%
	41-59	1,466	62.14%	2,016	72.05%
	60 or above	106	60.92%	95	62.09%
Rank	Senior management	3	6.98%	8	17.02%
	Middle management	62	14.66%	77	17.99%
	General staff	7,276	130.75%	10,369	100.00%
Geographical region	Chinese Mainland	6,669	122.57%	9,880	100.00%
	Hong Kong, China	672	114.09%	574	100.00%

15 Employee turnover rate (percentage) = Number of employees resigned of respective category/Total number of employees of respective category at the end of the Reporting Period x 100%.

16 New hire rate (percentage) = Number of new hires of respective category/Total number of employees of respective category at the end of the Reporting Period x 100%.

## Environmental, Social and Governance Report

<b>Occupational health and safety</b>		<b>2025</b>	2024	2023	
Number and rate of work-related fatalities		<b>0, 0%</b>	0, 0%	0, 0%	
Number of work-related injuries		<b>124</b>	112	110	
Lost days due to work injury		<b>616</b>	553	97	
Rate of work-related injuries (per 1,000 employees)		<b>20.56</b>	14.35	14.91	
<b>Employees trained<sup>17</sup></b>		<b>2025</b>		2024	
		<b>Number</b>	<b>Percentage</b>	Number	Percentage
<b>Total</b>		<b>6,101</b>	<b>101.16%</b>	9,880	126.62%
<b>Gender</b>	Male	<b>2,442</b>	<b>123.58%</b>	4,134	88.22%
	Female	<b>3,659</b>	<b>90.23%</b>	5,746	72.67%
<b>Rank</b>	Senior management	<b>109</b>	<b>253.49%</b>	–	–
	Middle management	<b>1,019</b>	<b>240.90%</b>	–	–
	General staff	<b>4,973</b>	<b>89.36%</b>	9,880	126.62%
<b>Average training hours<sup>18</sup> (hours)</b>			<b>2025</b>	2024	
<i>Per employee</i>			<b>51.79</b>	50.65	
Gender	Male		<b>63.97</b>	59.74	
	Female		<b>45.85</b>	45.65	
Rank	Senior management		<b>226.60</b>	–	
	Middle management		<b>147.83</b>	–	
	General staff		<b>43.13</b>	53.93	

17 Rate of employees trained (percentage) = Number of employees trained of respective category/Total number of employees of respective category at the end of the Reporting Period x 100%. The number of employees trained includes employees who received training during the Reporting Period but subsequently left employment.

18 Average employee training hours = Total training hours for employees of respective category/Total number of employees of respective category at the end of the Reporting Period. Training hours include hours received by employees who received training during the Reporting Period but subsequently left employment.

## CONTENT INDEX OF ESG REPORT

Aspects, General Disclosures and KPIs	Content	Page/Note
<b>Mandatory Disclosure Requirements</b>		
Governance Structure	<ul style="list-style-type: none"> <li>(i) A disclosure of the Board’s oversight of ESG issues.</li> <li>(ii) The Board’s ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the Group’s business).</li> <li>(iii) How the Board reviews progress made against ESG-related targets and explains how they relate to the Group’s business.</li> </ul>	35-39
Reporting Principles	<p><b>Materiality:</b> The ESG report should disclose: (i) the process to identify material ESG factors and the criteria for selecting such factors; and (ii) where a stakeholder engagement exercise has been conducted, a description of the significant stakeholders identified, and the process and results of the Group’s stakeholder engagement.</p> <p><b>Quantitative:</b> Information on the standards, methodologies, assumptions and/or calculation tools used, and the source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed.</p> <p><b>Consistency:</b> The Group should disclose in the ESG report any changes in the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.</p>	38-39
Reporting Boundary	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report.	34
<b>A1 Emissions</b>		
General Disclosure	Information on: <ul style="list-style-type: none"> <li>(a) the policies; and</li> <li>(b) compliance with relevant laws and regulations that have a significant impact on the Group relating to air emissions, discharges into water and land, and generation of hazardous and nonhazardous waste.</li> </ul>	40
A1.1	The types of emissions and respective emissions data.	41
A1.3	Total hazardous waste produced and intensity.	41
A1.4	Total non-hazardous waste produced and intensity.	41
A1.5	Description of emissions target(s) set and steps taken to achieve them.	41-42
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them	41

Aspects, General Disclosures and KPIs	Content	Page/Note
<b>A2 Use of Resources</b>		
General Disclosure	Policies on the efficient use the resources, including energy, water and other raw materials.	42
A2.1	Direct and/or indirect energy consumption by type in total and intensity.	42
A2.2	Water consumption in total and intensity.	43
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	43-44
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	43-44
A2.5	Total packaging material used for finished products and with reference to per unit produced.	43
<b>B1 Employment</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the Group relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	56
B1.1	Total workforce by gender, employment type, age group and geographical region.	57
B1.2	Employee turnover rate by gender, age group and geographical region.	66
<b>B2 Health and Safety</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the Group relating to providing a safe working environment and protecting employees from occupational hazards.	57
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	57
B2.2	Lost days due to work injury.	57
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	57

## Environmental, Social and Governance Report

Aspects, General Disclosures and KPIs	Content	Page/Note
<b>B3 Development and Training</b>		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	58
B3.1	The percentage of employees trained by gender and employee category.	58
B3.2	The average training hours completed per employee by gender and employee category.	58
<b>B4 Labour Standards</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the Group relating to preventing child and forced labour.	58
B4.1	Description of measures to review employment practices to avoid child and forced labour.	58
B4.2	Description of steps taken to eliminate such practices when discovered.	58
<b>B5 Supply Chain Management</b>		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	59
B5.1	Number of suppliers by geographical region.	60
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	59-60
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	59-60
B5.4	Description of practices used to promote environmentally preferable products, and how they are implemented and monitored.	59-60
<b>B6 Product Responsibility</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the Group relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	59
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	61
B6.2	Number of products and service related complaints received and how they are dealt with.	62

Aspects, General Disclosures and KPIs	Content	Page/Note
B6.3	Description of practices relating to observing and protecting intellectual property rights.	62
B6.4	Description of quality assurance process and recall procedures.	61
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	62
<b>B7 Anti-corruption</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the Group relating to bribery, extortion, fraud and money laundering.	62
B7.1	Number of concluded legal cases regarding corrupt practices brought against the Group or its employees during the reporting period and the outcomes of the cases.	63
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	62-63
B7.3	Description of anti-corruption training provided to directors and staff.	62
<b>B8 Community Investment</b>		
General Disclosure	Policies on community engagement to understand the needs of the communities where the Group operates and to ensure its activities take into consideration the communities' interests.	63
B8.1	Focus areas of contribution.	63
B8.2	Resources contributed to the focus area.	63
<b>Climate-related Disclosures</b>		
<b>(I) Governance</b>		
/	Information on: (a) the governance body(ies) responsible for oversight of climate-related risks and opportunities; and (b) management's role in the governance processes, monitoring controls and procedures used to monitor, manage and oversee climate-related risks and opportunities.	45
<b>(II) Strategy</b>		
Climate-related risks and opportunities	Information on climate-related risks and opportunities that could reasonably be expected to affect its cash flows, access to finance or cost of capital over the short, medium or long term.	46
Business model and value chain	Information on current and anticipated effects of climate-related risks and opportunities on its business model and value chain.	47-51
Strategy and decision-making	Information on the effects of climate-related risks and opportunities on its strategy and decision-making. Progress against plans disclosed in prior reporting periods.	46

## Environmental, Social and Governance Report

Aspects, General Disclosures and KPIs	Content	Page/Note
Financial position, financial performance and cash flows	<p>Information on:</p> <ul style="list-style-type: none"> <li>(a) how climate-related risks and opportunities affected the Group's financial position, financial performance and cash flows for the reporting period; and</li> <li>(b) information on the climate-related risks and opportunities identified where there is a significant risk of a material adjustment in the next reporting year.</li> </ul> <p>Disclosure about:</p> <ul style="list-style-type: none"> <li>(a) how the Group expects its financial position to change over the short, medium and long term; and</li> <li>(b) how the Group expects its financial performance and cash flows to change over the short, medium and long term.</li> </ul>	47-51
Climate resilience	Information on the resilience of the Group's strategy and business model to climate-related changes, developments or uncertainties, and the use of climate-related scenario analysis to assess its climate resilience in a manner commensurate with its circumstances.	52
<b>(III) Risk Management</b>		
Climate-related risks and opportunities	<p>Information on:</p> <ul style="list-style-type: none"> <li>(a) the processes and related policies used to identify and assess climate-related risks;</li> <li>(b) the processes used to identify and assess climate-related opportunities; and</li> <li>(c) how the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and to what extent they are integrated into the overall risk management process.</li> </ul>	52-54
<b>(IV) Metrics and Targets</b>		
Greenhouse gas emissions	<p>Absolute gross greenhouse gas emissions generated during the reporting period, expressed in metric tonnes of CO<sub>2</sub> equivalent, classified as:</p> <ul style="list-style-type: none"> <li>(a) Scope 1 greenhouse gas emissions;</li> <li>(b) Scope 2 greenhouse gas emissions; and</li> <li>(c) Scope 3 greenhouse gas emissions.</li> </ul> <p>Information on:</p> <ul style="list-style-type: none"> <li>(a) measurement of its greenhouse gas emissions;</li> <li>(b) the approach used to measure greenhouse gas emissions;</li> <li>(c) location-based Scope 2 greenhouse gas emissions and information about any contractual instruments necessary to understand those emissions; and</li> <li>(d) the categories included in the measurement of Scope 3 greenhouse gas emissions.</li> </ul>	54

Aspects, General Disclosures and KPIs	Content	Page/Note
Climate-related transition risks	The amount and percentage of assets or business activities vulnerable to climate-related transition risks.	54
Climate-related physical risks	The amount and percentage of assets or business activities vulnerable to climate-related physical risks.	54-55
Climate-related opportunities	The amount and percentage of assets or business activities aligned with climate-related opportunities.	54-55
Capital deployment	The amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	54-55
Internal carbon pricing	Information on: (a) whether and how carbon pricing is applied in decision-making; and (b) the price per metric tonne of greenhouse gas emissions used to assess the costs of its greenhouse gas emissions, if any.	54-55
Remuneration	Whether and how climate-related considerations are incorporated into remuneration policies, or an appropriate negative statement.	54-55
Industry-based metrics	industry-based metrics associated with one or more particular business models and activities, or industry-based metrics associated with features common to participation in that industry, if any.	54-55
Climate-related targets	<ul style="list-style-type: none"> <li>The qualitative and quantitative climate-related targets set to monitor progress towards achieving Group’s strategic objectives, and any targets required by law or regulation, including any greenhouse gas emissions targets.</li> <li>The approach used to set and review each target, and how progress against each target is monitored.</li> <li>Performance against each climate-related target and an analysis of trends or changes in the Group’s performance.</li> </ul>	54-55
Applicability of cross-industry metrics and industry-based metrics	Reference to cross-industry metrics and industry-based metrics, with consideration of whether they are applicable.	54

## Directors

### Executive Directors

**Poon Wai (潘慰)**, aged 70, is the founder of the Group and has been an executive Director of the Company since 6 April 2006. She is the Chairman and Chief Executive Officer of the Company. She is responsible for the overall management, including critical decision-making and planning for the strategic activities of the Group. As the founder of the Company, Ms. Poon has been playing an important role in the development of the Group since its inception in 1995. She is also a director of certain subsidiaries of the Group. Ms. Poon is an experienced entrepreneur who has over 30 years' experience in the F&B industry. Prior to establishing the Company, Ms. Poon was engaged in trading Asian food products in the US and Hong Kong, China. Ms. Poon is particularly well versed and experienced in specialty foods from northern and southern regions of China. Ms. Poon currently serves as the vice chairman of Shanghai Restaurants Cuisine Association. She was the vice president of Shanghai Commercial Enterprise Management Association, senior vice president of China Hotel Association, special vice president of China Cuisine Association (中國烹飪協會) and director of China Association of Enterprises Confederation and China Enterprise Directors Association. Ms. Poon was awarded Ernst & Young Entrepreneur of The Year for Hong Kong/Macau Region in October 2007. Ms. Poon was awarded "the Most Influential Entrepreneur in Chinese Restaurant Industry" (「中國餐飲最具影響力企業家」) by China Cuisine Association (中國烹飪協會) and "Contribution to Shanghai Restaurant Industry in 30 Years" (「上海餐飲三十年功勳人物獎」) by Shanghai Restaurants Cuisine Association in 2015. Ms. Poon is the sister of Mr. Poon Ka Man, Jason and is the mother of Ms. Ng Minna.

**Poon Ka Man, Jason (潘嘉聞)**, aged 69, is an executive Director and the Chief Marketing Officer of the Company. He has been an executive Director since 8 March 2007. He is responsible for the marketing of the Ajisen brand name and the design of the Group's chain restaurants. Mr. Poon is also a director of certain subsidiaries of the Group. Mr. Poon has over 30 years of experience in construction and design. Mr. Poon also owns his own contracting and design firm in Hong Kong, specializing in the design and renovation of offices, commercial retail spaces, factories and residential properties. Mr. Poon is the brother of Ms. Poon Wai and is the maternal uncle of Ms. Ng Minna.

**Ng Minna (伍美娜)**, aged 37, has been an executive Director of the Company since 20 August 2019 and the Director of New Business Department and Operating Officer of Hong Kong and Macau Businesses of the Group, overseeing Hong Kong operation, overseas business development and new brand restaurants of the Group. Ms. Ng is also a director of certain subsidiaries of the Group. After joining the Group in 2011, she has held various managerial roles within the Group, including restaurant operation, R&D and business development. She graduated from Bentley University in Boston, US with Bachelor degrees in Economics and Finance. Ms. Ng Minna is the daughter of Ms. Poon Wai and the niece of Mr. Poon Ka Man, Jason.

### Non-executive Directors

**Katsuaki Shigemitsu (重光克昭)**, aged 57, has been a non-executive Director since 8 March 2007. Mr. Shigemitsu is also a shareholder and director of Shigemitsu, the Group's franchisor. Mr. Shigemitsu has over 25 years of experience in the F&B industry. After his graduation in 1991, Mr. Shigemitsu joined his family's business, Shigemitsu. Mr. Shigemitsu commenced his work as a restaurant manager in an Ajisen restaurant in Japan. Subsequently, Mr. Shigemitsu has assumed several senior management positions in Shigemitsu. In 1995, he was appointed as the vice-chairman of Shigemitsu. In 1997, he was appointed as the chairman of Shigemitsu. Mr. Shigemitsu holds a degree in structural engineering from the Kumamoto Institute of Technology (熊本工業大學).

**Yew Yat On (姚逸安)**, aged 54, has been a non-executive Director of the Company since 7 June 2023. Mr Yew has near 30 years of experience in investment banking and finance. He held various senior positions in several international, Hong Kong, China and China investment banks and handled a number of initial public offering and merger and acquisition deals. He is the founder and managing director of Alliance Capital Partners Limited, a leading boutique corporate finance house carrying Type 1 and Type 6 regulated activities under the Securities and Futures Ordinance. Mr. Yew holds an Executive Diploma in Organization Leadership from Saïd Business School, University of Oxford, and obtained a Master of Science degree in Investment Management from The Hong Kong University of Science and Technology, and a Bachelor of Arts degree from The University of Hong Kong. Mr. Yew is a chartered financial analyst. Mr. Yew is also an independent non-executive director of China Shineway Pharmaceutical Group Limited (stock code: 2877), a company listed on the Stock Exchange.

### Independent non-executive Directors

**Jen Shek Voon (任錫文)**, aged 79, has been an independent non-executive Director since 8 March 2007. He was a sole proprietor of Jen Shek Voon, PAS, a Chartered Accountant and Public Accounting Singapore firm in Singapore that specializes in international and regional financial and business advisory services. Mr. Jen also was an independent non-executive director of the boards of directors of a number of non-publicly listed companies in Singapore and Hong Kong, China. Mr. Jen is a Fellow of the Singapore Institute of Directors. He holds a Bachelor of Accounting degree (Hons) from the University of Singapore and a M Comm (Hons) degree from the University of New South Wales. He is a Life Member of the Association of Chartered Certified Accountants in the UK; the Institute of Singapore Chartered Accountants (ISCA) and the Malaysian Institute of Accountants and a member of the British Computer Society. He is a Forensic Financial Professional, an accreditation with the Institute of Singapore Chartered Accountants (ISCA).

**Lo Peter (路嘉星)**, aged 70, has been an independent non-executive Director since 8 March 2007. Mr. Lo is also an independent non-executive director of Uni-President China Holdings Ltd (stock code: 0220), a company listed on the Stock Exchange. Mr. Lo was the chairman and an executive director of China Outfitters Holdings Limited (stock code: 1146) from March 2010 to June 2018, a company listed on the Stock Exchange. Mr. Lo has more than 25 years of experience in operating businesses in the PRC, including but not limited to trade and investment in various industries such as leather goods, power plants, auto manufacturers, medical equipment and beer brewery. Mr. Lo holds a bachelor degree in Mathematical Economics and Econometrics from the London School of Economics and Political Science.

**Ho Pak Chuen Brian (何百全)**, aged 52, has been an independent non-executive Director since 5 April 2024. Mr. Ho holds a Bachelor of Commerce degree and a Bachelor of Laws degree, both from Monash University, Australia and a Master's Degree of Business Administration from the University of Sydney, Australia and University of New South Wales, Australia.

Mr. Ho was admitted as a barrister and solicitor of the supreme court of Victoria, Australia in 1997 and a solicitor of the High Court of Hong Kong in 2000. He became a Certified Practising Accountant of CPA Australia in 2004. Mr. Ho has over 24 years of experience in corporate finance and law. He is currently a partner of Howse Williams, a law firm in Hong Kong. He is an independent non-executive director of Get Nice Holdings Limited (stock code: 0064) since July 2023. He has been appointed as the company secretary of Tenfu (Cayman) Holdings Company Limited (stock code: 6868) with effect from 21 March 2026. He was an independent non-executive director of Genes Tech Group Holdings Company Limited from June 2017 to March 2026, prior to the delisting of its shares from GEM of the Stock Exchange (previous stock code: 8257). Mr. Ho worked as a Vice President – Corporate Finance at Cazenove Asia Limited, which was subsequently acquired by Standard Chartered Securities (Hong Kong) Limited, between June 2007 and February 2009, as an Associate Director and subsequently as a Director of Equity Corporate Finance Department at Standard Chartered Securities (Hong Kong) Limited between February 2009 and February 2012. Prior to 2007, he worked in the corporate department of various international and local law firms in Hong Kong, China.

# Report of the Directors

The Directors are pleased to present their report together with the audited financial statements of the Group for the year ended 31 December 2025.

## Principal activities

The Company is a FCR chain operator selling Japanese ramen and Japanese-style dishes in Mainland China and Hong Kong, China. An analysis of the Company's performance for the year by geographical segments is set out in note 6 to the consolidated financial statements.

## Defined Contribution Retirement Plan

Pursuant to the relevant regulations of the PRC government, the Group participates in a central pension scheme operated by the local municipal government (the "Scheme"), whereby the subsidiaries of the Company in the PRC is required to contribute a certain percentage of the basic salaries of its employees to the Scheme to fund their retirement benefits. The local municipal government undertakes to assume the retirement benefits obligations of all existing and future retired employees of the subsidiaries of the Company. The only obligation of the Group with respect to the Scheme is to pay the ongoing required contributions under the Scheme. Contributions under the Scheme are charged to profit or loss as incurred.

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF Scheme") for Hong Kong subsidiaries, under the Mandatory Provident Fund Schemes Ordinance, for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the company in an independently administered fund. The Hong Kong subsidiaries' employer contributions vest fully with the employees when contributed into the MPF Scheme.

There were no forfeited contributions utilized by the Group to reduce the existing level of the contributions for each of the years/periods.

## Employees, Training and Remuneration Policies

As of 31 December 2025, the Group had 6,031 employees, as compared to approximately 7,803 employees as of 31 December 2024. The Group incurred a total staff costs (including Directors' emoluments), which primarily consisted of wages, salaries, bonuses, pension and other social security costs, and other employee welfares including share-based payment, in the amount of approximately RMB490.6 million for the year ended 31 December 2025.

As regards our corporate governance, we have specific policies on declaration of potential conflicts of interest, anti-money laundering measures and procurement management to ensure compliance with all relevant laws and regulations and avoid corruption in our business operations. For the year ended 31 December 2025, to the best of the knowledge and belief of our Directors, there were no legal proceedings regarding corrupt practices brought against us or any of our directors and employees.

To the best knowledge and belief of our Directors, as at the date of this annual report, we were not subject to any significant environmental, social and climate-related risks that could negatively impact our Group's businesses, strategies and financial performance. Our Directors confirm that for the year ended 31 December 2025, we were not subject to any material claim, lawsuit, penalty or administrative action relating to non-compliance with health, work safety or environmental laws and regulations.

In accordance with the Corporate Governance Code and ESG Reporting Guide set forth in Appendices C1 and C2 to the Listing Rules respectively, we will put in place mechanisms that will effectively enable us to continue to adopt recognised best practices and fulfil our corporate responsibility in respect of corporate governance and ESG matters.

## Environmental Policies and Performance

It is the corporate and social responsibility of the Company in promoting a sustainable and environmental friendly environment. We have overall responsibility for our strategy and reporting on environmental, social and governance (“ESG”) matters. We also strive to fulfilling the environmental and social responsibility, for which they are responsible for identification, assessment and management of our ESG-related risks, and ensuring that appropriate and effective ESG risk management and internal control systems are in place.

The environmental, social and governance report of the Company prepared in accordance with Appendix C2 of the Listing Rules is set out in the section headed “Environmental, Social and Governance Report” in this annual report.

## Results and appropriations

The results and appropriations of the Group are set out on page 99 to page 102 of the consolidated financial statements respectively.

## Dividend

At the meeting of the Board held on 27 March 2026, the Board recommended the payment of a final dividend of RMB0.07 (HK\$7.9 cents) and a special dividend of RMB0.03 (HK\$3.4 cents) per ordinary share respectively (2024: a final dividend of RMB0.06 (HK\$6.4 cents) per ordinary share, with no special dividend paid) paid to Shareholders whose names are on the register of members of the Company on 2 July 2026 and is subject to the approval by the Shareholders at the AGM to be held on 23 June 2026. In celebration of the 30th anniversary of Ajisen’s successful entry into the Hong Kong markets, the Board is pleased to propose the special dividend as a token of appreciation and gratitude to the Shareholders for their unwavering support and loyalty over the past three decades. The proposed final dividend and special dividend is expected to be paid to Shareholders on or about 14 August 2026.

## Donations

The Company made RMB1,831,000 charitable and other donations during the year (2024: RMB nil).

## Share capital

Details of the movements in share capital and share options of the Company during the year are set out in notes 31 and 32 to the consolidated financial statements.

No shares were issued for the year ended 31 December 2025.

## Distributable reserves

Distributable reserves of the Company as at 31 December 2025 amounted to RMB243,104,000 (2024: RMB305,539,000), are set out in note 33 to the consolidated financial statements.

## Debentures issued

The Company did not issue debenture for the year ended 31 December 2025 (2024: Nil).

