

**Foshan Haitian Flavouring and Food
Company Ltd.**

**Unaudited Interim Financial Report
for the three months ended
March 31, 2025**



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REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION TO THE DIRECTORS OF FOSHAN HAITIAN FLAVOURING AND FOOD COMPANY LTD.

Introduction

We have reviewed the interim financial information set out on pages 3 to 32 which comprises the consolidated statement of financial position of Foshan Haitian Flavouring and Food Company Ltd. (the "Company") and its subsidiaries (together, the "Group") as at March 31, 2025 and the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the condensed consolidated cash flow statement for the three months ended March 31, 2025 and explanatory notes. The directors are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34, *Interim financial reporting*, issued by the International Accounting Standards Board.

Our responsibility is to form a conclusion, based on our review, on this interim financial information and to report our conclusion 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.

Scope of review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* ("HKSRE 2410"), issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information as at and for the three months ended March 31, 2025 is not prepared, in all material respects, in accordance with IAS 34, *Interim financial reporting*.



Other Matter

We draw attention to the fact that the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the condensed consolidated cash flow statement for the three months ended March 31, 2024 and the relevant explanatory notes disclosed in the interim financial information have not been reviewed in accordance with HKSRE 2410.

A handwritten signature of 'KPMG' in black ink, written in a stylized, cursive-like font.

Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

June 11, 2025

Consolidated statement of profit or loss
for the three months ended March 31, 2025 - unaudited
(Expressed in RMB)

	Note	<i>Three months ended March 31,</i>	
		<i>2025</i>	<i>2024</i>
		<i>RMB'000</i>	<i>RMB'000</i>
		<i>(unaudited)</i>	<i>(unaudited)</i>
Revenue	2	8,315,401	7,693,850
Cost of sales		<u>(5,055,727)</u>	<u>(4,891,856)</u>
Gross profit		3,259,674	2,801,994
Other revenue	3	156,645	164,019
Other net income	4	42,660	41,138
Selling and marketing expenses		(491,338)	(422,821)
Administrative expenses		(157,280)	(126,610)
Research and development costs	5(b)	(187,039)	(185,158)
Reversal of expected credit losses on trade and other receivables		584	2,302
Provision for impairment losses		<u>(191)</u>	<u>-</u>
Profit from operations		2,623,715	2,274,864
Finance costs	5(a)	<u>(9,596)</u>	<u>(6,817)</u>
Profit before taxation	5	2,614,119	2,268,047
Income tax	6	<u>(407,060)</u>	<u>(339,980)</u>
Profit for the period		<u>2,207,059</u>	<u>1,928,067</u>
Attributable to:			
Equity shareholders of the Company		2,202,351	1,918,880
Non-controlling interests		<u>4,708</u>	<u>9,187</u>
Profit for the period		<u>2,207,059</u>	<u>1,928,067</u>
Earnings per share	7		
Basic and diluted (RMB)		<u>0.40</u>	<u>0.35</u>

The accompanying notes are integral part of the interim financial information.

Consolidated statement of profit or loss and other
comprehensive income
for the three months ended March 31, 2025- unaudited
(Expressed in RMB)

	<i>Three months ended March 31,</i>	
	<i>2025</i>	<i>2024</i>
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Profit for the period	<u>2,207,059</u>	<u>1,928,067</u>
Other comprehensive income for the period (after tax and reclassification adjustments)		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of subsidiaries outside of the mainland China	<u>(456)</u>	<u>11</u>
Other comprehensive income for the period	<u>(456)</u>	<u>11</u>
Total comprehensive income for the period	<u>2,206,603</u>	<u>1,928,078</u>
Attributable to:		
Equity shareholders of the Company	2,201,895	1,918,891
Non-controlling interests	<u>4,708</u>	<u>9,187</u>
Total comprehensive income for the period	<u>2,206,603</u>	<u>1,928,078</u>

The accompanying notes are integral part of the interim financial information.

Consolidated statement of financial position
at March 31, 2025 - unaudited
(Expressed in RMB)

	<i>Note</i>	<i>As at March 31, 2025 RMB'000 (unaudited)</i>	<i>As at December 31, 2024 RMB'000</i>
Non-current assets			
Property, plant and equipment	8	6,614,451	6,533,073
Right-of-use assets	9	877,168	880,608
Investment property		3,368	3,437
Intangible assets		31,327	35,536
Goodwill		112,937	112,937
Other financial assets at fair value through profit or loss ("FVPL")	10	100	100
Other receivables	13	14,858	61,219
Deferred tax assets		339,501	389,416
		<u>7,993,710</u>	<u>8,016,326</u>
Current assets			
Inventories	11	1,743,028	2,525,274
Trade receivables	12	275,053	242,632
Other receivables	13	269,491	341,891
Other financial assets at FVPL	10	7,560,316	7,617,576
Term deposits and certificates of deposits	14	13,121,585	10,199,512
Restricted cash	14	1,773	8,393
Cash and cash equivalents	14	9,104,048	11,906,831
		<u>32,075,294</u>	<u>32,842,109</u>


Consolidated statement of financial position
at March 31, 2025 (continued) - unaudited
(Expressed in RMB)

	<i>Note</i>	<i>As at March 31, 2025 RMB'000 (unaudited)</i>	<i>As at December 31, 2024 RMB'000</i>
Current liabilities			
Trade and bills payable	15	2,588,042	1,946,575
Other payables	16	1,334,570	1,603,007
Contract liabilities	17	1,377,465	4,335,313
Bank loans		135,500	309,465
Lease liabilities		12,256	14,770
Current taxation		455,035	337,785
Other current liabilities		87,732	438,876
		<u>5,990,600</u>	<u>8,985,791</u>
Net current assets		<u>26,084,694</u>	<u>23,856,318</u>
Total assets less current liabilities		<u>34,078,404</u>	<u>31,872,644</u>
Non-current liabilities			
Bank loans and other borrowing		31,500	52,200
Lease liabilities		28,395	28,591
Deferred income		375,439	358,519
Deferred tax liabilities		34,523	31,390
		<u>469,857</u>	<u>470,700</u>
NET ASSETS		<u>33,608,547</u>	<u>31,401,944</u>

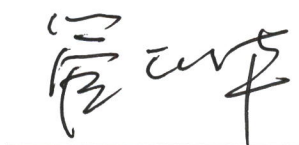
**Consolidated statement of financial position
at March 31, 2025 (continued) - unaudited**
(Expressed in RMB)

	Note	As at March 31, 2025 RMB'000 (unaudited)	As at December 31, 2024 RMB'000
CAPITAL AND RESERVES			
Share capital		5,560,601	5,560,601
Treasury shares	18(b)	(563,842)	(563,842)
Reserves		<u>28,100,545</u>	<u>25,898,650</u>
Total equity attributable to equity shareholders of the Company		33,097,304	30,895,409
Non-controlling interests		<u>511,243</u>	<u>506,535</u>
TOTAL EQUITY		<u>33,608,547</u>	<u>31,401,944</u>

Approved and authorised for issue by the Board of Directors on June 11, 2025.



Cheng Xue
Executive Director and
Chairwoman of the Board



Guan Jianghua
Executive Director

The accompanying notes are integral part of the interim financial information.

Consolidated statement of changes in equity
for the three months ended March 31, 2025 - unaudited
(Expressed in RMB)

(Unaudited)	Attributable to equity shareholders of the Company							Non-controlling interests RMB'000	Total equity RMB'000
	Share capital RMB'000	Treasury shares RMB'000 (note 18(b))	Capital reserve RMB'000	Statutory reserve RMB'000	Other reserve RMB'000	Exchange reserve RMB'000	Retained profits RMB'000	Sub-total RMB'000	
Balance at January 1, 2025	5,560,601	(563,842)	95,860	3,075,896	46,639	(5,082)	22,685,337	30,895,409	31,401,944
Changes in equity for the three months ended March 31, 2025:									
Profit for the period	-	-	-	-	-	-	2,202,351	2,202,351	2,207,059
Other comprehensive income	-	-	-	-	-	(456)	-	(456)	(456)
Total comprehensive income	-	-	-	-	-	(456)	2,202,351	2,201,895	2,206,603
Balance at March 31, 2025	5,560,601	(563,842)	95,860	3,075,896	46,639	(5,538)	24,887,688	33,097,304	33,608,547

**Consolidated statement of changes in equity
for the three months ended March 31, 2025 (continued) - unaudited**
(Expressed in RMB)