## Equity-Link agreements

Save as disclosed in the section headed “Share Option Scheme” as set out in this annual report, no equity-linked agreements that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing Shares were entered into by the Group, or existed during the year ended 31 December 2025.

## Subsidiaries

Particulars of the Company’s principal subsidiaries are set out in note 42 to the consolidated financial statements.

## Principal properties

Details of the principal properties held for development and or sale and for investment purpose are set out on pages 193 to 195 of this annual report.

### Pre-emptive rights

There is no provision for pre-emptive rights under the Articles of Association and there was no restriction against such rights under the laws of Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing Shareholders.

### Five-year financial summary

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 196 of this annual report.

### Major customers and suppliers

The aggregate sales attributable to the Group's five largest customers for the year ended 31 December 2025 were less than 5.0% of the Group's total turnover. The purchases from the Group's largest supplier, Qingdao Xin Xie Hang International Logistic Company Limited (青島新協航國際物流有限公司) accounted for approximately 4.7% of the Group's total purchases for the year ended 31 December 2025 and the purchase from the five largest suppliers of the Group accounted for approximately 20.2% of the Group's total purchases for the year ended 31 December 2025.

Save for Mr. Katsuaki Shigemitsu, a non-executive Director, who indirectly owns approximately 68.35% interest in Shigemitsu Industry Co., Ltd. (also known as Shigemitsu Kabushiki Kaisha or Shigemitsu Sangyo Co. Ltd), a company incorporated in Japan on 5 July 1972, which is the franchisor of the Company (details of which are set out on page 89 to page 90 of this annual report), none of the Directors or their respective associates, or the Shareholders who, to the knowledge of the Directors, own more than 5% of the issued shares of the Company, has any interest in any of the five largest customers or the five largest suppliers of the Group during the year.

### Purchase, sale or redemption of the Company's listed securities

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company (including sale of treasury shares, if any) during the year ended 31 December 2025. As at 31 December 2025, no treasury shares were held by the Company.

### Directors

The Directors of the Company during the year and up to the date of this annual report are:

#### Executive Directors

Ms. Poon Wai (*Chairman and Chief Executive Officer*)  
Mr. Poon Ka Man, Jason  
Ms. Ng Minna

#### Non-executive Directors

Mr. Katsuaki Shigemitsu  
Mr. Yew Yat On

#### Independent Non-executive Directors

Mr. Jen Shek Voon  
Mr. Lo Peter  
Mr. Ho Pak Chuen Brian

### Confirmation of independence of independent non-executive Directors

The Company has received an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules from each of the INEDs, namely Mr. Jen Shek Voon, Mr Lo Peter and Mr. Ho Pak Chuen Brian. The Company considers that Mr. Jen Shek Voon, Mr. Lo Peter and Mr. Ho Pak Chuen Brian are independent.

## Directors' service contracts

Each of Ms. Poon Wai and Mr. Poon Ka Man, Jason, being the executive Directors, has entered into a service contract with the Company for a term of three years commencing from 30 March 2007. Ms. Ng Minna, being the executive Director, has entered into a service contract with the Company for a term of three years commencing from 20 August 2019, subject to retirement by rotation and re-election and other related provisions in accordance with the Articles of Association and the Listing Rules.

Each of Mr. Katsuaki Shigemitsu, being the non-executive Director and Mr. Jen Shek Voon and Mr. Lo Peter, being the independent non-executive Directors, has entered into a letter of appointment with the Company for a period of two years commencing from 8 March 2007, subject to retirement by rotation in accordance with the Articles of Association, which may be terminated according to the Articles of Association.

Mr. Yew Yat On, being an non-executive Director, has entered into a letter of appointment with the Company for a term of three years commencing from 7 June 2023, subject to retirement by rotation in accordance with the Articles of Association, which may be terminated according to the Articles of Association.

Mr. Ho Pak Chuen Brian, being an independent non-executive Director, has entered into a letter of appointment with the Company for a initial term of two years commencing from 5 April 2024, subject to retirement by rotation in accordance with the Articles of Association, which may be terminated according to the Articles of Association.

None of the Directors standing for re-election at the forthcoming AGM has a service contract with the Company or any of its subsidiaries which is not determinable by the Company within one year without payment of compensation other than the normal statutory compensation.

## Directors' and Chief Executive's interests and short positions in shares, underlying shares and debentures of the Company or its associated corporations

As at 31 December 2025, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance of Hong Kong, Chapter 571 of the laws of Hong Kong ("the SFO")) as recorded in the register required to be kept by the Company under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, are set out below:

### (i) Interests and short positions in the shares of the Company

<b>Name of directors</b>	<b>Capacity/Nature of interests</b>	<b>Number of shares (Note 1)</b>	<b>Approximate% of shareholding</b>
Ms. Poon Wai	Founder of a discretionary trust (Note 2)	480,123,041 (L)	43.99%
	Beneficial owner	38,848,347 (L)	3.56%
Mr. Poon Ka Man, Jason	Beneficial owner	2,500,000 (L)	0.23%
Ms. Ng Minna	Beneficial owner	2,788,000(L)	0.26%
Mr. Katsuaki Shigemitsu	Beneficial owner	21,771,129 (L)	1.99%
	Interest of controlled corporation (Note 3)	10,604,251 (L)	0.97%
Mr. Yew Yat On	Beneficial owner	149,000 (L)	0.01%

*Notes:*

- The letter "L" denotes the Director's long position in such shares.
- The 480,123,041 shares were held by Favor Choice Group Limited ("Favor Choice"), which is an investment holding company wholly owned by Anmi Holding Company Limited ("Anmi Holding"). Anmi Holding is incorporated in the British Virgin Islands and its issued share capital is wholly owned by Anmi Trust, which is founded by Ms. Poon Wai. Ms. Poon Wai is an executive Director and the CEO of the Company.
- The 10,604,251 shares were held by Shigemitsu Industry Co. Ltd., which is owned as to approximately 68.35% by Mr. Katsuaki Shigemitsu, a non-executive Director of the Company.

### (ii) Interests and short positions in the shares of the Company's associated corporations

#### (1) Long position in the shares of Anmi Holding

<b>Name of director</b>	<b>Capacity and nature of interest</b>	<b>Number of shares</b>	<b>Approximate % of shareholding</b>
Ms. Poon Wai	Founder of a discretionary trust	1	100% (Note)

*Note:* The entire issued share capital of Anmi Holding is owned by Anmi Trust, which is founded by Ms. Poon Wai.

#### (2) Long position in the shares of Favor Choice

<b>Name of director</b>	<b>Capacity and nature of interest</b>	<b>Number of shares</b>	<b>Approximate % of shareholding</b>
Ms. Poon Wai	Founder of a discretionary trust	10,000	100% (Note)

*Note:* The entire issued share capital of Favor Choice is owned by Anmi Holding, which is wholly owned by Anmi Trust. Anmi Trust is founded by Ms. Poon Wai.

Save as disclosed herein, as at 31 December 2025, none of the Directors and the chief executive of the Company, or any of their spouse, or children under eighteen years of age, had any interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations, recorded in the register required to be kept by the Company under section 352 of the SFO or required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

## Interests and short positions of substantial shareholders discloseable under the SFO

So far as is known to the Company, as at 31 December 2025, as recorded in the register required to be kept by the Company under section 336 of the SFO, the following persons, other than a Director or the chief executive of the Company, were the substantial shareholders (within the meaning of the Listing Rules) of the Company and had the following interests or short positions in the shares or underlying shares of the Company:

Name of shareholders	Capacity and nature of interest	Number of shares (Note 1)	Approximate % of shareholding
Favor Choice (Note 2)	Beneficial owner	480,123,041 (L)	43.99%
Anmi Holding (Note 2)	Interest of controlled corporation	480,123,041 (L)	43.99%
Trident Trust Company (B.V.I.) Limited (Note 2)	Trustee	480,123,041 (L)	43.99%

*Notes:*

1. The letter "L" denotes the substantial shareholder's long position in such shares.
2. The 480,123,041 shares were held by Favor Choice, which is an investment holding company wholly owned by Anmi Holding. Anmi Holding is incorporated in the British Virgin Islands and its issued share capital is wholly owned by Anmi Trust, which is founded by Ms. Poon Wai. Ms. Poon Wai is an executive Director and the CEO of the Company, and Trident Trust Company (B.V.I.) Limited (in its capacity as the trustee of Anmi Trust) is the legal owner of the entire issued share capital of Anmi Holding.

Save as disclosed herein, as at 31 December 2025, the Company had not been notified of any substantial shareholder (other than a Director or chief executive of the Company) who had an interest or short position in the shares or underlying shares of the Company that were recorded in the register required to be kept by the Company under section 336 of the SFO.

### Directors' interests in transactions, arrangement and contracts

Save as disclosed in the sections headed "Continuing connected transactions" below and note 41 to the consolidated financial statements, no transactions, arrangements or contracts of significance (as defined in Appendix D2 of the Listing Rules), in relation to the Group's business to which the Company or any of its subsidiaries or fellow subsidiaries was a party and in which a Director, and the Director's connected party, had a material interest, whether directly or indirectly, subsisted at the end of 2025 or at any time during the year.

### Directors' interests in competing business

Save as disclosed in the prospectus of the Company dated 19 March 2007 (the "Prospectus"), none of the Directors or their respective associates (as defined in the Listing Rules) has an interest in any business which competes or may compete with the business in which the Group is engaged during the year.

Each of Ms. Poon Wai, Mr. Poon Ka Man, Jason and Mr. Katsuaki Shigemitsu, who are Directors, has provided an annual confirmation in respect of the compliance with the non-competition undertaking given by her/him (as described in the Prospectus) (the "Non-competition Undertaking").

In addition to what was disclosed in the Prospectus, the INEDs had been made aware of the following facts relating to Ms. Poon Wai and Mr. Poon Ka Man, Jason's (the "Poons") prior interests in Itamae, a Japanese-style sushi bar, which was operated by Smart Wave Limited ("Smart Wave"):

- (i) Despite the disposals of the Poons' beneficial ownership interests in Smart Wave prior to the listing of the Company as disclosed in the Prospectus and in compliance with the undertaking given by Mr. Poon Ka Man, Jason to the Company (the "Disposal Undertaking"), the names of the Poons remain on the register of Smart Wave as of now, since Mr. Cheng Wai Tao, Ricky ("Mr. Cheng"), the sole director of Smart Wave, has failed and/or refused to register the incoming shareholder, Fine Elite Group Limited ("Fine Elite") on the register of members of Smart Wave.
- (ii) Subsequent to the Poons' disposals of their beneficial interest in Smart Wave, Fine Elite intended to bring legal proceedings on behalf of Smart Wave against Mr. Cheng for breach of fiduciary duties owed to Smart Wave (the "Proceedings"). Given that only a registered shareholder has locus standi to do so, Mr. Poon Ka Man, Jason agreed with Fine Elite that he would use his name to commence the Proceedings. The Proceedings were concluded at the Court of Final Appeal in 2016 and Mr. Cheng was adjudged liable to Smart Wave for breach of fiduciary duties.
- (iii) In the Proceedings, Mr. Poon Ka Man, Jason only acted in a representative capacity for Smart Wave, and he personally has not received and will not receive any economic benefits from his involvement.

Having reviewed the information provided by the Poons and obtained separate legal advice from the Company's legal adviser, the INEDs were satisfied that Mr. Poon Ka Man, Jason had materially and substantively complied with the Disposal Undertaking and the Poons have materially and substantively complied with the Non-competition Undertakings insofar as the Poons' shareholding in Smart Wave is concerned, on the basis that:

- (i) The Poons are merely holding the shares in Smart Wave as bare trustees, and have no equitable, beneficial or financial interest in, or control over, Smart Wave;
- (ii) Since 2010, Smart Wave has ceased operation and no longer been operating any business, competing or otherwise;
- (iii) The Poons have agreed to enter into a new deed on 13 March 2018 with Fine Elite and its beneficial owner to expressly covenant that all rights, benefits, dividends, obligations, and liabilities as attendant to the Poons' ostensible legal shareholding in Smart Wave would accrue to Fine Elite and its beneficial owner;
- (iv) The Poons are currently arranging the sale of Smart Wave shares held as bare trustee, and has made initial progress.
- (v) The Poons have agreed to update the Company as and when they become aware of anything material relating to Smart Wave (including but not limited to updates in the annual confirmation of compliance with the Non-competition Undertaking to be given by them to the Company every year).

In addition, on 3 August 2017, the borrower of Mr. Katsuaki Shigemitsu repaid the loan to Mr. Katsuaki Shigemitsu by 1% equity interest of Itamae. Therefore, Mr. Katsuaki Shigemitsu has 1% interest in that company's shares since then.

Other than the above, the INEDs have also reviewed the compliance by Ms. Poon Wai, Mr. Poon Ka Man, Jason and Mr. Katsuaki Shigemitsu with the Non-competition Undertaking and any information that they may have provided regarding any investment and engagement by any of them in any F&B business (other than the Company's business, as disclosed in the Prospectus or as disclosed above), and the nature of such investment and engagement. In this connection, the INEDs have also confirmed that, as far as they can ascertain, there is no breach of any of Ms. Poon Wai, Mr. Poon Ka Man, Jason and Mr. Katsuaki Shigemitsu of the Non-competition Undertaking given by her/him.

### Management contracts

No contracts for the management and administration of the whole or any substantial part of the business of the Company were entered into or subsisted during the year.

### Share Option Schemes

The share option scheme adopted pursuant to a resolution passed by the Shareholders on 8 March 2007 (the "2007 Share Option Scheme") had expired on 7 March 2017 and all share options granted under the 2007 Share Option Scheme had lapsed. In light of the expiry of the 2007 Share Option Scheme and in order to enable the Board to continue providing incentives and rewards to the eligible persons, a new share option scheme was adopted by the Shareholders at the extraordinary general meeting of the Company held on 13 July 2017 (the "2017 Share Option Scheme").

The maximum number of Shares which may be allotted and issued upon the exercise of all outstanding options granted and yet to be granted under the 2017 Share Option Scheme and any other share option schemes of the Company must not in aggregate exceed 30% of the Shares in issue from time to time.

## Report of the Directors

The total number of Shares which may be allotted and issued upon the exercise of all options to be granted under the 2017 Share Option Scheme and any other share option schemes of the Group must not in aggregate exceed 10% of the Shares in issue as at the date of adoption of the 2017 Share Option Scheme. The Company may seek approval from its Shareholders in general meeting to refresh such 10% limit.

No service provider sublimit was set under the 2017 Share Option Scheme.

### Purpose of the Schemes

The purpose of the 2017 Share Option Scheme is to enable the Company to grant options to the eligible participants in recognition of their contribution made or to be made to the Group. Under the 2017 Share Option Scheme, the Board may grant options to any Director or employee, or any advisor, consultant, individual or entity who, in the opinion of the Board, has contributed or will contribute to the growth and development of the Group.

### Participants of the Schemes

Under the 2017 Share Option Scheme, the Board may, at its absolute discretion, grant options to any eligible participants, including:

- (i) any non-executive Director or proposed non-executive Director (including an independent non-executive Director) of the Company, any of its subsidiaries or any entity in which any member of the Group holds any equity interest; and/or
- (ii) any adviser (professional or otherwise), consultant, individual or entity who in the opinion of the Board has contributed or will contribute to the growth and development of the Group; and/or
- (iii) any employee (whether full time or part time, including any executive Director but excluding any non-executive Director) of the Company, any subsidiaries or any entity in which any member of the Group holds any equity.

With effective from 1 January 2023, the eligible participants of the 2017 Share Option Scheme were subjected and restricted to the eligible participants under the Rule 17.03A of the Listing Rules.

### Total number of shares available for issue under the Schemes and percentage of issued shares as at the date of this annual report

The total number of shares available for issue under the 2017 Share Option Scheme was 85,907,882 shares, representing approximately 7.87% of the shares of the Company in issue as at the date of this annual report.

### Maximum entitlement of each participant under the Schemes

The total number of shares issued and which may fall to be issued upon exercise of the options granted pursuant to the 2017 Share Option Scheme to an eligible participant (including exercised and outstanding options) in any twelve-month period shall not exceed 1% of the number of shares in issue unless (i) a circular is despatched to the shareholders; (ii) the shareholders approve the grant of the options in excess of the limit referred to therein in general meeting; and (iii) the relevant eligible participant and its close associates or his associates if the eligible participant is a connected person abstain from voting on the resolution. The maximum number of shares which may be issued upon exercise of all options which may be granted under the 2017 Share Option Scheme and any other share options scheme(s) or share award scheme(s), if any, shall not in aggregate exceed 10% of the total number of shares in issue as at the date of approval of the 2017 Share Option Scheme, i.e. a total of 109,153,882 shares.

### The amount payable on application or acceptance of the option and the period within which payments or calls must or may be made or loans for such purposes must be repaid

Under the 2017 Share Option Scheme, a non-refundable nominal consideration of HK\$1.00 is payable by the Grantee upon acceptance of an offer. An offer shall be deemed to have been accepted when the duplicate letter comprising acceptance of the offer duly signed by the eligible participants together with the said consideration of HK\$1.00 is received by the Company.

### The basis of determining the exercise price of options granted

The subscription price in respect of options granted under the 2017 Share Option Scheme may be determined by the Board at its absolute discretion provided that it shall not be less than the higher of:

- (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a business day;
- (ii) the average closing price of the shares as stated in the daily quotations sheets of the Stock Exchange for the five consecutive business days immediately preceding the date of grant; and
- (iii) the nominal value of the shares.

### The period within which the option may be exercised by the grantee under the share option schemes

For any particular option that issued under the 2017 Share Option Scheme, the option period is determined by the Board at its absolute discretion and notified by the Board to the grantee as being the period during which the option may be exercised and in any event such period shall not exceed a period of ten years commencing on the commencement date but subject to the provisions for early termination thereof contained in the 2017 Share Option Scheme.

### The vesting period of options under the share option schemes

The vesting period of options under the 2017 Share Option Scheme are set out in the table on page 86 to page 87 of this annual report.

### The remaining life of the Schemes

The 2017 Share Option Scheme will be valid and effective for a period of ten years, commencing from 13 July 2017. The remaining life of the 2017 Share Option Scheme is approximately two years and three months.

As at 31 December 2025, the number of shares of the 2017 Share Option Scheme had been granted and remained outstanding was 23,246,000 shares, representing approximately 2.13% of the shares of the Company in issue as at 31 December 2025.

### Details of the share options granted

Details of the share options granted under the 2017 Share Option Scheme are contained in note 32 to the consolidated financial statements. No share options were granted or exercised during the years ended 31 December 2025 and 2024. During the years ended 31 December 2025 and 2024, 6,280,000 and 3,015,000 share options lapsed, respectively. The movement during the year ended 2025 and the vesting period of the options granted are as follows:

Name or category of participants	Date of grant	Number of share options movement during the year					As at 31 December 2025	Vesting period/ exercise period	Validity period of shares options	Exercise Price/ Purchase Price HK\$	Price of share	
		As at 1 January 2025	Granted	Exercised	Cancellation	Lapsed (Note 1)					Prior to the grant date of the share options	Prior to the exercise date of the share options
<b>Employee participants</b>												
Tranche 1	8 January 2015	150,000	-	-	-	(150,000)	-	Note 2	8 January 2015 to 7 January 2025	5.900	5.990	-
Tranche 2	17 April 2015	900,000	-	-	-	(900,000)	-	Note 3	17 April 2015 to 16 April 2025	5.060	4.950	-
Tranche 3	2 July 2015	1,420,000	-	-	-	(1,420,000)	-	Note 2	2 July 2015 to 1 July 2025	4.104	4.150	-
Tranche 4	19 July 2017	500,000	-	-	-	-	500,000	Note 2	19 July 2017 to 18 July 2027	3.504	3.470	-
Tranche 5	1 June 2018	1,400,000	-	-	-	(700,000)	700,000	Note 2	1 June 2018 to 31 May 2028	3.256	3.190	-
Tranche 6	14 January 2019	55,000	-	-	-	-	55,000	Note 2	14 January 2019 to 13 January 2029	2.214	2.250	-
Tranche 7	3 June 2019	200,000	-	-	-	-	200,000	Note 2	3 June 2019 to 2 June 2029	3.322	3.300	-
Tranche 8	27 August 2020	700,000	-	-	-	-	700,000	Note 2	27 August 2020 to 26 August 2030	1.250	1.250	-
Tranche 9	1 November 2021	23,201,000	-	-	-	(2,610,000)	20,591,000	Note 2	1 November 2021 to 31 October 2031	1.344	1.350	-
Tranche 10	12 July 2024	1,000,000	-	-	-	(500,000)	500,000	Note 2, 3	12 July 2024 to 11 July 2034	1.010	1.010	-
		29,526,000	-	-	-	(6,280,000)	23,246,000					

Note 1: The number of options which lapsed in accordance with the terms of the 2007 Share Option Scheme and the 2017 Share Option Scheme were 2,470,000 and 3,810,000 respectively.

Note 2: Grantees may only exercise their share options in the following manner:

Note 3: On 12 July 2024, the Company granted 1,000,000 share options to two employees. The closing price of the Company shares immediately before the date of grant of share option was HK\$1.01 per share. The fair value of the options granted was based on the fair value in accordance with Hong Kong Financial Reporting Standard 2 – Share-based Payment: “Fair value is the amount for which asset could be exchanged, a liability settled, or an equity instrument granted could be exchanged, between knowledgeable, willing parties in an arm’s length transaction.” and the fair value on the grant date was approximately HK\$236,000.

<b>Maximum percentage of share options exercisable</b>	<b>Period for vesting of the relevant percentage of the share options</b>
20% of the total number of share options	From the expiry of the first anniversary of the date of grant to the date immediately before the second anniversary of the date of grant
20% of the total number of share options	From the second anniversary of the date of grant to the date immediately before the third anniversary of the date of grant
20% of the total number of share options	From the third anniversary of the date of grant to the date immediately before the fourth anniversary of the date of grant
20% of the total number of share options	From the fourth anniversary of the date of grant to the date immediately before the fifth anniversary of the date of grant
20% of the total number of share options	From the fifth anniversary of the date of grant to the date immediately before the sixth anniversary of the date of grant

Note 3: Grantees may only exercise their share options in the following manner:

<b>Maximum percentage of share options exercisable</b>	<b>Period for vesting of the relevant percentage of the share options</b>
12.5% of the total number of share options	From the expiry of the first anniversary of the date of grant to the date immediately before the second anniversary of the date of grant
12.5% of the total number of share options	From the second anniversary of the date of grant to the date immediately before the third anniversary of the date of grant
12.5% of the total number of share options	From the third anniversary of the date of grant to the date immediately before the fourth anniversary of the date of grant
12.5% of the total number of share options	From the fourth anniversary of the date of grant to the date immediately before the fifth anniversary of the date of grant
12.5% of the total number of share options	From the fifth anniversary of the date of grant to the date immediately before the sixth anniversary of the date of grant
12.5% of the total number of share options	From the sixth anniversary of the date of grant to the date immediately before the seventh anniversary of the date of grant
12.5% of the total number of share options	From the seventh anniversary of the date of grant to the date immediately before the eighth anniversary of the date of grant
12.5% of the total number of share options	From the eighth anniversary of the date of grant to the date immediately before the ninth anniversary of the date of grant

### Directors' rights to acquire shares or debentures

Save as disclosed under the sections headed "Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and its Associated Corporations" and "Share Option Schemes", at no time during the year was the Company or any of its subsidiaries or fellow subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors or any of their spouses or children under the age of eighteen was granted any right to subscribe for the equity or debt securities of the Company or any other body corporate nor had exercised any such right.