(Unaudited)	Attributable to equity shareholders of the Company							Non- controlling interests RMB'000	Total equity RMB'000
	Share capital RMB'000	Treasury shares RMB'000 (note 18(b))	Capital reserve RMB'000	Statutory reserve RMB'000	Other reserve RMB'000	Exchange reserve RMB'000	Retained profits RMB'000	Sub-total RMB'000	
Balance at January 1, 2024	5,560,601	(249,982)	95,860	3,006,300	46,639	(9)	20,071,219	28,530,612	29,032,976
Changes in equity for the three months ended March 31, 2024:									
Profit for the period	-	-	-	-	-	-	1,918,880	1,918,880	1,928,067
Other comprehensive income	-	-	-	-	-	11	-	11	11
Total comprehensive income	-	-	-	-	-	11	1,918,880	1,918,891	1,928,078
Repurchase of own shares (note 18(b))	-	(249,982)	-	-	-	-	-	(249,982)	(249,982)
Dividends approved and paid in respect of the previous year to non-controlling shareholders	-	-	-	-	-	-	-	-	(7,564)
Balance at March 31, 2024	5,560,601	(499,960)	95,860	3,006,300	46,639	2	21,990,099	30,199,521	30,703,508

The accompanying notes are integral part of the interim financial information.

Condensed consolidated cash flow statement
for the three months ended March 31, 2025 - unaudited
(Expressed in RMB)

Note	<i>Three months ended March 31,</i>	
	<i>2025</i>	<i>2024</i>
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Operating activities		
Cash generated from operations	(220,769)	(382,541)
Income tax paid	(236,762)	(171,889)
Net cash used in operating activities	<u>(457,531)</u>	<u>(554,430)</u>
Investing activities		
Payment for purchase of property, plant and equipment, right-of-use assets and intangible assets	(237,718)	(336,310)
Proceeds from disposal of property, plant and equipment and intangible assets	163	721
Proceeds from maturity of term deposits and certificates of deposits	-	1,182,050
Placement of term deposits and certificates of deposits	(3,009,422)	(1,050,000)
Purchase of other financial assets at FVPL	(1,730,000)	(1,750,000)
Proceeds from disposal of other financial assets at FVPL	1,831,557	1,644,967
Withdrawal of deposits for a derivative financial instrument	-	100,000
Interest received	195,435	74,878
Net cash used in investing activities	<u>(2,949,985)</u>	<u>(133,694)</u>

Condensed consolidated cash flow statement
for the three months ended March 31, 2025 (continued) -
unaudited
(Expressed in RMB)

		<i>Three months ended March 31,</i>	
	<i>Note</i>	<i>2025</i>	<i>2024</i>
		<i>RMB'000</i>	<i>RMB'000</i>
		<i>(unaudited)</i>	<i>(unaudited)</i>
Financing activities			
Payment for repurchase of own shares		-	(249,982)
Proceeds from bank loans		74,000	248,396
Proceeds from discount of bills receivable due from the Company by a subsidiary		1,126,722	300,000
Payment for expired bills payable due to a subsidiary from the Company		(293,788)	(300,000)
Repayments of bank loans		(268,665)	(44,185)
Lease payments		(5,483)	(5,745)
Payment for listing expenses		(19,410)	-
Dividends paid to non-controlling shareholders		-	(7,564)
Interest paid		(8,867)	(4,997)
Net cash generated from/(used in) financing activities		<u>604,509</u>	<u>(64,077)</u>
Net decrease in cash and cash equivalents		(2,803,007)	(752,201)
Effect of foreign exchange rate changes		224	-
Cash and cash equivalents at the beginning of the period		<u>11,906,831</u>	<u>12,841,080</u>
Cash and cash equivalents at the end of the period	14(a)	<u>9,104,048</u>	<u>12,088,879</u>

The accompanying notes are integral part of the interim financial information.

Notes to the unaudited interim financial information

(Expressed in thousands of RMB, unless otherwise indicated)

1 Basis of preparation

Foshan Haitian Flavouring and Food Company Ltd. (“佛山市海天調味食品股份有限公司”), hereinafter referred to as the “Company”, was established in Foshan City, Guangdong Province, the People’s Republic of China (the “PRC”) on April 8, 2000 as a limited liability company under the PRC Company Law. In November 2010, the Company was converted into a joint stock limited liability company. In February 2014, the Company’s A Shares were listed on Shanghai Stock Exchange (“the A Share Listing”).

The Company and its subsidiaries (hereinafter collectively referred to as “the Group”) are principally engaged in the manufacturing and sales of soy sauce, oyster sauce, flavored sauce, specialty condiment products and others.

The interim financial information has been prepared in accordance with IAS 34, *Interim financial reporting*, issued by the International Accounting Standards Board (“IASB”). It was authorised for issue on June 11, 2025.

The interim financial information has been prepared in accordance with the same basis of preparation and presentation and accounting policies adopted in the historical financial information for the years ended December 31, 2022, 2023 and 2024 (the “Historical Financial Information”) as disclosed in Appendix I to the prospectus dated June 11, 2025 (the “Prospectus”) issued by the Company.

The preparation of an interim financial information in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial information contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since December 31, 2024 in the Historical Financial Information as disclosed in Appendix I to the Prospectus. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with IFRS Accounting Standards.

2 Revenue and segment reporting

(a) Revenue

The principal activities of the Group are manufacturing and sales of soy sauce, oyster sauce, flavored sauce, specialty condiment products and others.

(i) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products and services is as follows:

	<i>Three months ended March 31,</i>	
	<i>2025</i>	<i>2024</i>
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Revenue from contracts with customers within the scope of IFRS 15		
<i>Disaggregated by major products and services</i>		
Sales of soy sauce products	4,420,361	4,085,223
Sales of oyster sauce products	1,359,700	1,281,566
Sales of flavored sauce products	912,788	801,041
Sales of specialty condiment products and others	1,288,762	1,066,631
Others	329,160	453,915
	<u>8,310,771</u>	<u>7,688,376</u>
Revenue from other sources		
Rental income	<u>4,630</u>	<u>5,474</u>
	<u>8,315,401</u>	<u>7,693,850</u>

Note: Others primarily consist of sales of raw materials, packaging materials, by-products and others, and logistics and transportation services income.

2 Revenue and segment reporting (continued)

Disaggregation of revenue from contracts with customers by the timing of revenue recognition is as follows:

	<i>Three months ended March 31,</i>	
	<i>2025</i>	<i>2024</i>
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Revenue from contracts with customers		
Point in time	8,067,715	7,490,759
Over time	243,056	197,617
	<u>8,310,771</u>	<u>7,688,376</u>

The Group's customer base is diversified, and the Group did not have any customer with whom transactions have exceeded 10% of the Group's aggregate revenue for the three months ended March 31, 2025 (three months ended March 31, 2024: nil).

The Group applies the practical expedient in paragraph 121 of IFRS 15 of not disclosing the transaction price allocated to the remaining performance obligation as the original expected duration of substantially all the contracts of the Group are within one year or less.

(b) Segment reporting

Operating segments are identified on the basis of internal reports that the Group's most senior executive management reviews regularly in allocating resources to segments and in assessing their performances.

The Group's most senior executive management makes resources allocation decisions based on internal management functions and assess the Group's business performance as one integrated business instead of by separate business lines or geographical regions. Accordingly, the Group has only one operating segment and therefore, no segment information is presented.

(i) Geographic information

Substantially all of the Group's revenue and non-current assets are generated and located in the PRC. Accordingly, no segment analysis based on geographical locations is provided.

3 Other revenue

	<i>Three months ended March 31,</i>	
	<i>2025</i>	<i>2024</i>
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Interest income	108,086	114,026
Government grants (note (a))	23,738	27,931
Additional deduction for VAT (note (b))	24,821	22,062
	<u>156,645</u>	<u>164,019</u>

Notes:

(a) Government grants

Government grants represent various forms of incentives and subsidies granted to the Group by the local government authorities in the PRC.

(b) Additional deduction for VAT

Pursuant to the Notice on the Additional Value-added Tax ("VAT") Credit Policy for Advanced Manufacturing Enterprises (Announcement [2023] No. 43) issued by the Ministry of Finance and the State Taxation Administration, advanced manufacturing enterprises are eligible for a 5% additional VAT deduction based on deductible input VAT in the period from January 1, 2023 to December 31, 2027.

4 Other net income

	<i>Three months ended March 31,</i>	
	<i>2025</i>	<i>2024</i>
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Net fair value changes on other financial assets at FVPL	44,297	55,525
Net losses on disposal of property, plant and equipment	(62)	(12)
Net foreign exchange losses	(3,891)	(2,402)
Others	2,316	(11,973)
	<u>42,660</u>	<u>41,138</u>

5 Profit before taxation

Profit before taxation is arrived at after charging:

(a) Finance costs

	<i>Three months ended March 31,</i>	
	<i>2025</i>	<i>2024</i>
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Interest on bank loans and other borrowing	8,867	6,239
Interest on lease liabilities	729	578
	<u>9,596</u>	<u>6,817</u>