### Retirement scheme

Particulars of the retirement scheme of the Company are set out in note 40 to the consolidated financial statements.

### Continuing connected transactions

Details of the continuing connected transactions during the year ended 31 December 2025 are as follows:

## Shigemitsu transactions

Shigemitsu Industry Co., Ltd. (“Shigemitsu”) is a company incorporated in Japan and owned by the Shigemitsu family. Mr. Katsuaki Shigemitsu, a non-executive Director of the Company, indirectly owns approximately 68.35% in Shigemitsu through Shigemitsu Corporation Limited, a company incorporated in Japan which is wholly owned by Mr. Katsuaki Shigemitsu, which is thus a connected person of the Company pursuant to the Listing Rules.

### 1. *The franchise agreements*

The Group entered into respective two franchise agreements with Shigemitsu on 19 February 2006, one in respect of the Mainland China and the other in respect of Hong Kong and Macau (collectively, the “Franchise Agreements”). Pursuant to the Franchise Agreements, Shigemitsu grants a sole, exclusive and perpetual franchise to the Group to operate the franchise business of manufacturing, supplying, marketing, distributing and selling ramen and the special Japanese soup base formulated and produced by Shigemitsu and the business of operating Japanese style ramen FCR chain restaurants under the trade name of “Ajisen Ramen” and related trademarks (the “Franchise Business”).

Pursuant to the Franchise Agreements, the franchise fees and technical fees are payable by the Group to Shigemitsu. The franchise fee is calculated with reference to the number of restaurants and the technical fee is an annual payment for the business of manufacturing and distributing noodles under the “Ajisen” trademark.

The annual cap set for the aggregate franchise fees and technical fees payable under the Franchise Agreements for the year ended 31 December 2025 is RMB28,270,000. The aggregate amount of the franchise fees and the technical fees for the year ended 31 December 2025 was approximately 17,575,000.

The annual cap set for the aggregate royalty of airports in Europe for the year ended 31 December 2025 is RMB150,000. The aggregate amount of the royalty for the year ended 31 December 2025 is approximately RMB61,000.

### 2. *Supply agreements between the Group and Shigemitsu*

Fortune Choice Limited (“Fortune Choice”), an indirect wholly-owned subsidiary of the Company entered into a supply agreement with Shigemitsu on 23 March 2006, as supplemented by a supplemental supply agreement entered into by the same party on 16 September 2006 (the “Supply Agreement”). As the Group intended to continue carrying out the transactions under the Supply Agreement, the Group renewed the Supply Agreement with Fortune Choice on 14 May 2024 for a further three-year term. Pursuant to the Supply Agreement, Shigemitsu agrees to supply materials and supplies which are required by the Group for the operation of the Franchise Business.

Festive Profits Limited (“Festive Profits”), an indirect wholly-owned subsidiary of the Company entered into a supply agreement with Shigemitsu Food (Shanghai) Co., Ltd. (“Shigemitsu Food”) on 14 May 2009 (the “Supply Agreement (PRC)”). As the Group intended to continue carrying out the transactions under the Supply Agreement (PRC), the Group renewed the Supply Agreement (PRC) with Festive Profits on 14 May 2024 for a further three-year term. Shigemitsu Food is wholly owned by Eagle Sky International Limited, which is in turn owned by Mr. Katsuaki Shigemitsu and Shigemitsu as to 60% and 30% respectively. Pursuant to the Supply Agreement (PRC), Shigemitsu Food agrees to sell materials and supplies which are required by the Group for the operation of the Franchise Business in the PRC, including the soup base and other goods.

The annual cap set for the Group’s total amount payable to Shigemitsu under the Supply Agreement and the Supply Agreement (PRC) for the year ended 31 December 2025 is RMB40,233,000. The actual amount payable for the year ended 31 December 2025 was approximately RMB31,298,000.

### 3. *Sales agreement between Fortune Choice and Shigemitsu*

Fortune Choice and Shigemitsu entered into a sales agreement on 23 March 2006 (the “Sales Agreement”). As the Group intended to continue carrying out the transactions under the Sales Agreement, the Group renewed the Sales Agreement with Fortune Choice on 14 May 2024 for a further three-year term. Pursuant to Sales Agreement, Fortune Choice agrees to sell and export various goods to Shigemitsu, including fried onion crispy packs, fried garlic crispy packs and other sundry items.

The annual cap set for Shigemitsu’s total amount payable to the Group under the Sales Agreement for the year ended 31 December 2025 is RMB1,500,000. The actual amount received for the year ended 31 December 2025 was approximately RMB864,000.

### Design Union transactions

Design Union Interior Contracting Limited (“Design Union”) provides design, decoration and renovation services to the Group’s chain restaurants in Hong Kong.

Design Union is jointly owned by Mr. Poon Ka Man, Jason and his wife. Mr. Poon Ka Man, Jason is the younger brother of Ms. Poon Wai and Ms. Ng Minna is his niece. He is also an executive Director of the Company.

A framework agreement was entered into between Design Union and the Group on 8 March 2007 (the “Design Union Agreement”). As the Group intended to continue carrying out the transactions under the Design Union Agreement, the Group renewed the Design Union Agreement with Design Union on 14 May 2024 for a further three-year term. Pursuant to the Design Union Agreement, Design Union agrees to provide services and materials for design, decoration and renovation for restaurants operated or to be operated by the Group in Hong Kong.

The annual cap set for the amount payable by the Group to Design Union under the Design Union Agreement for the year ended 31 December 2025 is RMB5,588,000. The Group has had no transaction with Design Union for the year ended 31 December 2025.

Pursuant to Rule 14A.55 of the Listing Rules, the INEDs have reviewed the above continuing connected transactions during the year and confirmed that the transactions have been entered into:

- (i) in the ordinary and usual course of the business of the Group;
- (ii) either on normal commercial terms or on terms no less favourable to the Group than terms available to or from independent third parties; and
- (iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

Pursuant to Rule 14A.56 of the Listing Rules, the auditor of the Company has performed certain pre-determined procedures and reported their findings regarding the continuing connected transactions entered into by the Group set out above for the year ended 31 December 2025 and stated that:

- (1) nothing has come to their attention that causes them to believe that the above continuing connected transactions have not been approved by the Company's Board of Director;

- (2) for transactions involving the provision of goods or services by the Group, nothing has come to their attention that causes them to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Company;
- (3) nothing has come to their attention that causes them to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and
- (4) with respect to the aggregate amount of each of the continuing connected transactions set out above, nothing has come to their attention that causes them to believe that the above continuing connected transactions have exceeded the annual cap as set by the Company.

As Mr. Poon Ka Man, Jason and Mr. Katsuaki Shigemitsu have interests in the above continuing connected transactions, they have abstained from physically attending meetings or have abstained from voting on any such board resolution of the Group in relation to the relevant continuing connected transactions.

The Group confirms that it will comply or continue to comply with the relevant provisions of Chapter 14A of the Listing Rules in relation to the continuing connected transactions of the Company.

Apart from the above continuing connected transactions, the related party transaction with Ms. Poon as disclosed in note 41 to the consolidated financial statements also constitutes continuing connected transaction as defined in Chapter 14A of the Listing Rules. However, it is exempt from the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. The other related party transactions set out in note 41 to the consolidated financial statements did not constitute connected transactions or continuing connected transactions under Chapter 14A of the Listing Rules.

### Poon Wai transactions

On 30 June 2023, Weiqian Noodle Food Service (Shenzhen) Co., Limited ("Weiqian Noodle Food Service"), an indirect wholly-owned subsidiary of the Company, and Ms. Poon Wai (the chairman, an executive Director and a controlling shareholder of the Company) entered into a lease agreement, pursuant to which Ms. Poon has agreed to lease the office premises located at Rooms 2301, 2302, 2303, 2305, 2306, 2307 and 2309, Golden Central Tower, Futian District, Shenzhen, Guangdong Province, the PRC (with an aggregate floor area of approximately 813.06 square meters) to Weiqian Noodle Food Service upon the terms and subject to the conditions set out in the tenancy agreement for a term of three years commencing on 1 July 2023 until 30 June 2026 (both dates inclusive). The office premises will be used by Weiqian Noodle Food Service as its office. Pursuant to the lease agreement, the monthly rent payable to Ms. Poon amounts to RMB138,220.2. The total monthly rents of the office premises incurred during the period from 1 January 2025 to 31 December 2025 were RMB1,658,642.

On 30 June 2023, Weiqian Noodle (Shenzhen) Co., Limited ("Weiqian Noodle"), an indirect wholly-owned subsidiary of the Company, and Ms. Poon Wai (the chairman, an executive Director and a controlling shareholder of the Company) entered into a lease agreement in relation to office premises at Room 2308, Golden Central Tower, Futian District, Shenzhen, Guangdong Province, the PRC (with an aggregate floor area of approximately 92.75 square meters) to Weiqian Noodle upon the terms and subject to the conditions set out in the tenancy agreement for a term of three years commencing on 1 July 2023 until 30 June 2026 (both dates inclusive). The office premises will

be used by Weiqian Noodle as its office. Pursuant to the lease agreement, the monthly rent payable to Ms. Poon amounts to RMB15,767.5. The total monthly rents of the office premises incurred during the period from 1 January 2025 to 31 December 2025 were RMB189,210.

On 30 June 2025, Shanghai Lead Food & Restaurant Management Co., Ltd. ("Shanghai Lead Food"), an indirect wholly-owned subsidiary of the Company, and JILIN Property 1 S.A. ("JILIN Property", a company wholly owned by Ms. Poon Wai, the chairman, an executive Director and a controlling shareholder of the Company) entered into a renewal agreement, pursuant to which JILIN Property has agreed to lease the office premises located at the whole of 18th Floor, No. 333 Middle Huaihai Road, Shanghai, the PRC (with an aggregate floor area of approximately 2,573.24 square meters) to Shanghai Lead Food upon the terms and subject to the conditions set out in the renewal agreement for a term of three years commencing on 1 July 2025 until 30 June 2028 (both dates inclusive). The office premises will be used by Shanghai Lead Food as its office. Pursuant to the renewal agreement, the monthly rent payable to JILIN Property amounts to RMB573,000. The total rents of the office premises incurred during the period from 1 January 2025 to 31 December 2025 were RMB7,038,000.

### Employee's remuneration and policy

As at 31 December 2025, the Group employed 6,031 persons (31 December 2024: 7,803 persons), most of the Group's employees work in the chain restaurants of the Group in the PRC. The number of employees will be changed from time to time as may be necessary and the remuneration will be determined by reference to the practice of the industry.

The Remuneration Committee conducted regular reviews on its remuneration policy and overall remuneration payment. Besides retirement scheme and internal training courses, employees may be granted discretionary bonus and/or share options based on their performances.

The total remuneration payment of the Group for the year ended 31 December 2025 was approximately RMB490,550,000 (31 December 2024: approximately RMB479,456,000).

Pursuant to code provision E.1.5 of the Code, the annual remuneration of the members of the senior management by band for the year ended 31 December 2025 is set out below:

<b>Remuneration band</b>	<b>Number of individuals</b>
Nil to HK\$500,000	5
HK\$500,001 to HK\$1,000,000	1
HK\$1,000,001 to HK\$2,000,000	2

Details of the remuneration of each of the director of the Company for the year ended 31 December 2025 are set out in note 11 to the consolidated financial statements.

## Permitted Indemnity

Subject to the applicable laws, every director of the Group's companies shall be entitled to be indemnified by the relevant company against all costs, charges, losses, expenses and liabilities incurred by him or her in the execution and discharge of his or her duties or in relation thereto pursuant to their respective articles of associations. Such provisions were in force during the course of the financial year ended 31 December 2025 and remained in force as of the date of this annual report. The Company has taken out insurance against the liability and costs associated with defending any proceedings which may be brought against directors of the Group.

## Auditor

The financial statements have been audited by Deloitte Touche Tohmatsu who retire and, being eligible, offer themselves for re-appointment at the forthcoming AGM.

## Sufficiency of public float

Based on information that is publicly available to the Company and within the knowledge of the Directors, the Directors confirm that the Company has maintained the amount of public float as required by the Listing Rules up to the latest practicable date prior to the issue of this annual report.

## Subsequent events after the reporting period

Save as disclosed above, all Directors are not aware of any significant event requiring disclosure that has taken place subsequent to 31 December 2025 and up to the date of this annual report.

On behalf of the Board

**Poon Wai**

*Chairman and Chief Executive Officer*

Hong Kong, 27 March 2026

## Independent Auditor's Report

# Deloitte.

# 德勤

**TO THE SHAREHOLDERS OF AJISEN (CHINA) HOLDINGS LIMITED**

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

### Opinion

We have audited the consolidated financial statements of Ajisen (China) Holdings Limited (the "Company") and its subsidiaries (collectively referred to as "the Group") set out on pages 99 to 192, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") as issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements of the current period. The matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter.

## Key Audit Matters *(Continued)*

### Key audit matter

### How our audit addressed the key audit matter

#### **Estimated impairment of property, plant and equipment and right-of-use assets**

We identified the impairment of property, plant and equipment and right-of-use assets as a key audit matter because the carrying amounts of these assets were significant and the impairment assessment involved significant management judgement and estimation in determining the recoverable amounts of these assets.

Our procedures in relation to assess management's impairment evaluation included:

As disclosed in note 4 to the consolidated financial statements, management's assessment of whether property, plant and equipment and right-of-use assets are impaired requires an estimation of the recoverable amount of individual assets or the cash generating units ("CGUs") to which the assets belong using a value in use calculation. In assessing value in use, it requires significant management judgments and assumptions with respect to factors such as budgeted revenue, gross margin, and discount rate, which are used to prepare cash flow projections in arriving at the present value of the CGUs.

- Understanding the management's consideration and process for identifying property, plant and equipment and right-of-use assets with impairment indicators;
- Understanding and evaluating the design and implementation of key internal controls related to the impairment assessment of property, plant and equipment and right-of-use assets;
- Understanding the management's methodology adopted and assessing whether the model used by the management in calculating the value in use of the individual cash-generating unit is in compliance with Hong Kong Accounting Standard 36 "Impairment of Assets"; and
- On a sampling basis, evaluating the reasonableness of cash flow projections, including the appropriateness of the key assumptions such as budgeted revenue, gross margin, and discount rate.

At 31 December 2025, the carrying amounts of the Group's property, plant and equipment and right-of-use assets amounted to RMB399,420,000 and RMB614,074,000, respectively, with impairment loss recognised during the year amounted to RMB2,392,000 and RMB10,947,000, respectively.

### Other Information

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

## **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements** *(Continued)*

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Kay, Man Wo (practising certificate number: P04540).

**Deloitte Touche Tohmatsu**

*Certified Public Accountants*

Hong Kong

27 March 2026

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2025

	NOTES	Year ended 31 December	
		2025 RMB'000	2024 RMB'000
Revenue	5	1,831,936	1,717,290
Cost of inventories consumed		(421,777)	(403,638)
Staff costs	10	(490,550)	(479,456)
Depreciation	10	(341,370)	(321,488)
Other operating expenses		(513,686)	(497,793)
Profit from operation		64,553	14,915
Other income	7	81,026	88,981
Impairment gain under expected credit loss ("ECL") model, net of reversal		550	242
Impairment loss recognised in respect of:			
– property, plant and equipment	16	(2,392)	(3,034)
– right-of-use assets	17	(10,947)	(11,527)
– interests in associates	21	–	(6,429)
Other gains and losses	8	(44,166)	(110,510)
Share of loss of associates		(2,260)	(949)
Share of (loss) gain of a joint venture		(240)	772
Finance costs	9	(24,984)	(22,593)
Profit (loss) before tax	10	61,140	(50,132)
Income tax (expense) credit	12	(28,852)	34,891
Profit (loss) for the year		32,288	(15,241)
<b>Other comprehensive (expense) income, net of income tax</b>			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		(29,569)	15,653
Other comprehensive (expense) income for the year, net of income tax		(29,569)	15,653
Total comprehensive income for the year		2,719	412

## Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2025 (Continued)

	NOTE	Year ended 31 December	
		2025 RMB'000	2024 RMB'000
Profit (loss) for the year attributable to:			
Owners of the Company		28,408	(20,224)
Non-controlling interests		3,880	4,983
		<b>32,288</b>	<b>(15,241)</b>
Total comprehensive income (expense) attributable to:			
Owners of the Company		402	(2,845)
Non-controlling interests		2,317	3,257
		<b>2,719</b>	<b>412</b>
		Year ended 31 December	
		2025 RMB	2024 RMB
Earnings (loss) per share			
– Basic	14	0.03	(0.02)
– Diluted		0.03	(0.02)

# Consolidated Statement of Financial Position

At 31 December 2025

	NOTES	31/12/2025 RMB'000	31/12/2024 RMB'000
<b>Non-current assets</b>			
Investment properties	15	759,737	816,634
Property, plant and equipment	16	399,420	437,090
Right-of-use assets	17	614,074	566,180
Goodwill	18	1,352	1,375
Intangible assets	19	1,437	1,808
Interests in associates	21	33,469	35,763
Interest in a joint venture	22	8,353	8,593
Rental deposits		80,054	67,459
Deferred tax assets	20	43,709	34,920
Term deposits with banks		30,250	26,180
Financial assets at fair value through profit or loss ("FVTPL")	23	109,184	115,535
		<b>2,081,039</b>	<b>2,111,537</b>
<b>Current assets</b>			
Inventories	24	69,013	76,625
Trade and other receivables	25	154,168	158,817
Taxation recoverable		176	550
Restricted bank deposits		48	113
Financial assets at FVTPL	23	10,128	10,000
Bank balances and cash	26	1,669,481	1,629,653
		<b>1,903,014</b>	<b>1,875,758</b>
<b>Current liabilities</b>			
Trade and other payables	27	261,719	251,204
Lease liabilities	28	223,819	211,607
Contract liabilities		893	1,005
Amounts due to related companies	29	2,199	4,100
Amounts due to directors	29	2,609	1,111
Amounts due to non-controlling interests	29	13,542	13,551
Amount due to an associate	29	2,240	2,296
Amount due to a joint venture	29	355	323
Taxation payable		20,361	18,183
Bank borrowings	30	5,079	5,287
		<b>532,816</b>	<b>508,667</b>
Net Current Assets		<b>1,370,198</b>	<b>1,367,091</b>
Total Assets less Current Liabilities		<b>3,451,237</b>	<b>3,478,628</b>

## Consolidated Statement of Financial Position

At 31 December 2025 (Continued)

	<i>NOTES</i>	<b>31/12/2025</b> <b>RMB'000</b>	31/12/2024 RMB'000
<hr/>			
Non-current liabilities			
Lease liabilities	28	<b>399,110</b>	365,029
Bank borrowings	30	<b>24,887</b>	29,322
Deferred tax liabilities	20	<b>121,921</b>	116,810
		<b>545,918</b>	511,161
<hr/>			
Net Assets		<b>2,905,319</b>	2,967,467
<hr/>			
Capital and reserves			
Share capital	31	<b>108,404</b>	108,404
Reserves		<b>2,738,362</b>	2,802,867
<hr/>			
Equity attributable to owners of the Company		<b>2,846,766</b>	2,911,271
Non-controlling interests		<b>58,553</b>	56,196
<hr/>			
Total Equity		<b>2,905,319</b>	2,967,467
<hr/>			

The consolidated financial statements on pages 99 to 192 were approved and authorised for issue by the Board of Directors on 27 March 2026 and are signed on its behalf by:

**Poon Ka Man, Jason**  
*DIRECTOR*

**Ng Minna**  
*DIRECTOR*

# Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

	Attributable to owners of the Company												Total RMB'000
	Share capital RMB'000	Share premium RMB'000	Special reserve RMB'000 <i>(note a)</i>	Share- based payments reserve RMB'000 <i>(note b)</i>	Capital reserve RMB'000 <i>(note c)</i>	Properties revaluation reserve RMB'000 <i>(note d)</i>	Translation reserve RMB'000	Statutory surplus reserve fund RMB'000 <i>(note f)</i>	Other reserve RMB'000 <i>(note e)</i>	Retained profits RMB'000	Subtotal RMB'000	Non- controlling interests RMB'000	
As at 1 January 2025	108,404	1,458,431	(234,729)	8,355	1,159	173,305	(144,328)	163,394	(10,005)	1,387,285	2,911,271	56,196	2,967,467
Profit for the year	-	-	-	-	-	-	-	-	-	28,408	28,408	3,880	32,288
Other comprehensive expense for the year	-	-	-	-	-	-	(28,006)	-	-	-	(28,006)	(1,563)	(29,569)
Total comprehensive (expense) income for the year	-	-	-	-	-	-	(28,006)	-	-	28,408	402	2,317	2,719
Transfer	-	-	-	-	-	-	-	284	-	(284)	-	-	-
Dividends recognised as distribution (note 13)	-	(65,492)	-	-	-	-	-	-	-	-	(65,492)	-	(65,492)
Capital contribution from non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	40	40
Recognition of share-based payment (note 32)	-	-	-	585	-	-	-	-	-	-	585	-	585
Transfer on forfeiture and expiry of share options (note 32)	-	-	-	(4,703)	-	-	-	-	-	4,703	-	-	-
As at 31 December 2025	108,404	1,392,939	(234,729)	4,237	1,159	173,305	(172,334)	163,678	(10,005)	1,420,112	2,846,766	58,553	2,905,319

## Consolidated Statement of Changes in Equity

For the year ended 31 December 2025 (Continued)

	Attributable to owners of the Company												Total RMB'000
	Share capital RMB'000	Share premium RMB'000	Special reserve RMB'000 <i>(note a)</i>	Share- based payments reserve RMB'000 <i>(note b)</i>	Capital reserve RMB'000 <i>(note c)</i>	Properties revaluation reserve RMB'000 <i>(note d)</i>	Translation reserve RMB'000	Statutory surplus reserve fund RMB'000 <i>(note f)</i>	Other reserve RMB'000 <i>(note e)</i>	Retained profits RMB'000	Subtotal RMB'000	Non- controlling interests RMB'000	
As at 1 January 2024	108,404	1,545,754	(234,729)	7,414	1,159	173,305	(161,707)	160,285	(10,005)	1,410,511	3,000,391	57,535	3,057,926
(Loss) profit for the year	-	-	-	-	-	-	-	-	-	(20,224)	(20,224)	4,983	(15,241)
Other comprehensive income (expense) for the year	-	-	-	-	-	-	17,379	-	-	-	17,379	(1,726)	15,653
Total comprehensive income (expense) for the year	-	-	-	-	-	-	17,379	-	-	(20,224)	(2,845)	3,257	412
Transfer	-	-	-	-	-	-	-	3,109	-	(3,109)	-	-	-
Dividends recognised as distribution (note 13)	-	(87,323)	-	-	-	-	-	-	-	-	(87,323)	(4,596)	(91,919)
Recognition of share-based payment (note 32)	-	-	-	1,048	-	-	-	-	-	-	1,048	-	1,048
Transfer on forfeiture and expiry of share options (note 32)	-	-	-	(107)	-	-	-	-	-	107	-	-	-
As at 31 December 2024	108,404	1,458,431	(234,729)	8,355	1,159	173,305	(144,328)	163,394	(10,005)	1,387,285	2,911,271	56,196	2,967,467

## Consolidated Statement of Changes in Equity

For the year ended 31 December 2025 (Continued)

Notes:

- (a) The special reserve mainly represents the aggregate of:
- (i) An amount of approximately RMB41 million, representing the difference between the paid-in capital of Ajisen (China) International Limited (“Ajisen International”) and the subsidiaries involved in the group reorganisation in 2007.
  - (ii) A net amount of approximately RMB45 million, arising from:
    - (ii.1) a share premium from the issuance of shares of Ajisen International of RMB219 million to acquire the additional interests in subsidiaries, which resulted in a goodwill of approximately RMB36 million; and
    - (ii.2) an amount of approximately RMB174 million, being the difference between the fair value and the carrying amount of the additional interests in these subsidiaries before the acquisition. This amount represents a revaluation increase in the net assets attributable to the Group’s additional interest in the subsidiaries in 2007.
  - (iii) A net debit amount of approximately RMB321 million, resulting from:
    - (iii.1) the consideration of the acquisition cost of Luck Right Limited (“Luck Right”) and its subsidiaries from Ms. Poon Wai in 2008 which comprised a cash consideration of RMB184 million and share consideration of RMB137 million; and
    - (iii.2) the share capital of Luck Right.
- (b) Share-based payments reserve represents fair values of share options recognised as an expense over their vesting periods on a straight-line basis. When the share options are exercised, their fair values previously recognised in this reserve will be transferred to share premium. If the share options are forfeited after the vesting date or remained unexercised upon expiry, the fair values of share options previously recognised in this reserve will be transferred to retained profits.
- (c) Capital reserve represents the difference between the actual contribution and the registered paid-in capital of certain subsidiaries.
- (d) Properties revaluation reserve represents the difference between:
- (i) the properties’ carrying amounts; and
  - (ii) the fair values of property interest that were previously classified as property, plant and equipment but later reclassified as investment properties at the dates when the Group changed their intention.
- (e) Other reserve arose from the acquisition of additional equity interests in a subsidiary from non-controlling interests during the year ended 31 December 2018.
- (f) In accordance with the relevant laws and regulations governing foreign investment enterprises in People’s Republic of China (the “PRC”), the Company’s subsidiaries in Mainland China (excluding Hong Kong) are required to maintain a statutory surplus reserve fund, which is non-distributable. Appropriations to this reserve are made out of profit after taxation of the statutory financial statements of these subsidiaries, the amounts and allocation are determined annually by their board of directors. The statutory surplus reserve fund can be used to make up prior year losses, if any, or converted into capital through capitalisation issue.

# Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
<b>OPERATING ACTIVITIES</b>		
Profit (loss) before tax	61,140	(50,132)
Adjustments for:		
Fair value loss on financial assets at FVTPL	6,225	9,271
Fair value gain on financial liabilities at FVTPL	–	(2,127)
Fair value loss on investment properties	48,131	101,253
Depreciation of property, plant and equipment	102,457	104,399
Depreciation of right-of-use assets	238,913	217,089
Impairment loss (gain), net of reversal		
– property, plant and equipment	2,392	3,034
– right-of-use assets	10,947	11,527
– interests in associates	–	6,429
– financial assets under ECL model	(550)	(242)
Finance costs	24,984	22,593
Bank interest income	(24,963)	(31,112)
Loss on disposal of property, plant and equipment	1,212	2,293
Net gain on termination of right-of-use assets and lease liabilities	(10,361)	(2,177)
Share-based payments	585	1,048
Share of loss of associates	2,260	949
Share of loss (gain) of a joint venture	240	(772)
Waive of franchise commission	(6,442)	(5,942)
Net foreign exchange (gain) loss	(1,171)	2,627
Operating cash flows before movements in working capital	455,999	390,008
Decrease (increase) in inventories	7,405	(378)
(Increase) decrease in trade and other receivables	(1,904)	19,011
Increase in trade and other payables	21,612	40,611
Decrease in contract liabilities	(112)	(434)
Cash generated from operations	483,000	448,818
Income tax paid	(29,851)	(18,873)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>453,149</b>	<b>429,945</b>
<b>INVESTING ACTIVITIES</b>		
Interest received	25,223	32,037
Proceeds from disposal of property, plant and equipment	1,199	2,119
Payments for purchases of property, plant and equipment, and right-of-use assets	(82,111)	(110,461)
Purchase of financial assets at FVTPL	(231,376)	(55,000)
Proceeds from disposal of financial assets at FVTPL	231,374	71,092
Payments for rental deposits	(18,762)	(28,430)
Refund of rental deposits	7,103	21,723
Withdrawal of restricted bank deposits	65	15,023
Placement of term deposits with original maturity over three months	(637,658)	(812,759)
Withdrawal of term deposits with original maturity over three months	747,251	472,221
<b>NET CASH FROM (USED IN) INVESTING ACTIVITIES</b>	<b>42,308</b>	<b>(392,435)</b>

## Consolidated Statement of Cash Flows

For the year ended 31 December 2025 (Continued)

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
FINANCING ACTIVITIES		
Advance from related companies	1,651	2,274
Repayment to related companies	(3,506)	(35)
Advance from directors	8,991	620
Repayment to directors	(7,487)	(122)
Advance from (repayment to) a joint venture	32	(27)
Bank borrowings raised	11,898	–
Repayment of bank borrowings	(15,739)	(3,640)
Repayment of lease liabilities	(257,678)	(217,857)
Interest paid	(786)	(22,603)
Dividends paid to shareholders of the Company	(65,492)	(87,323)
Dividends paid to non-controlling interests	–	(4,596)
Contribution from non-controlling interests	40	–
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(328,076)</b>	<b>(333,309)</b>
Net increase (decrease) in cash and cash equivalents	167,381	(295,799)
Cash and cash equivalents as at 1 January	840,960	1,135,414
Effect of foreign exchange rate changes on bank balances and cash held in foreign currencies	(8,695)	1,345
Cash and cash equivalents as at 31 December, represented by bank balances and cash	999,646	840,960

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 1. GENERAL INFORMATION

Ajisen (China) Holdings Limited (the “Company”) was incorporated and registered as an exempted company with limited liability on 6 April 2006 under the Companies Law of the Cayman Islands and acts as an investment holding company. Its shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 30 March 2007.

Its immediate holding company is Favor Choice Group Limited, a British Virgin Islands incorporated entity, which is wholly-owned by Anmi Holding Company Limited. Anmi Holding Company Limited is incorporated in the British Virgin Islands and is wholly-owned by Anmi Trust, which is controlled by Ms. Poon Wai (“Ms.Poon”), the Chairwoman and Managing Director of the Company.

The addresses of the registered office and the principal place of business of the Company are detailed in the “Corporate Information” section to the annual report.

The principal activities of the Company and its subsidiaries (the “Group”) are operation of restaurants, manufacture and sales of noodles and related products, and investment holding. The consolidated financial statements are presented in Renminbi (“RMB”), which is also the functional currency of the Company and its Mainland China operating subsidiaries. The functional currency of Hong Kong operating subsidiaries is Hong Kong dollars (“HK\$”). Further details of the Company’s subsidiaries are set out in note 42.

## 2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

### *Amendments to a HKFRS Accounting Standard that are mandatorily effective for the current year*

In the current year, the Group has applied the following amendments to HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21

Lack of Exchangeability

The application of the amendments to a HKFRS Accounting Standard 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 NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS (Continued)

### *New and amendments to HKFRS Accounting Standards in issue but not yet effective*

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

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

Except for the new HKFRS Accounting Standard mentioned below, the directors of the Company anticipate that the application of all the amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

### *HKFRS 18 Presentation and Disclosure in Financial Statements*

HKFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 Presentation of Financial Statements. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (the title of which will be changed to Basis of Preparation of Financial Statements upon effective of HKFRS 18) and HKFRS 7. Minor amendments to HKAS 7 Statement of Cash Flows and HKAS 33 Earnings per Share are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. HKFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss. Additional disclosures required for the Group's MPMs will be disclosed in a separate note to the consolidated financial statements.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025 (Continued)

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

#### 3.1 Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards as issued by the HKICPA. 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 of Hong Kong Limited and by the Hong Kong Companies Ordinance.

#### 3.2 Material accounting policy information

##### *Basis of consolidation*

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

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

#### 3.2 Material accounting policy information (Continued)

##### *Changes in the Group's interests in existing subsidiaries*

Changes in the Group's interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

##### *Interests in associates and a joint venture*

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates and joint venture are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates and joint venture used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the interest in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

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

#### *3.2 Material accounting policy information (Continued)*

##### *Interests in associates and a joint venture (Continued)*

The Group assesses whether there is an objective evidence that the interest in an associate or a joint venture may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

##### *Revenue from contracts with customers*

Information about the Group's accounting policies relating to revenue from contracts with customers is provided in note 5.

##### *Leases*

The Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

##### *Allocation of consideration to components of a contract*

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Non-lease components are separated from lease component and are accounted for by applying other applicable standards.

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

#### 3.2 Material accounting policy information (Continued)

##### *Leases (Continued)*

The Group as a lessee (Continued)

##### *Short-term leases*

The Group applies the short-term lease recognition exemption to leases e.g. stores, that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognised as expense on a straight-line basis unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

##### *Right-of-use assets*

The cost of right-of-use assets includes:

- the amounts of the initial measurement of the lease liabilities; and
- any lease payments made at or before the commencement date.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position. Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

##### *Refundable rental deposits*

Refundable rental deposits paid are accounted under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

##### *Lease liabilities*

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs including: the risk-free rate based on government bond rate and an entity-specific adjustment whether the risk profile of the entity that enters into the lease is different to that of the Group.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025 (Continued)

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

#### 3.2 Material accounting policy information (Continued)

##### *Leases (Continued)*

The Group as a lessee (Continued)

##### *Lease liabilities (Continued)*

The lease payments include fixed payments (including in-substance fixed payments).

Variable lease payments that reflect changes in market rental rates are initially measured using the market rental rates as at the commencement date. Variable lease payments that do not depend on an index or a rate are not included in the measurement of lease liabilities and right-of-use assets, and are recognised as expense in the period in which the event or condition that triggers the payment occurs.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.
- a lease contract is modified and the lease modification is not accounted for as a separate lease (see below for the accounting policy for “lease modifications”).

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

##### *Lease modifications*

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

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

#### 3.2 Material accounting policy information (Continued)

##### *Leases (Continued)*

The Group as a lessee (Continued)

##### *Lease modifications (Continued)*

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use assets. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group as a lessor

##### *Classification and measurement of leases*

Leases for which the Group is a lessor are classified as operating leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis over the lease term except for investment properties measured under fair value model. Variable lease payments that do not depend on an index or a rate are recognised as income when they arise.

##### *Allocation of consideration to components of a contract*

When a contract includes both leases and non-lease components, the Group applies HKFRS 15 to allocate consideration in a contract to lease and non-lease components. Non-lease components are separated from lease component on the basis of their relative stand-alone selling prices.

##### *Refundable rental deposits*

Refundable rental deposits received are accounted for under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.

##### *Lease modification*

Changes in considerations of lease contracts that were not part of the original terms and conditions are accounted for as lease modifications, including lease incentives provided through forgiveness or reduction of rentals.

The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025 (Continued)

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

#### 3.2 Material accounting policy information (Continued)

##### *Foreign currencies*

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. RMB) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve (attributed to non-controlling interests as appropriate).

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

##### *Borrowing costs*

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

##### *Government grants*

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under "other income".

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

#### 3.2 Material accounting policy information (Continued)

##### *Employee benefits*

###### Retirement benefit costs

Payments to state-managed retirement benefit schemes and the Mandatory Provident Fund Scheme are recognised as an expense when employees have rendered service entitling them to the contributions.

###### Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS Accounting Standard requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries) after deducting any amount already paid.

##### *Share-based payments*

###### Equity-settled share-based payment transactions

###### *Share options granted to employees*

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share-based payments reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimate, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payments reserve.

When share options are exercised, the amount previously recognised in share-based payments reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share-based payments reserve will be transferred to retained profits.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025 (Continued)

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

#### 3.2 Material accounting policy information (Continued)

##### *Taxation*

Income tax expense represents the sum of current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit/(loss) before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with interests in subsidiaries, associates and a joint venture, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

#### 3.2 Material accounting policy information (Continued)

##### *Taxation (Continued)*

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 requirements to the lease liabilities and the related assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025 (Continued)

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

#### 3.2 Material accounting policy information (Continued)

##### *Property, plant and equipment*

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes (other than properties under construction as described below). Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Leasehold improvements, plant and machinery in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including costs of testing whether the related assets is functioning properly. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

If a property becomes an investment property because its use has changed as evidenced by end of owner-occupation, any difference between the carrying amount and the fair value of that item (including the relevant leasehold land classified as right-of-use assets) at the date of transfer is recognised in other comprehensive income and accumulated in properties revaluation reserve. On the subsequent sale or retirement of the property, the relevant revaluation reserve will be transferred directly to retained profits.

Depreciation is recognised so as to write off the cost of assets other than properties under construction over their estimated useful lives, using the straight-line method. The estimated useful lives and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

##### *Investment properties*

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at fair value, adjusted to exclude any prepaid or accrued operating lease income.

Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

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

#### 3.2 Material accounting policy information (Continued)

##### *Investment properties (Continued)*

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

If a property becomes an owner-occupied property because its use has been changed as evidenced by commencement of owner-occupation, the fair value of the property at the date of change in use is considered as the deemed cost for subsequent accounting.

##### *Intangible assets*

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less any subsequent accumulated impairment losses.

##### *Impairment on property, plant and equipment, right-of-use assets and intangible assets other than goodwill*

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment and right-of-use assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any). Intangible assets with indefinite useful lives are tested for impairment at least annually, and whenever there is an indication that they may be impaired.

The recoverable amount of property, plant and equipment, right-of-use assets and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025 (Continued)

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

#### 3.2 Material accounting policy information (Continued)

##### *Impairment on property, plant and equipment, right-of-use assets and intangible assets other than goodwill (Continued)*

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

##### *Cash and cash equivalents*

Cash and cash equivalents include:

- (a) cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and
- (b) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

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

#### 3.2 Material accounting policy information (Continued)

##### *Inventories*

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale, including costs to be incurred in marketing, selling and distribution.

##### *Financial instruments*

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at FVTPL) are added to or deducted from the fair value of the financial assets, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

##### *Financial assets*

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established generally by regulation or convention in the market place concerned.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025 (Continued)

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

#### 3.2 Material accounting policy information (Continued)

##### *Financial instruments (Continued)*

##### *Financial assets (Continued)*

##### *Classification and subsequent measurement of financial assets*

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL.

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

(ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the "other gains and losses" line item.

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

#### 3.2 Material accounting policy information (Continued)

##### *Financial instruments (Continued)*

##### *Financial assets (Continued)*

##### *Impairment of financial assets and other item subject to impairment assessment under HKFRS 9*

The Group performs impairment assessment under ECL model on financial assets (including trade and other receivables, rental deposits, bank balances and cash (including term deposits), restricted bank deposits and loan to an associate), and other item (including lease receivables) which are subject to impairment assessment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of past events and current conditions at the reporting date as well as the forecast of future economic conditions.

The Group always recognises lifetime ECL for trade receivables and lease receivables.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports and governmental bodies, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

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

#### 3.2 Material accounting policy information (Continued)

##### Financial instruments (Continued)

##### Financial assets (Continued)

##### Impairment of financial assets and other item subject to impairment assessment under HKFRS 9 (Continued)

##### (i) Significant increase in credit risk (Continued)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) it has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definitions.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

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

#### 3.2 Material accounting policy information (Continued)

##### *Financial instruments (Continued)*

##### *Financial assets (Continued)*

##### *Impairment of financial assets and other item subject to impairment assessment under HKFRS 9 (Continued)*

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025 (Continued)

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

#### 3.2 Material accounting policy information (Continued)

##### *Financial instruments (Continued)*

##### *Financial assets (Continued)*

##### *Impairment of financial assets and other item subject to impairment assessment under HKFRS 9 (Continued)*

##### (v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group uses a practical expedient in estimating ECL on trade receivables using a provision matrix taking into consideration historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and forward-looking information, including time value of money where appropriate, that is available without undue cost or effort.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition. For a lease receivable, the cash flows used for determining the ECL is consistent with the cash flows used in measuring the lease receivable in accordance with HKFRS 16.

Lifetime ECL for certain trade receivables and lease receivables are considered on a collective basis taking into consideration past due information and relevant credit information such as forward-looking macroeconomic information.

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Past-due status;
- Nature, size and industry of debtors.

The grouping is regularly reviewed by the management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables, other receivables and lease receivables where the corresponding adjustment is recognised through a loss allowance account.

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

#### 3.2 Material accounting policy information (Continued)

##### *Financial instruments (Continued)*

##### *Financial assets (Continued)*

##### *Foreign exchange gains and losses*

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- For financial assets measured at amortised cost, exchange differences are recognised in profit or loss in the 'Other gains and losses' line item as part of the net foreign exchange gains/(losses);
- For financial assets measured at FVTPL, exchange differences are recognised in profit or loss in the 'Other gains and losses' line item as part of the gain/(loss) from changes in fair value of financial assets.

##### *Derecognition of financial assets*

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

##### *Financial liabilities and equity*

##### *Classification as debt or equity*

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025 (Continued)

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

#### 3.2 Material accounting policy information (Continued)

##### *Financial instruments (Continued)*

##### *Financial liabilities and equity (Continued)*

##### *Equity instruments*

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

##### *Financial liabilities*

All financial liabilities the Group holds are subsequently measured at amortised cost using the effective interest method.

##### *Financial liabilities at amortised cost*

Financial liabilities including bank borrowings, trade and other payables, amounts due to related companies, amounts due to directors, amounts due to non-controlling interests, amount due to an associate and amount due to a joint venture are subsequently measured at amortised cost, using the effective interest method.

##### *Foreign exchange gains and losses*

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the 'Other gains and losses' line item in profit or loss as part of net foreign exchange gains/(losses) for financial liabilities.

##### *Derecognition of financial liabilities*

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

#### 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

##### *Critical judgements in applying accounting policies*

The following is the critical judgement, apart from those involving estimates (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that has the most significant effect on the amounts recognised in the consolidated financial statements.

##### *Deferred taxation on investment properties*

For the purposes of measuring deferred tax arising from investment properties that are measured using the fair value model, the directors of the Company have reviewed the Group's investment property portfolios and concluded that these properties are not held under a business model whose objective is to consume substantially all of their economic benefits embodied in the investment properties over time. Therefore, in determining the deferred taxation on investment properties located in the Mainland China, as determined by the Company's directors, the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is not rebutted. As a result, deferred tax liabilities of RMB118,967,000 have been recognised as at 31 December 2025 (2024: RMB124,248,000), including land appreciation tax ("LAT") provided for income from sale of properties in the Mainland China. If the final LAT differs from the initially recognised amounts, adjustments will be made in the period when the final LAT is determined.

For investment properties located in Hong Kong, the Group's management has not recognised any deferred taxes on fair value changes of investment properties, as the Group is not subject to any income taxes on the fair value gains of investment properties upon disposal.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025 (Continued)

### 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

#### *Key sources of estimation uncertainty*

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### *Fair value measurement of financial assets*

As at 31 December 2025, certain of the Group's financial assets amounting to RMB26,493,000 (2024: RMB34,995,000) are measured at fair value using valuation techniques based on significant unobservable inputs. Judgements and estimation are required in establishing relevant valuation model and inputs. Changes in assumptions related to these factors could result in material adjustments to the fair value of these financial assets. Details are provided in note 34(c).

For these financial assets, the Group's management may engage a third party qualified valuer to assist with fair value measurement. The management works closely with the qualified external valuer to ensure appropriate valuation techniques are used. The valuation findings are reported to the board of directors of the Company (the "Board") regularly. Any significant fluctuations in the fair value of the related assets are required to be explained.

#### *Estimated impairment of interests in associates*

As at 31 December 2025, the Group's management identified indication of impairment and conducted an impairment assessment on its interests in associates. Determining whether impairment loss should be recognised requires an estimation of the recoverable amount of the associates, which is the higher of value in use and fair value less costs of disposal. The fair value less costs of disposal calculation involves judgements and estimates by the management of the Group in developing the valuation model and inputs. If change in facts and circumstances lead to a revision of these estimates, a material reversal or additional impairment may be recognised in profit or loss for the period when such changes occur.

As at 31 December 2025, the carrying amount of interests in associates subject to impairment assessment was RMB33,469,000 (2024: RMB35,763,000), net of accumulated impairment losses of RMB117,102,000 (2024: RMB117,102,000).

#### *Deferred tax asset*

As at 31 December 2025, deferred tax asset of RMB43,709,000 (2024: RMB34,920,000) was recognised in the consolidated statement of financial position, as disclosed in note 20. The realization of this deferred tax asset mainly depends on the availability of sufficient future taxable profits in the foreseeable future or the reversal of taxable temporary differences within the same period as the expected reversal of the deductible temporary differences. If actual future taxable profits differs from estimates or changes occur in assumptions, a material adjustment to deferred tax assets may be necessary, which would be recognised in profit or loss for the period in which such adjustment takes place.

#### 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

##### *Key sources of estimation uncertainty (Continued)*

##### *Estimated impairment of property, plant and equipment, and right-of-use assets*

At the end of each reporting period, the Group's management will review the Group's property, plant and equipment, and right-of-use assets to determine whether the carrying amount exceeds the recoverable amount of the assets. If any such indication exists, an impairment loss is recognised. The recoverable amount of an asset is the higher of its fair value less costs of disposal and value in use calculated based on its present value of expected future cash flows. When it is not possible to estimate the recoverable amount of an individual asset (including right-of-use assets), the Group estimates the recoverable amount of the CGU to which the assets belongs, including allocation of corporate assets when a reasonable and consistent basis of allocation can be established, otherwise recoverable amount is determined at the smallest group of CGUs, for which the relevant corporate assets have been allocated. In assessing value in use, it involves managements' significant judgments and assumptions on budgeted revenue, gross margin and discount rate when preparing the cash flow forecast to calculate the present value of expected future cash flows. Where the actual future cash flows are less than expected, or change in facts and circumstances which results in downward revision of future cash flow or upward revision of discount rate, additional impairment loss may arise. On the contrary, a reversal of impairment loss may become necessary.

As at 31 December 2025, the carrying amounts of property, plant and equipment and right-of-use assets subject to impairment assessment were RMB5,485,000 and RMB31,723,000 (2024: RMB6,411,000 and RMB39,344,000), respectively, net of accumulated impairment losses of RMB12,457,000 and RMB49,388,000 (2024: RMB10,065,000 and RMB38,441,000) in respect of property, plant and equipment and right-of-use assets that have been recognised, respectively. Details of these impairment assessment are disclosed in notes 16 and 17.

##### *Fair values of investment properties*

Investment properties are measured at fair value based on valuations performed by an external independent professional valuer. The valuation method used to determine the fair value involves assumptions about market conditions, which are detailed in note 15.