(b) Other items

	<i>Three months ended March 31,</i>	
	<i>2025</i>	<i>2024</i>
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Amortization cost of intangible assets	4,225	2,593
Depreciation charge		
- Property, plant and equipment	187,348	222,932
- Right-of-use assets	10,789	9,749
- Investment properties	69	85
	<u>198,206</u>	<u>232,766</u>
Cost of inventories	4,014,930	3,847,055
Logistics costs	436,199	379,142
Research and development expenses	187,039	185,158

6 Income tax in the consolidated statements of profit or loss

(a) Taxation in the consolidated statements of profit or loss represents:

	<i>Three months ended March 31,</i>	
	<i>2025</i>	<i>2024</i>
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Current tax – PRC corporate income tax (“CIT”)		
Provision for the period	<u>354,012</u>	<u>334,403</u>
	<u>354,012</u>	<u>334,403</u>
Deferred tax		
Origination and reversal of temporary differences	<u>53,048</u>	<u>5,577</u>
	<u>407,060</u>	<u>339,980</u>

Notes:

(i) PRC corporate income tax (“CIT”)

The income tax provision of the Group in respect of its operations in mainland China was calculated at tax rate of 25% on the assessable profits for the periods presented, based on the existing legislation, interpretation and practices in respect thereof, except for the subsidiaries below.

Certain subsidiaries of the Company in the mainland China were subject to the following preferential corporate income tax policies for the three months ended March 31, 2025 and 2024:

- Certain subsidiaries of the Company in the mainland China were approved as “High and New Technology Enterprises”, and they were subject to a preferential corporate income tax rate of 15%;
- Certain subsidiaries of the Company were entitled to other tax concessions, mainly including the preferential tax rate of 15% applicable to some subsidiaries and the preferential tax rate of 9% applicable to one subsidiary. These subsidiaries located in certain areas of the mainland China, can enjoy the preferential tax rate upon fulfilment of certain requirements of the respective local governments application conditions of relevant preferential policies; and

6 Income tax in the consolidated statements of profit or loss (continued)

- Certain subsidiaries of the Company in the mainland China fulfil the micro and small enterprises qualification under the PRC corporate income tax system. Therefore, partial assessable profits of these subsidiaries were subject to the preferential income tax rate of 20%.

Hensil Worldwide Investments Limited ("Hensil Worldwide") which was incorporated in the British Virgin Islands was deemed as domestic registered resident enterprise since 2014 and subject to CIT tax rate of 25% on the assessable profits. In addition, equity investment income (including dividends) received from other resident enterprise by Hensil Worldwide was qualified for income tax exemption since 2014.

The Group's entities in the mainland China are eligible for additional deduction on eligible research and development expenses incurred by certain subsidiaries during the three months ended March 31, 2025 and 2024.

(ii) Hong Kong profits tax

The provision for Hong Kong Profits Tax for the three months ended March 31, 2025 and 2024 is calculated at 16.5% of the estimated assessable profits for the period, except for one subsidiary of the Company which is a qualifying corporation under the two-tiered Profits Tax rate regime.

For this subsidiary, the first Hong Kong dollars ("HKD") 2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5% for the three months ended March 31, 2025 and 2024.

(iii) Corporate income tax in other jurisdictions

The income tax rates of the subsidiaries in Vietnam and Indonesia are 20% and 22%, respectively.

(b) **Pillar Two income taxes**

In 2021, the Organisation for Economic Co-operation and Development published the Global Anti-Base Erosion Model Rules ("Pillar Two model rules") for a new global minimum tax reform applicable to large multinational enterprises. Certain jurisdictions in which the Group operates have implemented Pillar Two income tax legislation based on this framework, and those Pillar Two income tax laws became effective on January 1, 2024.

Vietnam, where Haday Vietnam Company Limited and Haday Vietnam Food Company Limited operate, introduced Pillar Two global minimum tax rules which include an income inclusion rule (IIR) and qualified domestic minimum top-up tax effective from January 1, 2024. Hong Kong, where the certain subsidiaries of the Company operate, introduced Pillar Two global minimum tax rules which include an income inclusion rule and qualified domestic minimum top-up tax effective from January 1, 2025. However, the Group's assessment indicates that there is no material related current tax exposure in Vietnam and Hong Kong for the three months ended March 31, 2025 and 2024.

6 Income tax in the consolidated statements of profit or loss (continued)

The Group has applied the temporary mandatory exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes and accounted for the tax as current tax when incurred.