The directors of the Company have exercised their judgements and are satisfied that the valuation method reflect current market conditions. However, changes in assumptions, including risks related to market fluctuations, geopolitical and social factors, changes in policy or mortgage requirements, or other unexpected incidents, could impact the fair values of the Group's investment properties and result in adjustments in the consolidated statement of profit or loss and other comprehensive income.

As at 31 December 2025, the carrying amount of the Group's investment properties was RMB759,737,000 (2024: RMB816,634,000).

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025 (Continued)

### 5. REVENUE

(i) *Disaggregation of revenue from contracts with customers*

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Operation of restaurants	1,783,789	1,649,827
Manufacture and sales of noodles and related products	48,147	67,463
	<b>1,831,936</b>	<b>1,717,290</b>
Timing of revenue recognition		
A point in time	<b>1,831,936</b>	<b>1,717,290</b>

(ii) *Performance obligations for contracts with customers and revenue recognition policies*

For operation of restaurants, revenue is recognised when control of the goods is transferred, being the point the customer purchases the goods at the restaurant. Payment of the transaction price is due immediately upon purchase. Advance payments received from certain customers are recorded as contract liabilities until control on the goods is transferred, at which point they are recognised as revenue.

Substantially all advance payments related to restaurant operations are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

During the year, revenue of RMB529,000 (2024: RMB1,080,000) was recognised from contract liabilities that were included in the balance at the beginning of the year.

For manufacture and sales of noodles and related products, revenue is recognised when control of the goods is transferred, being the goods are delivered to the customer's designated location.

## 6. OPERATING SEGMENTS

Information reported to Ms. Poon, being the chief operating decision maker (“CODM”), for the purposes of resource allocation and assessment of segment performance, is analysed based on operating divisions and geographical locations. The Group is organised and specifically focuses on three operating divisions: operation of restaurants, manufacture and sales of noodles and related products, and investment holding. No operating segments have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group’s reportable segments under HKFRS 8 Operating Segments are as follows:

Operation of restaurants	– operation of restaurants in Mainland China – operation of restaurants in Hong Kong
Manufacture and sales of noodles and related products	– manufacture and sales of noodles and related products in Mainland China and Hong Kong
Investment holding	– investments in properties, unlisted equity instruments and fund investments, and investments in associates and joint venture

Information regarding these segments is presented below.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025 (Continued)

### 6. OPERATING SEGMENTS (Continued)

#### Segment revenues and results

The following is an analysis of the Group's revenue and results from continuing operations by reportable segments:

For the year ended 31 December 2025

	Operation of restaurants			Manufacture and sales of noodles and related products RMB'000	Investment holding RMB'000	Total reportable segments RMB'000	Eliminations RMB'000	Total RMB'000
	Mainland	Hong Kong	Total					
	China RMB'000	RMB'000	RMB'000					
SEGMENT REVENUE								
- External sales	1,517,938	265,851	1,783,789	48,147	-	1,831,936	-	1,831,936
- Inter-segment sales	-	-	-	685,618	-	685,618	(685,618)	-
	1,517,938	265,851	1,783,789	733,765	-	2,517,554	(685,618)	1,831,936
Segment profit (loss)	86,773	5,086	91,859	2,830	(20,059)*	74,630	-	74,630
Interest income								24,963
Unallocated administrative expenses								(37,678)
Unallocated finance costs								(775)
Profit before tax								61,140
Income tax expense								(28,852)
Profit for the year								32,288

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025 (Continued)

### 6. OPERATING SEGMENTS (Continued)

#### Segment revenues and results (Continued)

The following is an analysis of the Group's revenue and results from continuing operations by reportable segments: (Continued)

For the year ended 31 December 2024

	Operation of restaurants			Manufacture and sales of noodles and related products RMB'000	Investment holding RMB'000	Total reportable segments RMB'000	Eliminations RMB'000	Total RMB'000
	Mainland	Hong Kong	Total					
	China RMB'000	RMB'000	RMB'000					
SEGMENT REVENUE								
– External sales	1,452,891	196,936	1,649,827	67,463	–	1,717,290	–	1,717,290
– Inter-segment sales	–	–	–	619,163	–	619,163	(619,163)	–
	1,452,891	196,936	1,649,827	686,626	–	2,336,453	(619,163)	1,717,290
Segment profit (loss)	13,396	2,388	15,784	2,947	(60,482)*	(41,751)	–	(41,751)
Interest income								31,112
Unallocated administrative expenses								(38,484)
Unallocated finance costs								(1,009)
Loss before tax								(50,132)
Income tax credit								34,891
Loss for the year								(15,241)

\* Segment profit (loss) in investment holding segment included share of loss of associates and a joint venture totalling RMB2,500,000 (2024: RMB177,000) for the current and prior reporting periods, respectively.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025 (Continued)

### 6. OPERATING SEGMENTS (Continued)

#### Other information

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3. Segment profit (loss) represents the profit earned/loss incurred by each segment, excluding interest income, certain administrative expenses and finance costs, and income tax credit (expense). This measure is reported to the CODM, Ms. Poon, for resource allocation and performance assessment.

Inter-segment sales are conducted at prevailing market rates.

Total assets and total liabilities are not reported, as this financial information is not reviewed by the CODM when evaluating performance or allocating resources across the Group's business activities.

All of the Group's non-current assets, including investment properties, property, plant and equipment, right-of-use assets, goodwill, intangible assets, interests in associates (other than loan to an associate) and a joint venture, are located within the Group entities' regions of domicile, namely Mainland China and Hong Kong.

The following table set forth the Group's revenue from external customers and the Group's non-current assets by geographical location of assets:

	Revenue from external customers		Non-current assets	
	Year ended 31 December		Year ended 31 December	
	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Mainland China	1,560,325	1,511,068	1,341,971	1,376,716
Hong Kong	271,611	206,222	474,521	489,343
	1,831,936	1,717,290	1,816,492	1,866,059

Note: Non-current assets excluded financial assets at FVTPL, loan to an associate, rental deposits, term deposits with banks and deferred tax assets.

None of the customers accounted for 10% or more of the total revenue of the Group during the current and prior reporting periods.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025 (Continued)

### 7. OTHER INCOME

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Royalty income from sub-franchisee ( <i>note i</i> )	4,957	5,420
Gross rental income from investment properties ( <i>note ii</i> )	38,486	42,680
Less: direct operating expenses incurred for investment properties generating rental income during the year	(1,689)	(1,732)
	<b>36,797</b>	40,948
Bank interest income	24,963	31,112
Waive of franchise commission payable to a related party ( <i>note iii</i> )	6,442	5,942
Government grants ( <i>note iv</i> )	1,116	2,030
Others	6,751	3,529
	<b>81,026</b>	88,981

*Notes:*

- (i) The Group grants franchisees the right to operate restaurants under the "Ajisen" brand for fixed contract terms. Royalty income is recognised over time based on the amounts specified in the contract.
- (ii) Property rental income is recognised on a straight-line basis over the lease terms. All leases for the years ended 31 December 2025 and 2024 were operating leases with fixed lease payments.
- (iii) During the years ended 31 December 2025 and 2024, the franchise commission payable to Shigemitsu Industry Co., Ltd ("Shigemitsu Industry"), a related party, was waived under mutually agreed terms between the Group and Shigemitsu Industry.
- (iv) In the year ended 31 December 2025, the Group recognised government grants of RMB1,116,000 (2024: RMB2,030,000), representing subsidies received from local district authorities in the Mainland China for business activities conducted by the Group. These grants had no specific conditions attached.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025 (Continued)

### 8. OTHER GAINS AND LOSSES

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Fair value loss on investment properties	<b>(48,131)</b>	(101,253)
Loss on disposal of property, plant and equipment	<b>(1,212)</b>	(2,293)
Net gain on early termination of leases	<b>10,361</b>	2,177
Fair value loss on financial assets at FVTPL	<b>(6,225)</b>	(9,271)
Fair value gain on financial liabilities at FVTPL	–	2,127
Net foreign exchange gain (loss)	<b>1,041</b>	(1,997)
	<b>(44,166)</b>	(110,510)

### 9. FINANCE COSTS

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Interest on lease liabilities	<b>24,209</b>	21,584
Interest on bank borrowings	<b>775</b>	1,009
	<b>24,984</b>	22,593

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025 (Continued)

### 10. PROFIT (LOSS) BEFORE TAX

Profit (loss) before tax has been arrived at after charging:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Directors' remuneration ( <i>note 11</i> )	4,926	4,782
Salaries, wages and other benefits	439,091	426,328
Retirement benefits scheme contributions	45,948	47,298
Share-based payment	585	1,048
<b>Total staff costs</b>	<b>490,550</b>	<b>479,456</b>
Depreciation of property, plant and equipment	102,457	104,399
Depreciation of right-of-use assets	238,913	217,089
<b>Total depreciation</b>	<b>341,370</b>	<b>321,488</b>
Auditor's remuneration:		
Audit services	2,800	3,100

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025 (Continued)

### 11. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' REMUNERATION

The emoluments paid or payable to directors and the chief executive are as follows:

	2025					2024				
	Fees	Salaries and other benefits	Performance related incentives	Retirement benefits	Total	Fees	Salaries and other benefits	Performance related incentives	Retirement benefits	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive directors			(note)					(note)		
Ms. Poon	-	1,966	124	-	2,090	-	1,944	137	-	2,081
Ms. Ng Minna	-	937	143	16	1,096	-	854	142	17	1,013
Mr. Poon Ka Man Jason	-	865	64	-	929	-	854	71	-	925
Non-executive directors										
Mr. Katsuaki Shigenitsu	111	-	-	-	111	112	-	-	-	112
Mr. Yew Yat On	175	-	-	-	175	172	-	-	-	172
Independent non-executive directors										
Mr. Jen Shek Voon	175	-	-	-	175	176	-	-	-	176
Mr. Peter Lo	175	-	-	-	175	176	-	-	-	176
Mr. Ho Pak Chuen Brian	175	-	-	-	175	127	-	-	-	127
	811	3,768	331	16	4,926	763	3,652	350	17	4,782

Note: The performance related incentive bonuses for the years ended 31 December 2025 and 2024 were determined based on performance of the Group and individuals.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025 (Continued)

### 11. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' REMUNERATION

(Continued)

Ms. Poon also serves as Chief Executive Officer of the Company, and her emoluments disclosed above include compensation for her services in this role.

The executive directors' emoluments shown above were for their services in managing the affairs of the Company and the Group. The emoluments of the non-executive and independent non-executive directors were for their services as directors of the Company.

There were no arrangements during the year under which a director or the chief executive officer waived or agreed to waive their remuneration.

Among the five individuals with the highest emoluments in the Group, three (2024: three) were directors of the Company, and their emoluments are included in the disclosures above. The emoluments of the remaining two (2024: two) individuals are as follows:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Employees		
– Salaries and other benefits	1,362	1,200
– Share-based payment	–	30
– Retirement benefits scheme contributions	226	247
	<b>1,588</b>	<b>1,477</b>

The number of the highest paid employees whose remuneration fell within the following bands is as follows:

	No. of employees	
	2025	2024
Nil to HK\$1,000,000	2	2
HK\$1,000,001 to HK\$1,500,000	2	2
HK\$2,000,001 to HK\$2,500,000	1	1
	<b>5</b>	<b>5</b>

During the current and prior reporting periods, no emoluments were paid by the Group to the directors or five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025 (Continued)

### 12. INCOME TAX EXPENSE (CREDIT)

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Hong Kong Profits Tax		
– Current year	1,856	2,749
– (Over) under provision in prior years	(1,212)	82
	644	2,831
Mainland China Income Tax		
– Current year	18,685	9,227
– Under provision in prior years	543	124
	19,228	9,351
Withholding tax paid	12,643	–
Deferred taxation credit (note 20)	(3,663)	(47,073)
	28,852	(34,891)

Under the two-tiered profits tax rates regime of Hong Kong, the first HK\$2 million of assessable profit for a qualifying group entity is taxed at 8.25%, while profits above HK\$2 million are taxed at 16.5%. Group entities that do not qualify for the two-tiered profits tax rates regime continue to be taxed at a flat rate of 16.5% on their estimated assessable profit.

In accordance with the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the subsidiaries in Mainland China are subject to EIT rate of 25%.

Pursuant to the relevant provincial policy, Chongqing Ajisen Catering&Culture Co.,Ltd. 重慶味千餐飲文化有限公司 (“Chongqing Weiqian”), a subsidiary of the Group, successfully applied a preferential tax rate of 15% for a term of 9 years from 2021 to 2030.

According to the tax law and implementation regulations in the PRC, dividends paid from net profits earned by the operating subsidiaries in Mainland China after 1 January 2008 are subject to withholding tax at a rate of 10%, unless a lower treaty rate applies. Under the relevant tax treaty, dividends paid to Hong Kong resident companies are subject to a reduced withholding tax rate of 5%. Withholding tax has been provided based on the anticipated level of dividend payout ratio of the entities in Mainland China.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025 (Continued)

### 12. INCOME TAX EXPENSE (CREDIT) (Continued)

Income tax expense (credit) for the year is reconciled to (loss) profit before tax as follows:

	Hong Kong				Mainland China				Total			
	2025		2024		2025		2024		2025		2024	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
(Loss) profit before tax	(21,356)		(12,960)		82,496		(37,172)		61,140		(50,132)	
Tax at the applicable income tax rate	(3,524)	16.5	(2,138)	16.5	20,624	25.0	(9,293)	25.0	17,100	28.0	(11,431)	22.8
Tax effect of expenses not deductible for tax purpose	5,801	(27.2)	5,880	(45.4)	2,031	2.5	12,421	(33.4)	7,832	12.8	18,301	(36.5)
Tax effect of income not taxable for tax purpose	(2,513)	11.8	(2,482)	19.2	(563)	(0.7)	(193)	0.5	(3,076)	(5.0)	(2,675)	5.3
Tax effect of tax losses not recognised	3,573	(16.7)	2,559	(19.7)	2,188	2.7	9,198	(24.7)	5,761	9.4	11,757	(23.5)
Tax effect of deductible temporary differences not recognised	-	-	-	-	(136)	(0.2)	-	-	(136)	(0.2)	-	-
Tax effect of utilisation of tax losses previously not recognised	(1,435)	6.7	(1,242)	9.6	(5,581)	(6.8)	(3,566)	9.6	(7,016)	(11.5)	(4,808)	9.6
Income tax at concessionary rate	-	-	-	-	(2,850)	(3.5)	(1,620)	4.4	(2,850)	(4.7)	(1,620)	3.2
Withholding tax on dividends from subsidiaries in Mainland China	-	-	-	-	15,845	19.2	2,298	(6.2)	15,845	25.9	2,298	(4.6)
(Over) under provision in prior years	(1,212)	5.7	82	(0.6)	543	0.7	124	(0.3)	(669)	(1.1)	206	(0.4)
Others	1,239	(5.8)	69	(0.5)	153	0.2	215	(0.6)	1,392	2.3	284	(0.6)
LAT effect	-	-	-	-	(5,331)	(6.5)	(47,203)	127.0	(5,331)	(8.7)	(47,203)	94.2
Tax expense (credit) and effective rate for the year	1,929	(9.0)	2,728	(21.0)	26,923	32.6	(37,619)	101.2	28,852	47.2	(34,891)	69.6

### 13. DIVIDENDS

Dividends for ordinary shareholders of the Company recognised as distribution during the year:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Final, paid – RMB0.06 (HK\$0.064) per share for 2024 (2024: paid – RMB0.08 (HK\$0.086) per share for 2023)	65,492	87,323

Subsequent to the end of the reporting period, a final dividend and special dividend in respect of the year ended 31 December 2025 of RMB0.07 (HK\$0.079) and RMB0.03 (HK\$0.034), respectively, (2024: final dividend in respect of the year ended 31 December 2024 of RMB0.06 (HK\$0.064)) per ordinary share, in an aggregate amount of RMB109,154,000 (HK\$123,188,000) (2024: RMB65,492,000 (HK\$69,858,000)), has been proposed by the directors of the Company and is subject to approval by the shareholders in the annual general meeting.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025 (Continued)

### 14. EARNINGS (LOSS) PER SHARE

The calculation of the basic and diluted earnings (loss) per share from continuing operations attributable to owners of the Company is based on the following data:

*Earnings (loss) figures are calculated as follows:*

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Earnings (loss) for the purposes of basic and diluted earnings (loss) per share, being earnings (loss) for the year attributable to owners of the Company	<b>28,408</b>	(20,224)

*Number of shares*

	Year ended 31 December	
	2025	2024
Weighted average number of ordinary shares for the purpose of calculating basic and diluted earnings (loss) per share	<b>1,091,538,820</b>	1,091,538,820

In respect of the year ended 31 December 2025, the computation of diluted earnings per share did not assume the exercise of outstanding share options of the Company as the exercise price of the Company's outstanding options is higher than the average market price of the Company's share.

In respect of the year ended 31 December 2024, the computation of diluted loss per share did not assume the exercise of outstanding share options of the Company as this would result in the decrease in the loss per share.

### 15. INVESTMENT PROPERTIES

The Group leases out various offices and warehouses under operating leases with rental payments on monthly basis. The leases typically run for an initial period of 1 to 20 years (2024: 1 to 20 years) with extension rights available to lessees only.

The Group is not exposed to foreign currency risk on these lease arrangements, as all leases are denominated in the functional currencies of the respective group entities. The lease contracts do not contain residual value guarantee and/or lessee's option to purchase the property at the end of the lease term.

For the year ended 31 December 2025, the total cash outflow for leases amounted to RMB664,000 (2024: RMB558,000).

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025 (Continued)

### 15. INVESTMENT PROPERTIES (Continued)

	<b>Investment Properties</b> RMB'000
FAIR VALUE	
As at 1 January 2024	1,007,255
Exchange alignment	8,257
Transfer to property, plant and equipment	(97,625)
Net decrease in fair value recognised in profit or loss	(101,253)
As at 31 December 2024	816,634
Exchange alignment	(8,766)
Net decrease in fair value recognised in profit or loss	(48,131)
As at 31 December 2025	759,737

All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are measured using the fair value model and are classified as investment properties.

The fair value of the Group's investment properties as at 31 December 2025 was determined based on valuations conducted by Roma (meta) Group Limited and as at 31 December 2024 was determined based on valuations conducted by International Valuation Limited, both are independent qualified professional valuers not connected to the Group.

The management works closely with the qualified external valuer to determine appropriate valuation techniques and key inputs. The Chief Financial Officer reports management's findings to the Board, providing explanations for any fluctuations in the fair value of the investment properties.

Details of the Group's investment properties are as follows:

	<b>31/12/2025</b> RMB'000	31/12/2024 RMB'000
Commercial property units located in Hong Kong	<b>332,385</b>	375,325
Commercial property units located in Mainland China	<b>427,352</b>	441,309
	<b>759,737</b>	816,634

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025 (Continued)

### 15. INVESTMENT PROPERTIES (Continued)

The table below provides details on the determination of the fair values of these investment properties as at 31 December 2025, including the valuation techniques and inputs used. It also indicates the fair value hierarchy, which is categorised based on the degree of observability of the significant inputs.

Type	Fair value hierarchy	Valuation technique(s)	Significant unobservable input(s)	Range
Commercial office units in Mainland China	Level 3	Direct comparison approach	Market unit rate (note i)	RMB17,546 (2024: RMB16,765) per square meter ("sqm")
		Income capitalisation approach	Monthly market rent (note ii)	RMB62.35 to RMB127.39 (2024: RMB62.66 to RMB124.40) per sqm per month
			Capitalisation rate (note iii)	5.50% to 9.70% (2024: 5.50% to 9.70%)
Industrial properties in Mainland China	Level 3	Direct comparison approach	Market unit rate (note i)	RMB7,277 to RMB7,545 (2024: RMB7,658 to RMB7,696) per sqm
		Income capitalisation approach	Monthly market rent (note ii)	RMB4.11 to RMB228.86 (2024: RMB5.11 to RMB282.00) per sqm per month
			Capitalisation rate (note iii)	1.40% to 9.50% (2024: 1.65% to 9.00%)
Car parking spaces in Mainland China	Level 3	Direct comparison approach	Market unit rate (note i)	RMB444,723 (2024: RMB450,000) per unit
Commercial office units in Hong Kong	Level 3	Direct comparison approach	Market unit rate (note i)	RMB2,507 (2024: RMB2,822) per square feet ("sq ft")
Industrial properties in Hong Kong	Level 3	Direct comparison approach	Market unit rate (note i)	RMB2,505 to RMB10,855 (2024: RMB2,790 to RMB20,177) per sq ft
Car parking spaces in Hong Kong	Level 3	Direct comparison approach	Market unit rate (note i)	RMB1,535,000 to RMB2,168,000 (2024: RMB1,482,000 to RMB2,037,000) per unit

Notes:

- (i) An increase in the market unit rate used would result in an increase in fair value, and vice versa.
- (ii) An increase in the market rent used would result in an increase in fair value, and vice versa.
- (iii) An increase in the capitalisation rate used would result in an decrease in fair value, and vice versa.

As at 31 December 2025 and 2024, the Group pledged certain of its investment properties as security for its general banking facilities. Further details are set out in note 37.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025 (Continued)

### 16. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Leasehold improvements	Furniture, fixtures and equipment	Motor vehicles	Plant and machinery	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
COST							
As at 1 January 2024	453,426	923,055	201,004	7,950	387,391	1,223	1,974,049
Exchange alignment	121	2,253	125	64	684	26	3,273
Additions	–	70,838	14,686	–	8,671	7,378	101,573
Transfer from investment properties	97,625	–	–	–	–	–	97,625
Transfer	–	6,694	–	–	–	(6,694)	–
Disposals	–	(78,145)	(51,658)	(281)	(17,225)	–	(147,309)
As at 31 December 2024	551,172	924,695	164,157	7,733	379,521	1,933	2,029,211
Exchange alignment	(139)	(2,916)	(145)	(74)	(848)	(72)	(4,194)
Additions	639	38,846	12,888	–	8,944	9,198	70,515
Transfer	–	7,386	–	–	7	(7,393)	–
Disposals	–	(45,740)	(32,579)	(247)	(8,307)	–	(86,873)
As at 31 December 2025	551,672	922,271	144,321	7,412	379,317	3,666	2,008,659
ACCUMULATED DEPRECIATION AND IMPAIRMENT							
As at 1 January 2024	228,810	889,941	179,516	6,954	319,757	–	1,624,978
Exchange alignment	57	1,764	100	56	619	11	2,607
Provided for the year	19,099	53,785	17,256	352	13,151	756	104,399
Eliminated on disposals	–	(75,857)	(51,373)	(281)	(15,386)	–	(142,897)
Impairment loss recognised in profit or loss (note 17)	–	3,034	–	–	–	–	3,034
As at 31 December 2024	247,966	872,667	145,499	7,081	318,141	767	1,592,121

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025 (Continued)

### 16. PROPERTY, PLANT AND EQUIPMENT (Continued)

	Buildings	Leasehold improvements	Furniture, fixtures and equipment	Motor vehicles	Plant and machinery	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Exchange alignment	(66)	(2,224)	(117)	(70)	(757)	(35)	(3,269)
Provided for the year	19,119	53,824	17,310	241	10,770	1,193	102,457
Eliminated on disposals	–	(43,448)	(32,479)	(247)	(8,288)	–	(84,462)
Impairment loss recognised in profit or loss (note 17)	–	2,392	–	–	–	–	2,392
As at 31 December 2025	267,019	883,211	130,213	7,005	319,866	1,925	1,609,239
CARRYING VALUES							
As at 31 December 2025	284,653	39,060	14,108	407	59,451	1,741	399,420
As at 31 December 2024	303,206	52,028	18,658	652	61,380	1,166	437,090

The above items of property, plant and equipment, except for construction in progress, are depreciated over their useful lives, on a straight-line method at the following rates per annum:

Buildings	5%
Leasehold improvements	Over the lease term
Furniture, fixtures and equipment	10% - 33%
Motor vehicles	20%
Plant and machinery	5% - 33%

The Group's buildings which are situated in Mainland China are erected on land with medium-term leases.

As at 31 December 2025 and 2024, the Group pledged certain of its property, plant and equipment as security for its general banking facilities granted. Details of the asset pledge are set out in note 37.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025 (Continued)

### 17. RIGHT-OF-USE ASSETS

	Land use right RMB'000	Leased properties RMB'000	Total RMB'000
<b>As at 31 December 2025</b>			
Carrying amount	31,357	582,717	614,074
<b>As at 31 December 2024</b>			
Carrying amount	32,708	533,472	566,180
<b>For the year ended 31 December 2025</b>			
Depreciation charge	(1,208)	(237,705)	(238,913)
Exchange alignment	(143)	(1,422)	(1,565)
<b>For the year ended 31 December 2024</b>			
Depreciation charge	(1,207)	(215,882)	(217,089)
Exchange alignment	128	1,178	1,306
		<b>31/12/2025</b>	31/12/2024
		<b>RMB'000</b>	RMB'000
Expense relating to short-term leases		<b>20,820</b>	12,836
Variable lease payments not included in the measurement of lease liabilities		<b>19,408</b>	21,743
Total cash outflow for leases		<b>316,668</b>	252,436
Additions to right-of-use assets		<b>322,961</b>	375,971
Termination of right-of-use assets		<b>(23,642)</b>	(6,345)
Impairment loss of right-of-use assets recognised in profit or loss		<b>(10,947)</b>	(11,527)

For the years ended 31 December 2025 and 2024, the Group leased various offices and chain stores for its operations. Lease contracts were entered into for fixed term of 1 to 15 years (2024: 1 to 15 years) and negotiated individually and varied significantly in terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applied the definition of a contract and determined the enforceable period accordingly.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025 (Continued)

### 17. RIGHT-OF-USE ASSETS (Continued)

Additionally, the Group owns several office and factory buildings, primarily used for its manufacturing operations. The Group entities are the registered owner of these property interests, including the underlying leasehold lands. Lump sum payments were made upfront to acquire these property interests. The leasehold land components of these owned properties are presented separately only if the payments made can be allocated reliably.

The Group regularly entered into short-term leases for stores. As at 31 December 2025 and 2024, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short term lease expense disclosed above.

#### Variable lease payments

Leases of chain stores are either with only fixed lease payments or contain variable lease payments based on 5% to 30% (2024: 5% to 30%) of sales, along with minimum annual fixed lease payments. These payment structures are common for chain stores where the Group operates. The amounts of fixed and variable lease payments paid/payable to lessors for the years ended 31 December 2025 and 2024 are set out below:

For the year end 31 December 2025

	Number of Stores	Fixed payments RMB'000	Variable payments RMB'000	Total payments RMB'000
Chain stores without variable lease payments	245	106,120	–	106,120
Chain stores with variable lease payments	349	162,551	19,408	181,959

For the year end 31 December 2024

	Number of Stores	Fixed payments RMB'000	Variable payments RMB'000	Total payments RMB'000
Chain stores without variable lease payments	230	102,806	–	102,806
Chain stores with variable lease payments	332	118,096	21,743	139,839

The overall financial effect of using variable payment terms is that higher sales incur higher rental costs. However, variable rental expenses are expected to account for a smaller proportion of store sales in future years.

## 17. RIGHT-OF-USE ASSETS (Continued)

### *Restrictions or covenants on leases*

As at 31 December 2025, the Group recognised lease liabilities of RMB622,929,000 (2024: RMB576,636,000) along with related right-of-use assets of RMB582,717,000 (2024: RMB533,472,000). The lease agreements do not impose any covenants other than the security interests held by the lessor over the leased assets. Additionally, leased assets cannot be used as security for borrowing purposes.

### *Rent concessions*

During the years ended 31 December 2025 and 2024, no rent concessions were provided to the Group.

### *Impairment assessment*

For the year ended 31 December 2025, the overall food catering market was in a recovery phase. As a result, certain restaurants of the Group did not achieve the break-even profitability. Given this, the management identified indicators of impairment and conducted an impairment assessment on specific property, plant and equipment, as well as right-of-use assets. The aggregate carrying amounts of these assets totalled RMB37,208,000 (2024: RMB45,755,000), net of accumulated impairment losses of RMB61,845,000 (2024: RMB48,506,000).

The recoverable amount of each CGU, representing each individual restaurant, has been determined using a value in use calculation. As at 31 December 2025, this calculation is based on cash flow projections derived from financial budgets approved by the management, covering the lease terms. The pre-tax discount rates applied were 9.12% (2024: 9.00%) for Mainland China and of 8.67% (2024: 9.23%) for Hong Kong.

Key assumptions in the value in use calculation include budgeted revenue, gross margin and discount rate, which are mainly determined based on the CGUs' past performance and management's expectations for market development.

Following the impairment assessment, management concluded that the recoverable amounts of certain CGUs or group of CGUs were lower than their carrying amounts. The impairment loss was allocated to each category of property, plant and equipment and right-of-use assets such that the carrying amount of each category of asset was not reduced below the highest of its fair value less cost of disposal, value in use and zero.

Based on the value in use calculation and the allocation, an impairment loss of RMB2,392,000 and RMB10,947,000 (2024: RMB3,034,000 and RMB11,527,000), was recognised against the carrying amounts of property, plant and equipment and right-of-use assets, respectively.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025 (Continued)

### 18. GOODWILL

	<b>Group of certain Mainland China Restaurants CGUs</b>	<b>Group of certain Hong Kong Restaurants CGUs</b>	<b>Total</b>
	RMB'000	RMB'000	RMB'000
<b>COST</b>			
As at 1 January 2024	1,355	31,865	33,220
Exchange alignment	20	697	717
As at 31 December 2024	1,375	32,562	33,937
Exchange alignment	(23)	(801)	(824)
As at 31 December 2025	1,352	31,761	33,113
<b>ACCUMULATED IMPAIRMENT</b>			
As at 1 January 2024	–	(31,865)	(31,865)
Exchange alignment	–	(697)	(697)
As at 31 December 2024	–	(32,562)	(32,562)
Exchange alignment	–	801	801
As at 31 December 2025	–	(31,761)	(31,761)
<b>CARRYING VALUES</b>			
As at 31 December 2025	1,352	–	1,352
As at 31 December 2024	1,375	–	1,375

As at 31 December 2025, goodwill before impairment amounting to RMB31,761,000 is allocated to the CGUs of certain restaurants operated in Hong Kong (“the group of certain Hong Kong Restaurants CGUs”) and goodwill amounting to RMB1,352,000 is allocated to the CGUs of certain restaurants operated in Mainland China (“the group of certain Mainland China Restaurants CGUs”).

Based on the management’s assessment, no additional impairment loss was required for the years ended 31 December 2024 and 2025.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025 (Continued)

### 19. INTANGIBLE ASSETS

	Trademark RMB'000
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COST	
As at 1 January 2024	14,359
Exchange alignment	583
<hr/>	
As at 31 December 2024	14,942
Exchange alignment	(969)
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As at 31 December 2025	13,973
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ACCUMULATED IMPAIRMENT	
As at 1 January 2024	(12,853)
Exchange alignment	(281)
<hr/>	
As at 31 December 2024	(13,134)
Exchange alignment	598
<hr/>	
As at 31 December 2025	(12,536)
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CARRYING VALUES	
As at 31 December 2025	1,437
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As at 31 December 2024	1,808
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The Group's management considers the trademark has indefinite useful life, as it is expected to generate net cash inflows indefinitely. The trademark will not be amortised until its useful life is determined to be finite. Instead, it will be tested for impairment annually and whenever there is an indication that it may be impaired.

No additional impairment loss is required for the years ended 31 December 2025 and 2024 as the management of the Group is of the opinion that the carrying amounts do not exceed their recoverable amounts.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025 (Continued)

### 20. DEFERRED TAXATION

The following is the analysis of the deferred tax balances for financial reporting purposes:

	2025 RMB'000	2024 RMB'000
Deferred tax assets	43,709	34,920
Deferred tax liabilities	(121,921)	(116,810)
	<b>(78,212)</b>	<b>(81,890)</b>

The following is the deferred tax assets (liabilities) recognised by the Group and movements thereon during the year.

	Revaluation of properties in Mainland China RMB'000	LAT in Mainland China RMB'000 <i>(note)</i>	Lease liability RMB'000	Right-of-use assets RMB'000	Withholding tax on undistributed dividends RMB'000	Revaluation of financial assets at FVTPL RMB'000	Impairment of interests in associates RMB'000	Tax losses RMB'000	Others RMB'000	Total RMB'000
As at 1 January 2024	(64,536)	(108,274)	95,328	(82,821)	(9,530)	18,767	15,326	8,197	(1,420)	(128,963)
Credit (charge) to profit or loss	1,359	47,203	37,412	(36,620)	(2,298)	592	-	(547)	(28)	47,073
As at 31 December 2024	(63,177)	(61,071)	132,740	(119,441)	(11,828)	19,359	15,326	7,650	(1,448)	(81,890)
(Charge) credit to profit or loss	(50)	5,331	15,524	(15,528)	(3,202)	1,588	-	-	-	3,663
Currency Realignment	-	-	14	-	-	-	-	-	1	15
As at 31 December 2025	(63,227)	(55,740)	148,278	(134,969)	(15,030)	20,947	15,326	7,650	(1,447)	(78,212)

*Note:* As the Group's investment properties located in Mainland China are held under a business model whose objective is to gain the economic benefits through sale or lease, LAT is calculated and recognised on:

- (i) Properties revaluation reserves (charge to other comprehensive income) when property, plant and equipment are transferred to investment properties; and
- (ii) Change in fair values of investment properties (charge to profit or loss) when fair value adjustments occur at the end of the year.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025 (Continued)

### 20. DEFERRED TAXATION (Continued)

As at 31 December 2025, the Group had accumulated unutilised tax losses of approximately RMB649,430,000 (2024: RMB653,505,000) available for offset against future profits. However, no deferred tax asset has been recognised on RMB618,831,000 (2024: RMB622,906,000) of these tax losses due to the unpredictability of future profit streams. The unrecognised tax losses are detailed in the table below.

	Year ended 31 December	
	31/12/2025 RMB'000	31/12/2024 RMB'000
Year of expiry		
2025	–	12,912
2026	19,781	22,872
2027	9,830	19,007
2028	1,886	1,886
2029	34,419	36,792
2030	8,751	–
Indefinitely	544,164	529,437
	<b>618,831</b>	622,906

Under the EIT Law, withholding tax is imposed on dividends declared from profits earned by subsidiaries in Mainland China from 1 January 2008 onwards.

As at 31 December 2025, deferred tax liabilities are provided for the undistributed profits of certain operating subsidiaries in Mainland China of RMB55,360,000 (2024: RMB36,638,000). No deferred tax liabilities have been provided for in the consolidated financial statements in respect of temporary differences related to the undistributed profits of subsidiaries in Mainland China, amounting to RMB1,366,406,000 (2024: RMB1,582,389,000) as in the opinion of the management, the Group is able to control the timing of the reversal of these temporary differences, and it is probable that the temporary differences will not be reversed in the foreseeable future.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025 (Continued)

### 21. INTERESTS IN ASSOCIATES

	31/12/2025	31/12/2024
	RMB'000	RMB'000
Cost of investment in associates	161,341	161,341
Share of post-acquisition results and other comprehensive expense, net of dividends received	(12,120)	(9,860)
	<b>149,221</b>	151,481
Less: Accumulated impairment losses recognised ( <i>note i</i> )	(117,102)	(117,102)
Loan to an associate ( <i>note ii</i> )	1,350	1,384
	<b>33,469</b>	35,763

*Notes:*

- (i) The carrying amount of the interests in these associates was reduced to the extent of its estimated recoverable amount accordingly. Details are set out below.

For interest in Guangzhou Yunnex Information Technology Co., Ltd. (“Yunnex”), the recoverable amount is determined based on fair value less costs of disposal. As at 31 December 2025 and 2024, the investment in Yunnex had been fully impaired, with accumulated impairment loss amounting to RMB49,367,000.

For another interest in associate, Jiangsu Hong Xuan Ecological Agriculture Company Limited (江蘇鴻軒生態農業有限公司), (“Hong Xuan”), the recoverable amount is determined based on fair value less costs of disposal. As at 31 December 2025 and 2024, the investment in Hong Xuan had been fully impaired, with accumulated impairment loss amounting to RMB61,306,000.

Regarding the Group’s interest in Shenzhen Jupeng Kitchen Equipment Co., Ltd. (深圳市巨鵬廚房設備有限公司), the recoverable amount was determined based on fair value less costs of disposal. Consequently, an impairment loss of nil (2024: RMB6,429,000) was recognised for the year ended 31 December 2025.

- (ii) Loan to an associate forms part of the net interests in the associate. The amount is unsecured, interest free and will not be repayable within twelve months from the end of the reporting period.

All of these associates are accounted for using the equity method in these consolidated financial statements.

### 22. INTEREST IN A JOINT VENTURE

	31/12/2025	31/12/2024
	RMB'000	RMB'000
Cost of investment in a joint venture	12,858	12,858
Share of post-acquisition results and other comprehensive expense	(4,505)	(4,265)
	<b>8,353</b>	8,593

Interest in a joint venture represents the Group’s 42% equity interest in Beijing Feicui Jinghua & Restaurant Management Co., Ltd. (“Feicui Jinghua”), which is principally engaged in operating restaurants, under the joint venture cooperation agreement with two independent third parties in 2017.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025 (Continued)

### 22. INTEREST IN A JOINT VENTURE (Continued)

According to its articles of association, the financial and operating policies of Feicui Jinghua are determined by resolutions passed at its shareholders' meeting. Although the Group holds 42% of total voting rights, a valid resolution requires approval from more than two-thirds of total votes. Additionally, decisions regarding relevant activities of Feicui Jinghua require unanimous consent from the Group and the other equity holders who share control. In this regard, Feicui Jinghua is accounted for using the equity method as a joint venture in the consolidated financial statements.

The joint venture is accounted for using the equity method in these consolidated financial statements.

### 23. FINANCIAL ASSETS AT FVTPL

#### Financial assets at FVTPL

	31/12/2025 RMB'000	31/12/2024 RMB'000
Current assets:		
Reverse repurchase treasury bond (note i)	10,128	10,000
Non-current assets:		
Unlisted equity investments and fund investments (note ii)	109,184	115,535
	<b>119,312</b>	<b>125,535</b>

The components of unlisted equity instruments and fund investments are as follows:

	31/12/2025 RMB'000	31/12/2024 RMB'000
Anhui Jiahua Anyuan Investment Fund Partnership (Limited Partnership)	13,255	13,254
Guangzhou Hezhi Investment Center (Limited Partnership)	68,796	72,281
Jialan Jiahua (Tianjin) Venture Capital Fund Partnership (Limited Partnership)	22,133	20,000
Others	5,000	10,000
	<b>109,184</b>	<b>115,535</b>

#### Notes:

- (i) During the year ended 31 December 2025, the Group purchased reverse repurchase treasury bond issued by the PRC government with interest yield rates ranging from 1.0% to 1.5% (2024: 0.5% to 5%) per annum and with maturity ranging from 2 days to 28 days (2024: 1 day to 182 days).
- (ii) Financial assets at FVTPL are classified as non-current as they are neither part of the working capital used in the Group's normal operating cycle nor held for trading purpose, therefore the Company's directors consider it is appropriate to classify it as non-current as of the end of the reporting period.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025 (Continued)

### 24. INVENTORIES

	31/12/2025	31/12/2024
	RMB'000	RMB'000
Raw materials and consumables	59,345	66,253
Work in progress	170	107
Finished goods	9,498	10,265
	<b>69,013</b>	<b>76,625</b>

### 25. TRADE AND OTHER RECEIVABLES

	31/12/2025	31/12/2024
	RMB'000	RMB'000
Trade receivables		
– contracts with customers (third parties)	16,757	18,115
Less: allowance for credit losses	(951)	(1,637)
	<b>15,806</b>	<b>16,478</b>
Other receivables		
Value added tax recoverable	53,370	46,947
Rental and utility deposits	34,650	36,216
Advance to suppliers	19,524	19,592
Prepaid management fee and property rental (note)	12,946	14,636
Lease receivables	2,922	11,741
Prepayments	6,028	6,247
Staff advance	4,166	5,869
Others	5,052	10,859
	<b>138,658</b>	<b>152,107</b>
Less: allowance for credit losses	(296)	(9,768)
	<b>138,362</b>	<b>142,339</b>
	<b>154,168</b>	<b>158,817</b>

As at 1 January 2024, trade receivables from contracts with customers amounted to RMB32,989,000.

Note: The prepaid property rentals are related to short-term leases.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025 (Continued)

### 25. TRADE AND OTHER RECEIVABLES (Continued)

Customers relating to manufacture and sales of noodles and related products are normally granted a credit period of 0 to 90 days (2024: 0 to 90 days) upon issuance of invoices, except for certain well established customers, their credit terms may up to 180 days (2024: 180 days). There is no credit period for customers relating to sales from operation of restaurants, unless when the payments are made through online electronic payment platforms, in which case the trade receivables from these online electronic payment platforms are normally settled within 7 days.

At the end of the reporting period, the aged analysis of trade receivables, net of allowance for credit losses, presented based on the invoice dates for manufacture and sales of noodles and related products, and based on transaction dates in respect of sales from operation of restaurant, is as follows:

	<b>31/12/2025</b>	31/12/2024
	<b>RMB'000</b>	RMB'000
0 to 30 days	<b>12,837</b>	15,363
31 to 60 days	<b>917</b>	537
61 to 90 days	<b>1,458</b>	160
91 to 180 days	<b>561</b>	132
180 to 365 days	<b>33</b>	286
	<b>15,806</b>	16,478

As at 31 December 2025, of the Group's trade receivables are debtors with gross carrying amount of RMB704,000 (2024: RMB983,000) which are past due 90 days or more as at the reporting date. These past due balances are not considered as default as the Group's management considered that these balances are mainly due from customers with good credit quality. The Group does not hold any collateral over these balances.

Details of impairment assessment of trade and other receivables are set out in note 34.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025 (Continued)

### 26. BANK BALANCES AND CASH

	31/12/2025	31/12/2024
	RMB'000	RMB'000
Term deposits with banks	745,518	792,993
Cash at bank and in hand	923,963	836,660
Total	1,669,481	1,629,653
Less: Term deposits with banks over three months of maturity at acquisition	(669,835)	(788,693)
Cash and cash equivalents	999,646	840,960

Cash and cash equivalents comprise demand deposits and short-term deposits, which are held for the purpose of meeting the Group's short term cash commitments. Term deposits and bank balances carry interest at market rates, ranging from 0.001% to 4.37% (2024: 0.001% to 5.65%) per annum.

The Group's bank balances and cash that are denominated in currency other than the functional currencies of the relevant group entities, are set out below:

	31/12/2025	31/12/2024
	RMB'000	RMB'000
– US\$	307,203	266,492

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025 (Continued)

### 27. TRADE AND OTHER PAYABLES

	31/12/2025	31/12/2024
	RMB'000	RMB'000
Trade payables		
– related parties ( <i>note</i> )	27,738	34,826
– third parties	76,935	62,566
	<b>104,673</b>	97,392
Other payables		
Payroll and welfare payables	46,928	40,201
Rental deposits received	15,762	19,337
Payable for acquisition of property, plant and equipment	22,375	27,019
Payable for variable lease payments	11,469	12,021
Other taxes payable	7,630	7,404
Others	52,882	47,830
	<b>261,719</b>	251,204

*Note:* The related parties are the companies in which Mr. Katsuaki Shigemitsu, a director and shareholder of the Company, has controlling interests.

The average credit period for purchase of goods is 60 days (2024: 60 days). The following is an aged analysis of trade payables, presented based on invoice dates, as of the end of the reporting period:

	31/12/2025	31/12/2024
	RMB'000	RMB'000
0 to 30 days	79,641	76,648
31 to 60 days	15,389	15,619
61 to 90 days	2,558	198
91 to 180 days	1,957	372
Over 180 days	5,128	4,555
	<b>104,673</b>	97,392

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025 (Continued)

### 28. LEASE LIABILITIES

	31/12/2025	31/12/2024
	RMB'000	RMB'000
<b>Lease liabilities payable:</b>		
Within one year	223,819	211,607
In more than one year but not more than two years	165,332	156,880
In more than two years but not more than five years	226,264	201,288
In more than five years	7,514	6,861
	622,929	576,636
Less: Amount due for settlement within 12 months shown under current liabilities	(223,819)	(211,607)
Amount due for settlement after 12 months shown under non-current liabilities	399,110	365,029

The incremental borrowing rates applied to lease liabilities range from 3.38% to 3.78% (2024: 3.18% to 5.17%)

All lease obligations are denominated in the functional currencies of the relevant group entities.

### 29. AMOUNT(S) DUE TO RELATED COMPANIES/DIRECTORS/NON-CONTROLLING INTERESTS/AN ASSOCIATE/A JOINT VENTURE

The amounts due to related companies are unsecured, non-trade related, interest-free and repayable on demand. Either Ms. Poon or Mr. Katsuaki Shigemitsu has controlling interest over these related companies.

The amount(s) due to directors/non-controlling interests/an associate/a joint venture are unsecured, non-trade related, interest-free and repayable on demand.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025 (Continued)

### 30. BANK BORROWINGS

	31/12/2025	31/12/2024
	RMB'000	RMB'000
Secured bank borrowings with carrying amounts repayable:		
Within one year or repayable on demand	5,079	5,287
In more than one year but not more than two years	5,183	5,395
In more than two years but not more than five years	16,191	16,853
In more than five years	3,513	7,074
	<b>29,966</b>	34,609
Less: Amounts due within one year shown under current liabilities	<b>(5,079)</b>	(5,287)
Amounts shown under non-current liabilities	<b>24,887</b>	29,322

The amounts due are based on scheduled repayment dates set out in the loan agreements.

The carrying amounts of the Group's bank borrowings are analysed as follows:

Denominated in	Interest rate	31/12/2025	31/12/2024
		RMB'000	RMB'000
HK\$	Prime rate of the counterparty bank minus 3.25% (2024: prime rate of the counterparty bank minus 3.25%)	26,946	31,150
HK\$	Prime rate of the counterparty bank minus 2.8% (2024: prime rate of the counterparty bank minus 2.8%)	3,020	3,459
		<b>29,966</b>	34,609

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025 (Continued)

### 30. BANK BORROWINGS (Continued)

#### Loan covenants

As at 31 December 2025, the Group's bank borrowings with carrying amounts of RMB26,946,000 (2024: RMB31,150,000) are subject to the following financial covenants that are required to be met throughout the duration of the loans or until repayment:

- The loan-to-value ratio (i.e. the aggregate outstanding of banking facilities over the market value of the mortgaged properties as determined by the bank from time to time) shall not exceed 65%. Otherwise, subsidiaries of the Company is required to provide additional security acceptable to the bank and/or repay the outstanding loan balance within the agreed time limit so as to maintain the loan-to-value ratio at 50% or below.

In respect of bank borrowings with carrying amounts of RMB3,020,000 as at 31 December 2025 (2024: RMB3,459,000), the associated financial covenants are as follows:

- The loan-to-value ratio (i.e. the ratio of aggregate outstanding amount of the banking facilities to the current market value (in the opinion of the Bank's approved valuer) of the property) shall not exceed 50%. Otherwise, a subsidiary of the Company shall provide additional security acceptable to the bank or repay the outstanding balance within one month upon receipt the notice from the bank so as to restore the loan-to-value ratio at 40% or below in any event if the loan-to-value ratio exceeds 50%.

The Group has fully complied with these covenants throughout the reporting period.

The weighted average effective interest rate on the bank borrowings is analysed as follows:

	31/12/2025	31/12/2024
Denominated in HK\$	2.24%	2.75%

Detail of the assets of the Group as at 31 December 2025 and 2024 that have been pledged as collateral to secure general bank facilities are set out in note 37.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025 (Continued)

### 31. SHARE CAPITAL

	Number of shares	Share capital HKD'000
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#### Authorised:

Ordinary shares of HK\$0.10 each

At 1 January 2024, 31 December 2024 and 31 December 2025	10,000,000,000	1,000,000
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	Number of shares	Share capital RMB'000
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#### Issued and fully paid:

At 1 January 2024, 31 December 2024 and 31 December 2025	1,091,538,820	108,404
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### 32. SHARE OPTION SCHEMES

The Company adopted a share option scheme (the "Share Option Scheme"). The purpose of the Share Option Scheme is to enable the Company to grant option to the eligible participants in recognition of their contribution made or to be made to the Group. Under the Share Option Scheme, the Board may offer to grant an option to any director or employee, or any advisor, consultant, individual or entity who in the opinion of the Board has contributed or will contribute to the growth and development of the Group.

The total number of shares issued which may fall to be issued upon exercise of the options granted pursuant to the Share Option Scheme to an eligible participant in any 12-month period shall not exceed 1% of the number of shares in issue unless approved by shareholders in a general meeting. The maximum number of shares that may be granted under the Share Option Scheme shall not exceed 10% of the total number of shares in issue at the date the Share Option Scheme was, i.e. a total of 109,153,882 shares.

No consideration is required for the grant of the options. The exercise price of a share under the Share Option Scheme is determined by the Board provided that it shall not be lower than the higher of: (i) the closing price of the shares as stated in the daily quotation sheet of the Stock Exchange on the date of grant, and (ii) the average closing price of the shares as stated in the daily quotation sheet of the Stock Exchange for the 5 business days immediately preceding the date of grant, and (iii) the nominal value of the shares.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025 (Continued)

### 32. SHARE OPTION SCHEMES (Continued)

Details of specific categories of options are as follows:

Grant Date	Vesting Period	Expected Life	Exercise Price
<b>Employees</b>			
8 January 2015	8 January 2016 to 7 January 2021	8 January 2015 to 7 January 2025	HK\$5.900
17 April 2015	17 April 2016 to 16 April 2024	17 April 2015 to 16 April 2025	HK\$5.060
2 July 2015	2 July 2016 to 1 July 2021	2 July 2015 to 1 July 2025	HK\$4.104
19 July 2017	19 July 2018 to 18 July 2023	19 July 2017 to 18 July 2027	HK\$3.504
1 June 2018	1 June 2019 to 31 May 2024	1 June 2018 to 31 May 2028	HK\$3.256
14 January 2019	14 January 2020 to 13 January 2025	14 January 2019 to 13 January 2029	HK\$2.214
3 June 2019	3 June 2020 to 2 June 2025	3 June 2019 to 2 June 2029	HK\$3.322
27 August 2020	27 August 2021 to 26 August 2026	27 August 2020 to 26 August 2030	HK\$1.250
8 April 2021	8 April 2022 to 7 April 2027	8 April 2021 to 7 April 2031	HK\$1.300
1 November 2021	1 November 2022 to 31 October 2027	1 November 2021 to 31 October 2031	HK\$1.344
12 July 2024	12 July 2025 to 11 July 2030	12 July 2024 to 11 July 2034	HK\$1.010

Details of the movements of the Company's Share Option Scheme during the years ended 31 December 2025 and 2024 are set out below.

#### For the year ended 31 December 2025

Grant date	Outstanding at 1 January 2025	Granted during the year	Exercised during the year	Expired during the year	Forfeited during the year	Outstanding at 31 December 2025
<b>Employees</b>						
8 January 2015	150,000	-	-	-	(150,000)	-
17 April 2015	900,000	-	-	-	(900,000)	-
2 July 2015	1,420,000	-	-	-	(1,420,000)	-
19 July 2017	500,000	-	-	-	-	500,000
1 June 2018	1,400,000	-	-	-	(700,000)	700,000
14 January 2019	55,000	-	-	-	-	55,000
3 June 2019	200,000	-	-	-	-	200,000
27 August 2020	700,000	-	-	-	-	700,000
1 November 2021	23,201,000	-	-	-	(2,610,000)	20,591,000
12 July 2024	1,000,000	-	-	-	(500,000)	500,000
	29,526,000	-	-	-	(6,280,000)	23,246,000
Exercisable at the end of the year	19,105,600					18,727,800
Weighted average exercise price (HK\$)	1.74	-	-	-	2.80	1.46

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025 (Continued)

### 32. SHARE OPTION SCHEMES (Continued)

For the year ended 31 December 2024

Grant date	Outstanding at 1 January 2024	Granted during the year	Exercised during the year	Expired during the year	Forfeited during the year	Outstanding at 31 December 2024
<b>Employees</b>						
8 January 2015	150,000	-	-	-	-	150,000
17 April 2015	900,000	-	-	-	-	900,000
2 July 2015	1,420,000	-	-	-	-	1,420,000
19 July 2017	500,000	-	-	-	-	500,000
1 June 2018	1,600,000	-	-	-	(200,000)	1,400,000
14 January 2019	55,000	-	-	-	-	55,000
3 June 2019	200,000	-	-	-	-	200,000
27 August 2020	700,000	-	-	-	-	700,000
8 April 2021	500,000	-	-	-	(500,000)	-
1 November 2021	25,516,000	-	-	-	(2,315,000)	23,201,000
12 July 2024	-	1,000,000	-	-	-	1,000,000
	31,541,000	1,000,000	-	-	(3,015,000)	29,526,000
Exercisable at the end of the year	15,600,400					19,105,600
Weighted average exercise price (HK\$)	1.74	1.01	-	-	1.46	1.74

For the year ended 31 December 2025, the Group recognised total expense in the amount of RMB585,000 (2024: RMB1,048,000) for share options granted by the Company under the Share Option Scheme. The Group transferred the expense of RMB4,703,000 (2024: RMB107,000) previously recognised in share-based payments reserve to retained profits, upon the forfeiture of share options after the vesting date.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025 (Continued)

### 33. INFORMATION OF THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	31/12/2025	31/12/2024
	RMB'000	RMB'000
Non-current asset		
Interests in a subsidiary	60,506	60,506
	<b>60,506</b>	60,506
Current assets		
Bank balances and cash	1,126	725
Dividend receivable	–	239,998
	<b>1,126</b>	240,723
Current liabilities		
Amounts due to subsidiaries	23,967	196,676
Other payables	2,514	2,849
	<b>26,481</b>	199,525
Net current (liabilities) assets	<b>(25,355)</b>	41,198
Total assets less current liabilities	<b>35,151</b>	101,704
Capital and reserves		
Share capital	108,404	108,404
Reserves	<b>(73,253)</b>	(6,700)
Total equity	<b>35,151</b>	101,704

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025 (Continued)

### 33. INFORMATION OF THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

#### Movement in Company's reserves

	Share premium RMB'000 (note i)	Share-based payment reserve RMB'000	Special reserve RMB'000 (note ii)	Accumulated losses RMB'000 (note i)	Total RMB'000
As at 1 January 2024	1,545,754	7,414	(320,594)	(1,389,202)	(156,628)
Total comprehensive income for the year	-	-	-	236,203	236,203
Dividends recognised as distribution (note 13)	(87,323)	-	-	-	(87,323)
Recognition of share-based payment	-	1,048	-	-	1,048
Transfer on forfeiture and expiry of share options	-	(107)	-	107	-
As at 31 December 2024	1,458,431	8,355	(320,594)	(1,152,892)	(6,700)
Total comprehensive expense for the year	-	-	-	(1,646)	(1,646)
Dividends recognised as distribution (note 13)	(65,492)	-	-	-	(65,492)
Recognition of share-based payment	-	585	-	-	585
Transfer on forfeiture and expiry of share options	-	(4,703)	-	4,703	-
As at 31 December 2025	1,392,939	4,237	(320,594)	(1,149,835)	(73,253)

#### Notes:

- (i) As at 31 December 2025, the distributable reserve of the Company amounted to RMB243,104,000 (2024: RMB305,539,000), represents the aggregate balance of share premium and accumulated losses.
- (ii) A debit amount of approximately RMB321 million represents the aggregate amount of the consideration which was settled by the Company with (i) cash consideration of approximately RMB184 million and (ii) share consideration of approximately RMB137 million for the acquisition of Luck Right and its subsidiaries from Ms. Poon in 2008.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025 (Continued)

### 34. FINANCIAL INSTRUMENTS

#### (a) Categories of financial instruments

	31/12/2025	31/12/2024
	RMB'000	RMB'000
<b>Financial assets</b>		
Financial assets at amortised cost	1,836,446	1,790,315
Financial assets at FVTPL	119,312	125,535
	<b>1,955,758</b>	<b>1,915,850</b>
<b>Financial liabilities</b>		
Financial liabilities at amortised cost	258,072	259,589

#### (b) Financial risk management objectives and policies

The Group's major financial instruments include financial assets at FVTPL, rental deposits, loan to an associate, trade and other receivables, bank balances and cash (including term deposits), restricted bank deposits, trade and other payables, amount(s) due to related companies/directors/non-controlling interests/an associate/a joint venture and bank borrowings. Details of these financial instruments are disclosed in respective notes. The Group's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

##### *Currency risk*

The Group's exposure to foreign currency risk is arising mainly from bank balances (including term deposits) of the Group which are denominated in foreign currencies of the relevant group entities. Except for these bank balances, the group entities did not have any other monetary assets or liabilities denominated in foreign currencies as at the end of the reporting period.

The carrying amounts of the Group's bank balances and cash that are denominated in currencies other than the functional currency of the entities in Mainland China, i.e. US\$, as at 31 December 2025 and 2024 are immaterial.

The Group currently does not have a foreign exchange hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign exchange exposure should the need arise.

### 34. FINANCIAL INSTRUMENTS (Continued)

#### (b) Financial risk management objectives and policies (Continued)

##### *Interest rate risk*

As at 31 December 2025, the Group is exposed to fair value interest rate risk in relation to its lease liabilities (see note 28 for details). The Group is also exposed to cash flow interest rate risk in relation to variable-rate deposits and bank balances (see note 26 for details), and variable-rate bank borrowings (see note 30 for details). The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of interest rates on the Group's bank deposits and balances, and certain bank borrowings. To manage interest rate exposure, the Group evaluates the potential impact of interest rate movements based on interest rate level and market outlook. Management regularly reviews the proportion of borrowings in fixed rate and floating rate borrowings to ensure they are within reasonable range.

##### *Sensitivity analysis*

The sensitivity analysis below has been determined based on the exposure to interest rates at the end of each reporting period. The analysis is prepared assuming the financial instruments outstanding at the end of each reporting period were outstanding for the whole year. A 15 basis point (2024: 15 basis point) increase or decrease in variable-rate bank balances and 50 basis point (2024: 50 basis point) increase or decrease in variable-rate bank borrowings are used, representing management's assessment of the reasonably possible change in interest rates.

If interest rates on variable-rate bank balances had been 15 basis points (2024: 15 basis points) higher/lower and all other variables were held constant, the Group's post-tax profit for the year ended 31 December 2025 would increase/decrease by RMB2,055,000 (2024: post tax loss decrease/increase by RMB1,978,000).

If interest rates on variable-rate bank borrowings had been 50 basis points (2024: 50 basis points) higher/lower and all other variables were held constant, the Group's post-tax profit for the year ended 31 December 2025 would decrease/increase by RMB125,000 (2024: post tax loss increase/decrease by RMB144,000).

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025 (Continued)

### 34. FINANCIAL INSTRUMENTS (Continued)

#### (b) Financial risk management objectives and policies (Continued)

##### *Credit risk and impairment assessment*

As at 31 December 2025, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

##### Trade receivables

The Group recognises lifetime ECL as prescribed by HKFRS 9 under simplified approach on trade receivables. To measure the ECL of trade receivables, they are assessed individually for debtors with significant balances and/or collectively for other debtors using provision matrix based on shared characteristics including historical credit loss experience, industry specific factors to the debtors, general economic conditions and the available and supportive forward-looking information, including time value of money where appropriate and loss allowance of RMB686,000 was reversed (2024: loss allowance of RMB242,000 was reversed).

##### Bank balances (including term deposits)

Credit risk on bank balances (including term deposits) is limited because the counterparties are reputable banks and the risk of inability to pay or redeem at the due date is low.

##### Loan to an associate, other receivables (except lease receivables) and rental deposits

For loan to an associate, other receivables (except lease receivables) and rental deposits, the directors of the Company believe that there is no significant increase in credit risk since initial recognition and the Group provided impairment based on 12m ECL. For the years ended 31 December 2025, the Group assessed the ECL for loan to an associate, other receivables (except lease receivables) and rental deposits and loss allowance of RMB85,000 was recognised (2024: no loss allowance was recognised).

##### Lease receivables

For lease receivables, the management makes periodic assessment on the recoverability of lease receivables based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. For the year ended 31 December 2025, the Group recognised loss allowance of RMB51,000 (2024: nil). In addition, the directors of the Company determined that certain lease receivables, for which loss allowances had already been recognised, were uncollectible. As a result, an amount of RMB9,608,000 was written off against the carrying amount of the receivables and the corresponding allowance (2024: no loss allowance was recognised or reversed).

### 34. FINANCIAL INSTRUMENTS (Continued)

#### (b) Financial risk management objectives and policies (Continued)

##### Credit risk and impairment assessment (Continued)

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Trade receivables and lease receivables	Other financial assets
Low risk	The counterparty has a low risk of default and does not have any past-due amounts	Lifetime ECL – not credit-impaired	12m ECL
Watch list	Debtor frequently repays after due dates but usually settle after due date	Lifetime ECL – not credit-impaired	12m ECL
Doubtful	There have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL – not credit-impaired	Lifetime ECL – not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL – credit-impaired	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025 (Continued)

### 34. FINANCIAL INSTRUMENTS (Continued)

#### (b) Financial risk management objectives and policies (Continued)

##### Credit risk and impairment assessment (Continued)

The table below details the credit risk exposures of the Group's financial assets and other item, which are subject to ECL assessment:

	Notes	Internal credit rating	12m or lifetime ECL	2025 gross carrying amount RMB'000	2024 gross carrying amount RMB'000
<b>Financial assets at amortised cost</b>					
Bank balances and cash (including term deposits)	26	N/A	12m ECL	1,699,731	1,655,833
Restricted bank deposits	26	N/A	12m ECL	48	113
				<b>1,699,779</b>	<b>1,655,946</b>
Loan to an associate	21	Low risk	12m ECL	1,350	1,384
Trade receivables	25	Low risk	Lifetime ECL (not credit-impaired)	15,481	16,997
		Watch list	Lifetime ECL (not credit-impaired)	606	425
		Loss	Lifetime ECL (credit-impaired)	670	693
				<b>16,757</b>	<b>18,115</b>
Other receivables and rental deposits	25	Low risk	12m ECL	119,756	126,275
<b>Other item</b>					
Lease receivables	25	Low risk	Lifetime ECL (not credit-impaired)	2,922	2,277
		Loss	Lifetime ECL (credit-impaired)	–	9,464
				<b>2,922</b>	<b>11,741</b>

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025 (Continued)

### 34. FINANCIAL INSTRUMENTS (Continued)

#### (b) Financial risk management objectives and policies (Continued)

##### Credit risk and impairment assessment (Continued)

The following table shows the movement in lifetime ECL that has been recognised for trade receivables under the simplified approach:

	Lifetime ECL (not credit-impaired) RMB'000	Lifetime ECL (credit-impaired) RMB'000	Total RMB'000
As at 1 January 2024	1,228	651	1,879
Impairment losses reversed	(1,226)	–	(1,226)
Impairment losses recognised	942	42	984
As at 31 December 2024	944	693	1,637
Impairment losses reversed	(944)	(23)	(967)
Impairment losses recognised	281	–	281
As at 31 December 2025	281	670	951

The following table shows reconciliation of loss allowance that has been recognised for other receivables and rental deposits using the general approach under HKFRS 9:

	12m ECL RMB'000
As at 1 January 2024 and 31 December 2024	160
Impairment losses recognised	85
As at 31 December 2025	245

The following table shows reconciliation of loss allowance that has been recognised for lease receivables using the simplified approach under HKFRS 9:

	Lifetime ECL (not credit-impaired) RMB'000	Lifetime ECL (credit-impaired) RMB'000	Total RMB'000
As at 1 January 2024 and 31 December 2024	468	9,140	9,608
Write- offs	(468)	(9,140)	(9,608)
Impairment losses recognised	51	–	51
As at 31 December 2025	51	–	51

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025 (Continued)

### 34. FINANCIAL INSTRUMENTS (Continued)

#### (b) Financial risk management objectives and policies (Continued)

##### Liquidity risk management

The directors of the Company have adopted a liquidity risk management framework for the management of the Group's short-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining a reasonable level of banking facilities, monitoring the forecasted and actual cash flows, and matching the maturity profiles of financial assets and liabilities.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities and lease liabilities based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows on financial liabilities and lease liabilities based on the earliest date in which the Group can be required to pay. The tables include both interest and principal cash flows.

	Weighted average effective interest rate	On demand or less than one year RMB'000	One year to two year RMB'000	Two year to five years RMB'000	Over five years RMB'000	Total undiscounted cash flows RMB'000	Carrying amounts RMB'000
<b>As at 31 December 2025</b>							
<b>Financial liabilities</b>							
Trade and other payables	NA	207,161	-	-	-	207,161	207,161
Amounts due to related companies	NA	2,199	-	-	-	2,199	2,199
Amounts due to directors	NA	2,609	-	-	-	2,609	2,609
Amounts due to non-controlling interests	NA	13,542	-	-	-	13,542	13,542
Amount due to an associate	NA	2,240	-	-	-	2,240	2,240
Amount due to a joint venture	NA	355	-	-	-	355	355
Lease liabilities	3.67%	241,208	178,489	239,387	8,123	667,207	622,929
Bank borrowings-variable interest rate	2.24%	5,749	5,867	19,143	3,976	34,735	29,966
		475,063	184,356	258,530	12,099	930,048	881,001

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025 (Continued)

### 34. FINANCIAL INSTRUMENTS (Continued)

#### (b) Financial risk management objectives and policies (Continued)

##### Liquidity risk management (Continued)

	Weighted average effective interest rate	On demand or less than one year RMB'000	One year to two year RMB'000	Two year to five years RMB'000	Over five years RMB'000	Total undiscounted cash flows RMB'000	Carrying amounts RMB'000
As at 31 December 2024							
<b>Financial liabilities</b>							
Trade and other payables	NA	203,599	-	-	-	203,599	203,599
Amounts due to related companies	NA	4,100	-	-	-	4,100	4,100
Amounts due to directors	NA	1,111	-	-	-	1,111	1,111
Amounts due to non-controlling interests	NA	13,551	-	-	-	13,551	13,551
Amount due to an associate	NA	2,296	-	-	-	2,296	2,296
Amount due to a joint venture	NA	323	-	-	-	323	323
Lease liabilities	4.14%	231,290	167,332	219,854	7,541	626,017	576,636
Bank borrowings-variable interest rate	2.75%	6,035	6,252	20,087	7,268	39,642	34,609
		462,305	173,584	239,941	14,809	890,639	836,225

#### (c) Fair value measurements of financial instruments

Some of the Group's financial instruments are measured at fair value for financial reporting purposes. The directors of the Company have set up a valuation team to ensure the appropriate valuation techniques and inputs are used for fair value measurements.

In estimating the fair value, the management of the Group uses market-observable data to the extent it is available. For instruments with significant unobservable inputs under Level 3, the management of the Group engages an independent qualified professional valuer to conduct the valuation. The Group's management works closely with the qualified external valuers to develop the appropriate valuation techniques and key inputs. The management reports the valuation findings to the Board regularly to explain the cause of fluctuations in the fair value.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025 (Continued)

### 34. FINANCIAL INSTRUMENTS (Continued)

#### (c) Fair value measurements of financial instruments (Continued)

Fair values are categorised into different fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3 fair value measurements are those derived from valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable (significant unobservable input).

#### (i) Fair value of the Group's financial assets that are measured at fair value on a recurring basis

The following tables give information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

Fair value hierarchy as at 31 December 2025

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
<b>Financial assets</b>				
Unlisted equity investments	–	–	26,493	26,493
Fund investments	–	82,691	–	82,691
Treasury bond reverse repurchase	10,128	–	–	10,128
	<b>10,128</b>	<b>82,691</b>	<b>26,493</b>	<b>119,312</b>

Fair value hierarchy as at 31 December 2024

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
<b>Financial assets</b>				
Unlisted equity investments	–	–	34,995	34,995
Fund investments	–	80,540	–	80,540
Treasury bond reverse repurchase	10,000	–	–	10,000
	<b>10,000</b>	<b>80,540</b>	<b>34,995</b>	<b>125,535</b>

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025 (Continued)

### 34. FINANCIAL INSTRUMENTS (Continued)

#### (c) Fair value measurements of financial instruments (Continued)

##### (i) Fair value of the Group's financial assets that are measured at fair value on a recurring basis (Continued)

Financial assets	Fair value as at 31/12/2025 RMB	Fair value as at 31/12/2024 RMB	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)
Financial assets at FVTPL – unlisted equity investments	26,493,000	34,995,000	Level 3	Market approach and option- pricing method  The key inputs include price to sales ratio, equity value of investees, risk free rate, volatility, expected option life and probability of conversion, redemption and liquidation.	Equity value.  Expected option life.  Probability of conversion, redemption and liquidation.
Financial assets at FVTPL – unlisted equity investments	22,133,000	–	Level 2	Recent transactions price	N/A
Financial assets at FVTPL – fund investments	60,558,000	80,540,000	Level 2	Discounted cash flow future cash flows are estimated based on expected return.	N/A
Financial assets at FVTPL – reverse repurchase treasury bond	10,128,000	10,000,000	Level 1	Quoted bid prices in the active market	N/A

There were no transfers between Level 1 and 2 during the years ended 31 December 2025 and 2024.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025 (Continued)

### 34. FINANCIAL INSTRUMENTS (Continued)

#### (c) Fair value measurements of financial instruments (Continued)

##### (ii) Reconciliation of Level 3 fair value measurements

	Financial assets at FVTPL RMB'000	Financial liabilities at FVTPL RMB'000	Total RMB'000
As at 1 January 2024	42,338	(2,127)	40,211
(Loss) gain on fair value change	(6,281)	2,127	(4,154)
Disposal	(1,062)	–	(1,062)
As at 31 December 2024	34,995	–	34,995
Loss on fair value change	(8,502)	–	(8,502)
As at 31 December 2025	26,493	–	26,493

Of the total gains or losses for the year ended 31 December 2025, a loss of RMB8,502,000 (2024: loss of RMB6,281,000) and a gain of RMB nil (2024: gain of RMB2,127,000) were related to financial assets and liabilities at FVTPL held at the end of the current reporting period. Fair value gains or loss on these financial assets and liabilities at FVTPL are included in the line item 'other gains and losses'.

##### (iii) Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required)

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements as at 31 December 2025 and 2024 approximate their fair values.

### 35. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that the group entities will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debt (bank borrowings and lease liabilities as detailed in notes 30 and 28), net of bank balances and cash, and equity attributable to owners of the Company, comprising share capital, and reserves and non-controlling interests. Details of these items are disclosed in the consolidated financial statements.

The management reviews the capital structure regularly. As part of this review, the management considers the cost of capital and the risks associated with each class of capital, and will balance its overall capital structure through the payment of dividends, new share issues as well as the raising of bank borrowings.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025 (Continued)

### 36. CAPITAL COMMITMENTS

	31/12/2025	31/12/2024
	RMB'000	RMB'000
Capital expenditure contracted for but not provided in the consolidated financial statements in respect of the acquisition of property, plant and equipment	9,417	12,323

### 37. PLEDGE OF ASSETS

Certain of the Group's assets have been pledged to the banks as securities for its banking facilities. The carrying amounts of these assets are as follows:

	31/12/2025	31/12/2024
	RMB'000	RMB'000
Right-of-use assets	5,558	5,935
Investment properties	328,412	371,435
Property, plant and equipment	4,741	5,044
	<b>338,711</b>	<b>382,414</b>

### 38. OPERATING LEASING ARRANGEMENTS

#### *The Group as lessor*

The Group's properties with carrying amounts of RMB759,737,000 (2024: RMB816,634,000) were held for rental purposes. These properties are expected to generate an annualised rental yield of approximately 4.8% (2024: 5.0%).

Undiscounted lease payments receivable on leases are as follows:

	31/12/2025	31/12/2024
	RMB'000	RMB'000
Within one year	30,605	39,155
In the second year	25,617	26,303
In the third year	19,361	21,255
In the fourth year	18,962	17,376
In the fifth year	18,739	18,069
After five years	181,352	190,562
	<b>294,636</b>	<b>312,720</b>

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025 (Continued)

### 39. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The tables below detail changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities:

	Amounts					Dividend payable	Interests payable	Bank borrowings	Lease liabilities	Total
	Amounts due to related companies	Amounts due to directors	Amounts due to non-controlling interests	Amounts due to associates	Amount due to a joint venture					
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2025	4,100	1,111	13,551	2,296	323	-	41	34,609	576,636	632,667
Financing cash flows	(1,855)	1,504	-	-	32	(65,492)	(786)	(3,841)	(257,678)	(328,116)
Exchange alignment	(46)	(6)	(9)	(56)	-	-	-	(802)	(2,244)	(3,163)
Dividends declared	-	-	-	-	-	65,492	-	-	-	65,492
New lease entered	-	-	-	-	-	-	-	-	316,009	316,009
Disposal of right-of-use assets	-	-	-	-	-	-	-	-	(34,003)	(34,003)
Interest expenses	-	-	-	-	-	-	775	-	24,209	24,984
As at 31 December 2025	2,199	2,609	13,542	2,240	355	-	30	29,966	622,929	673,870

	Amounts					Dividend payable	Interests payable	Bank borrowings	Lease liabilities	Total
	Amounts due to related companies	Amounts due to directors	Amounts due to non-controlling interests	Amounts due to associates	Amount due to a joint venture					
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2024	1,819	604	13,543	2,247	350	-	51	37,484	402,305	458,403
Financing cash flows	2,239	498	-	-	(27)	(91,919)	(22,603)	(3,640)	(217,857)	(333,309)
Exchange alignment	42	9	8	49	-	-	-	765	683	1,556
Dividends declared	-	-	-	-	-	91,919	-	-	-	91,919
New lease entered	-	-	-	-	-	-	-	-	400,027	400,027
Disposal of right-of-use assets	-	-	-	-	-	-	-	-	(8,522)	(8,522)
Interest expenses	-	-	-	-	-	-	22,593	-	-	22,593
As at 31 December 2024	4,100	1,111	13,551	2,296	323	-	41	34,609	576,636	632,667

## **40. RETIREMENT BENEFITS SCHEME**

The Group's qualifying employees in Hong Kong participate the Mandatory Provident Fund Scheme (the "MPF Scheme") in Hong Kong. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of trustee. The Group operates the MPF Scheme for all qualifying employees in Hong Kong. The assets of the MPF Scheme are held separately from those of the Group, which is in the funds under the control of trustees. The Group contributes at the lower of RMB1,333 (HK\$1,500) per month or 5% of the relevant payroll costs to the MPF Scheme.

The employees of the Mainland China subsidiaries are members of the state-managed retirement benefits scheme operated by the PRC government. The Mainland China subsidiaries are required to contribute a certain percentage of their payroll to the retirement benefits scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefits scheme is to make the required contributions under the scheme.

No vesting policy exists for the MPF scheme and the state-merged retirement benefits scheme.

As at 31 December 2025, the total cost charged to profit or loss for the year is RMB45,964,000 (2024: RMB47,315,000) and amounts due to the MPF Scheme and state-managed retirement plans included in trade and other payables are RMB809,000 (2024: RMB834,000).

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025 (Continued)

### 41. RELATED PARTY TRANSACTIONS

Other than as disclosed elsewhere in these consolidated financial statements, the Group has following transactions with related parties:

(a) During the year, the Group has the following significant transactions with related parties:

Relationship with related parties	Nature of transaction	Year ended 31 December	
		2025 RMB'000	2024 RMB'000
Shigemitsu Industry a company Mr. Katsuaki Shigemitsu has controlling interests	Sales of noodles and related products	864	1,362
	Purchases of food products, materials and supplies	(31,298)	(30,840)
	Franchise commissions		
	– for restaurants operating in Hong Kong	(513)	(399)
	– for restaurants operating in Mainland China	(16,816)	(21,924)
	Technical fee paid/payable	(246)	(326)
	Rental income	2,154	1,803
	Waive of franchise commission	6,442	5,942
Ajisen Overseas Franchising Co., Ltd., a company Mr. Katsuaki Shigemitsu has controlling interests	Royalty fee paid/payable	(61)	(85)
Ms. Poon	Lease liabilities ( <i>note</i> )	(20,405)	(7,841)
	Interest expense on lease liabilities	(443)	(521)
	Rental expenses paid	(115)	–
Companies in which Mr. Poon Ka Man, Jason, a director of the Company, has controlling interests	Rental expenses paid	(771)	–
Japan Foods Holding Ltd., non-controlling interests of a subsidiary	Franchise commissions paid/payable	(1,651)	(1,501)
Hubei Jupeng Kitchen Equipment Co., Ltd., an associate of the Company	Purchase of property, plant and equipment	(1,350)	(9,602)

*Note:* During the year ended 31 December 2025, the Group entered into two tenancy agreements with Ms. Poon for the use of office premises for an initial term of 3 years. Under these agreements, the Group recognised right-of-use assets of RMB20,667,000 and its associated lease liabilities with same amount.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025 (Continued)

### 41. RELATED PARTY TRANSACTIONS (Continued)

- (b) The remuneration of directors of the Company and other members of key management during the year was as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Short-term employee benefits	6,152	5,965
Retirement benefits scheme contributions	243	264
Share-based payment	–	30
	<b>6,395</b>	<b>6,259</b>

The remuneration of directors and key executives is determined by the remuneration committee of the Company having regard to the performance of individual and market trends.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025 (Continued)

### 42. PRINCIPAL SUBSIDIARIES

Details of the Company's principal subsidiaries as at 31 December 2025 and 31 December 2024 are as follows:

Name of subsidiaries	Place of incorporation/ establishment/ operations	Nominal value of issued and fully paid share capital/ registered capital	Proportion of ownership interest/ voting rights held by the Company		Principal activities
			2025	2024	
Ajisen International ( <i>note</i> )	British Virgin Islands	US\$1,000	100%	100%	Investment holding
Ajisen (Hong Kong) Limited	British Virgin Islands	US\$990	100%	100%	Investment holding
Ajisen Investments Limited	British Virgin Islands	US\$50,000	100%	100%	Investment holding
Ajisen China Group Management Limited	Hong Kong	HK\$10,000	100%	100%	Provision of management services to group companies
Brilliant China Holdings Limited	Hong Kong	HK\$10,000	100%	100%	Operating the Group's Hong Kong office and food processing Ajisen factory
Colour Wave Development Limited	Hong Kong	HK\$10,000	100%	100%	Operating an Ajisen chain restaurant
Festive Profits Limited	British Virgin Islands	US\$100	100%	100%	Investment holding
Fortune Choice Limited	Hong Kong	HK\$10,000	100%	100%	Holding company of Shenzhen factory and trading of noodles
Gold Regent Limited	Hong Kong	HK\$10,000	100%	100%	Operating an Ajisen chain restaurant
Hong Kong Ajisen Co., Limited	Hong Kong	HK\$10,000	100%	100%	Operating an Ajisen chain restaurant
Hong Kong Ajisen Food Company Limited	Hong Kong	HK\$10,000	100%	100%	Operating an Ajisen chain restaurant
Nice Concept Limited	Hong Kong	HK\$10,000	100%	100%	Operating an Ajisen chain restaurant

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025 (Continued)

### 42. PRINCIPAL SUBSIDIARIES (Continued)

Name of subsidiaries	Place of incorporation/ establishment/ operations	Nominal value of issued and fully paid share capital/ registered capital	Proportion of ownership interest/ voting rights held by the Company		Principal activities
			2025	2024	
Long Wave Limited	Hong Kong	HK\$10,000	70%	70%	Operating an Ajisen chain restaurant
Ocean Talent Limited	Hong Kong	HK\$10,000	100%	100%	Operating an Ajisen chain restaurant
Pacific Smart Limited	Hong Kong	HK\$10,000	100%	100%	Operating an Ajisen chain restaurant
Seamax Limited	Hong Kong	HK\$10,000	70%	70%	Operating an Ajisen chain restaurant
Sunny Pearl Investment Limited	Hong Kong	HK\$1	100%	100%	Operating an Ajisen chain restaurant
Top Overseas Limited	Hong Kong	HK\$10,000	100%	100%	Operating an Ajisen chain restaurant
Wintle Limited	Hong Kong	HK\$10,000	100%	100%	Operating an Ajisen chain restaurant
Well Good Limited	Hong Kong	HK\$10,000	100%	100%	Operating an Ajisen chain restaurant
Golden Ramen House Limited	Hong Kong	HK\$10,000	100%	NA	Operating an Ajisen chain restaurant
Konjiki Ramenya Limited	Hong Kong	HK\$10,000	100%	NA	Operating an Ajisen chain restaurant
Ramen Kingdom Limited	Hong Kong	HK\$10,000	100%	NA	Operating an Ajisen chain restaurant
Ajisen International Limited	Hong Kong	US\$1,000	80%	80%	Operating Ajisen sub-franchise restaurants in Europe

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025 (Continued)

### 42. PRINCIPAL SUBSIDIARIES (Continued)

Name of subsidiaries	Place of incorporation/ establishment/ operations	Nominal value of issued and fully paid share capital/ registered capital	Proportion of ownership interest/ voting rights held by the Company		Principal activities
			2025	2024	
Colour Rise Limited	Hong Kong	HK\$10,000	80%	80%	Operating Ajisen sub-franchise restaurants in Europe
Miyamoto Holdings Ltd	Hong Kong	HK\$10,000	100%	100%	Investment holding
Golden Bird Group Ltd	British Virgin Islands	US\$50,000	70%	70%	Investment holding
Miyamoto Int'l Ltd	British Virgin Islands	US\$50,000	55%	55%	Investment holding
Leadwind Enterprise Holding Ltd	Hong Kong	HK\$282,471,485	100%	100%	Investment holding
Big Benefit Group Limited	British Virgin Islands	US\$50,000	100%	100%	Investment holding
So Pho International Limited	British Virgin Islands	US\$100	70%	70%	Investment holding
Fully Brave Limited	Hong Kong	HK\$10,000	70%	70%	Investment holding
領先食品(上海)發展有限公司 Lead Food (Shanghai) Development Co. Ltd.	Mainland China wholly foreign owned enterprise	US\$1,200,000	100%	100%	Operating a noodle factory in Shanghai, Mainland China
上海領先餐飲管理有限公司 Shanghai Lead Food & Restaurant Management Co. Ltd.	Mainland China wholly foreign owned enterprise	US\$20,000,000	100%	100%	Investment holding and operating Ajisen chain restaurants in Shanghai, Mainland China
南京味千餐飲管理有限公司 Nanjing Weiqian Food & Restaurant Management Co. Ltd.	Mainland China sino-foreign equity joint venture	RMB30,000,000	100%	100%	Operating Ajisen chain restaurants in Nanjing, Mainland China
杭州味千餐飲管理有限公司 Hangzhou Weiqian Food & Restaurant Management Co. Ltd.	Mainland China sino-foreign equity joint venture	RMB20,000,000	100%	100%	Operating Ajisen chain restaurants in Hangzhou, Mainland China
山東味千餐飲管理有限公司 Shandong Weiqian Food & Restaurant Management Co. Ltd.	Mainland China limited liability enterprise	RMB10,000,000	100%	100%	Operating Ajisen chain restaurants in Shandong, Mainland China

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025 (Continued)

### 42. PRINCIPAL SUBSIDIARIES (Continued)

Name of subsidiaries	Place of incorporation/ establishment/ operations	Nominal value of issued and fully paid share capital/ registered capital	Proportion of ownership interest/ voting rights held by the Company		Principal activities
			2025	2024	
北京味千餐飲管理有限公司 Beijing Weiqian Food & Restaurant Management Co. Ltd.	Mainland China sino-foreign equity joint venture	US\$2,200,000	55%	55%	Operating Ajsen chain restaurants and food processing centre in Beijing, Mainland China
重慶味千餐飲文化有限公司 Chongqing Weiqian Food & Culture Co., Ltd.	Mainland China limited liability enterprise	RMB10,000,000	100%	100%	Operating Ajsen chain restaurants in Chongqing, Mainland China
味千拉麵飲食服務(深圳)有限公司 Weiqian Noodle Food Service (Shenzhen) Co., Ltd.	Mainland China limited liability enterprise	US\$10,000,000	100%	100%	Operating Ajsen chain restaurants in Guangdong province, Wuhan and Chengdu, Mainland China
領鮮食品(上海)有限公司 Lingxian Food (Shanghai)	Mainland China limited liability enterprise	US\$15,000,000	100%	100%	Operating a noodle factory in Shanghai, Mainland China Co., Ltd.
味千拉麵深圳有限公司 Weiqian Noodle (Shenzhen)	Mainland China wholly foreign owned enterprise	HK\$18,800,000	100%	100%	Operating a noodle factory in Shenzhen, Mainland China Co., Ltd.
領馳食品發展(上海)有限公司 Lingchi Food Development (Shanghai) Co., Ltd.	Mainland China wholly foreign owned enterprise	US\$20,000,000	100%	100%	Operating a noodle factory in Shanghai, Mainland China
東莞領馳食品有限公司 Dongguan Lingchi Food., Ltd.	Mainland China wholly foreign owned enterprise	US\$20,000,000	100%	100%	Operating a noodle factory in Dongguan, Mainland China
上海領食餐飲管理有限公司 Shanghai Lingshi Food & Restaurant Management Co., Ltd.	Mainland China wholly foreign owned enterprise	US\$1,000,000	70%	70%	Operating So Pho chain restaurants in Shanghai, Mainland China

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025 (Continued)

### 42. PRINCIPAL SUBSIDIARIES (Continued)

Name of subsidiaries	Place of incorporation/ establishment/ operations	Nominal value of issued and fully paid share capital/ registered capital	Proportion of ownership interest/ voting rights held by the Company		Principal activities
			2025	2024	
Shanghai JingJing Investment Center (Limited Partnership)	Mainland China limited partnership	RMB115,010,000	52%	52%	Investment holding
Jiahua Mingde (Tianjin) Enterprise Management and Consulting partnership (Limited Partnership)	Mainland China limited partnership	RMB70,010,000	71.4%	71.4%	Investment holding
上海領馳供應鏈管理有限公司 Shanghai Lingchi Supply Chain Management Co., Ltd	Mainland China limited liability enterprise	RMB1,000,000	100%	100%	Operating a noodle factory in Shanghai, Mainland China

Note: This entity was directly held by the Company.

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. To give details of all the subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

None of the subsidiaries had any debt securities outstanding at the end of the year, or at any time during the year.

### 43. EVENTS AFTER THE REPORTING PERIOD

There were no significant events after the reporting period up to the date of this report.

## Properties Held for Investment

Name/Location	Type	Carrying values in existing state at 31 December 2025 RMB'000	Lease term
1. Workshops 1 to 24 on 10/F and Car Parking Space No. 52 on Level 3, Wah Yiu Industrial Centre, Nos. 30-32 Au Pui Wan Street, Shatin, New Territories, Hong Kong	C	81,019	Medium-term lease
2. Storage B on Base Floor, Storages/Workshops B on G/F and 1/F, Workshops B on 1/F, 3/F 5/F and Roof B, Storage B on B/F Ajisen Group Tower, Nos. 24-26 Sze Shan Street, Yau Tong, Kowloon, Hong Kong	C	187,238	Medium-term lease
3. Shop 5, G/F, Wo Fung Court, No. 8 Wo Fung Street, Luen Wo Market, Fanling, New Territories, Hong Kong	C	8,671	Medium-term lease
4. 9/F, Tower 2, Ever Gain Plaza, No. 88 Container Port Road, Kwai Chung, New Territories, Hong Kong	C	51,484	Medium-term lease
5. Flat 3 on 18/F, Block G, Phase 1 Amoy Gardens, Kowloon	C	3,974	Medium-term lease
6. Unit 3101, 31/F, Golden Bell Plaza, No. 98 Huaihai Zhong Road, Luwan District, Shanghai, the PRC	C	34,700	Medium-term lease
7. Room 51801 and 51802, 18/F Unit 5, Block 1, Wangzuo Guojicheng, No. 1 Tongyan Road, Gaoxin District, Xi'an City Shaanxi Province, the PRC	C	4,900	Medium-term lease

## Properties Held for Investment

Name/Location	Type	Carrying values in existing state at 31 December 2025 RMB'000	Lease term
8. Units 903 to 908, Block A, Xinian Centre, Tairanjiu Road, Shennan Da Road South, Futian District, Shenzhen City, Guangdong Province, the PRC	C	7,500	Medium-term lease
9. Units 2110 to 2116, 2118, 2121, 2214 and Two Underground Car Parking spaces, No. 1399 Haining Road, Zhabei District, Shanghai City, the PRC	C	7,640	Medium-term lease
10. An Industry Property located at 398 Yongan Road, Ande Town Industrial Zone, Pi County, Chengdu City, Sichuan Province, The PRC	C	3,926	Medium-term lease
11. No. 2, Block D, No. 951 Xinfai Road, Songjiang District, Shanghai City, The PRC	C	15,800	Medium-term lease
12. Units B-613, 614, A-1216 and A-1217, Tai'an Court, Tairan Nineth Road, Futian District, Shenzhen City, Guangdong Province, The PRC	C	13,700	Medium-term lease
13. Unit 4206-4207, No. 67 Zhujiang Road, Xuanwu District, Nanjing City, Jiangsu Province, the PRC	C	5,900	Medium-term lease

## Properties Held for Investment

Name/Location	Type	Carrying values in existing state at 31 December 2025 RMB'000	Lease term
14. Unit B of Block 11, No. 951 Xinfei Road Songjiang District, Shanghai City, The PRC	C	16,200	Medium-term lease
15. Shop 2, Level 2, Block A and Shop 4 Level 2, Block C, Hua Ye Commercial and Residential Estate, No. 65 Meijiang 2nd Road, Jiangnan District, Meizhou City, Guangdong Province, the PRC,	C	10,010	Medium-term lease
16. Various Portions of level 1 to 3 Block 1, Xinguang Road, Phase III Jinhe Industrial District, Jinhe Community District, Zhangmutou Town, Dongguan City, Guangdong Province, the PRC	C	5,100	Medium-term lease
17. Site No.1, Xinguang Road, Phase III Jinhe Industrial District, Jinhe Community District, Zhangmutou Town, Dongguan City, Guangdong Province, the PRC	C	15,500	Medium-term lease
18. 115, podium of Dingcheng Building, Zhonghangyuan, Zhenhua Road, Futian District, Shenzhen City, Guangdong Province, the PRC	C	21,700	Medium-term lease
19. Unit 2-1, 2-2, 2-3 and 2-5, Block 5, No. 88 Wuxing Street, Liuzhou City, Zhuang Autonomous Region, Guangxi Province, the PRC	C	9,860	Medium-term lease
20. A parcel of land Songkai IV-110-2 with buildings and structures erected thereon, No.961 Xinfei Road, Songjiang District Industrial Zone, Songjiang District, Shanghai, The PRC	C	254,916	Medium-term lease

Type of properties: C- commercial

Note: These property interests are 100% attributable to the Group.

## Financial Summary

	Year ended 31 December				
	2021	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>RESULTS</b>					
Turnover	1,996,209	1,429,792	1,815,406	1,717,290	<b>1,831,936</b>
Profit (loss) before taxation	52,440	(176,765)	247,875	(50,132)	<b>61,140</b>
Income tax (expense) credit	(34,479)	20,397	(55,348)	34,891	<b>28,852</b>
Profit (loss) for the year	17,961	(156,368)	192,527	(15,241)	<b>32,288</b>
Profit (loss) for the year attributable to					
– Owners of the Company	20,940	(143,906)	181,188	(20,224)	<b>28,408</b>
– Non-controlling interests	(2,979)	(12,462)	11,339	4,983	<b>3,880</b>
	17,961	(156,368)	192,527	(15,241)	<b>32,288</b>
<b>ASSET AND LIABILITIES</b>					
Total assets	4,301,217	3,868,584	3,961,511	3,987,295	<b>3,984,053</b>
Total liabilities	(1,187,068)	(947,272)	(903,585)	(1,019,828)	<b>(1,078,734)</b>
Net assets	3,114,149	2,921,312	3,057,926	2,967,467	<b>2,905,319</b>



J A P A N    C H I N A  
U    S    A    M A L A Y S I A  
A U S T R A L I A    C A N A D A  
S I N G A P O R E    F I N L A N D  
T H A I L A N D    I T A L Y  
P H I L I P P I N E S    N E W Z E A L A N D

“味千拉面”不是用面来做人的生意，  
而是追求用人来做面的生意。