Other jurisdictions in which the Group operates are in the process of implementing their Pillar Two income tax legislation. Therefore, it is possible that the Group may be subject to additional Pillar Two income taxes in those jurisdictions in the future.

7 Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB2,202,353,000 (three months ended March 31, 2024: RMB 1,918,880,000) and the weighted average of 5,545,312,000 ordinary shares (three months ended March 31, 2024: 5,549,810,000 shares) in issue during the interim period.

(i) Weighted-average number of ordinary shares

	<i>Three months ended March 31,</i>	
	<i>2025</i>	<i>2024</i>
	<i>'000</i>	<i>'000</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Issued ordinary shares at the beginning of the period	5,560,601	5,560,601
Effect of shares repurchased in previous years (Note 18(b))	(15,289)	(6,758)
Effect of shares repurchased during the period (Note 18(b))	-	(4,033)
Weighted average number of ordinary shares at the end of the period	<u>5,545,312</u>	<u>5,549,810</u>

(b) Diluted earnings per share

During the three months ended March 31, 2025 and 2024, there were no dilutive potential ordinary shares issued. Therefore, diluted earnings per share is the same as basic earnings per share.

8 Property, plant and equipment

During the three months ended March 31, 2025, the Group acquired items of property, plant and equipment with a cost of RMB626,988,000 (three months ended March 31, 2024: RMB497,395,000). Items of property, plant and equipment with a net book value of RMB229,000 (three months ended March 31, 2024: RMB733,000) were disposed of during the three months ended March 31, 2025, resulting in net losses on disposal of RMB62,000 (three months ended March 31, 2024: RMB12,000).

9 Right-of-use assets

During the three months ended March 31, 2025, the regular depreciation of the Group's right-of-use assets leads to reduction to net value of right-of-use assets of RMB10,789,000 (three months ended March 31, 2024: RMB9,749,000).

During the three months ended March 31, 2025, the Group entered into new lease agreement for use of land-use right and other properties and therefore recognised the addition to original value of right-of-use assets of RMB7,349,000 (three months ended March 31, 2024: RMB332,000).

10 Other financial assets at fair value through profit or loss

	Note	As at March 31, 2025 RMB'000 (unaudited)	As at December 31, 2024 RMB'000
Non-current:			
Equity securities		100	100
Current:			
Wealth management products	(i)	7,529,267	7,518,580
Listed securities	(ii)	31,049	98,996
		<u>7,560,316</u>	<u>7,617,576</u>
		<u>7,560,416</u>	<u>7,617,676</u>

(i) *Wealth management products*

The wealth management products were issued by banks with variable investment income and can be redeemed on demand or in a short-term.

(ii) *Listed securities*

During the three months ended March 31, 2025, the Group disposed certain portion of listed securities.

11 Inventories

(a) Inventories in the consolidated statement of financial position comprises:

	As at March 31, 2025 RMB'000 (unaudited)	As at December 31, 2024 RMB'000
Raw materials	249,625	210,128
Work in progress	1,102,892	1,319,870
Finished goods	276,464	886,731
Packaging materials	75,479	73,995
Low value consumables	33,688	32,744
Others	8,143	5,076
	<u>1,746,291</u>	<u>2,528,544</u>
Less: write-down of inventories	<u>(3,263)</u>	<u>(3,270)</u>
Total	<u>1,743,028</u>	<u>2,525,274</u>

(b) The analysis of the amount of inventories recognized as an expense and included in profit or loss is as follows:

	Three months ended March 31, 2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Carrying amount of inventories sold	3,886,129	3,712,919
Carrying amount of inventories recognized as research and development expenses	128,610	134,136
Write-down of inventories	<u>191</u>	<u>-</u>
	<u>4,014,930</u>	<u>3,847,055</u>

12 Trade receivables

	<i>As at March 31, 2025 RMB'000 (unaudited)</i>	<i>As at December 31, 2024 RMB'000</i>
Current		
Trade receivables	284,902	254,507
Bills receivable	1,806	371
Less: loss allowance	<u>(11,655)</u>	<u>(12,246)</u>
Total	<u>275,053</u>	<u>242,632</u>

All of the trade and bills receivables in current portion are expected to be recovered or recognized as expense within one year.

Aging analysis

The aging analysis of trade and bills receivable, based on the invoice date, is as follows:

	<i>As at March 31, 2025 RMB'000 (unaudited)</i>	<i>As at December 31, 2024 RMB'000</i>
Within 1 year	284,010	251,728
1 to 2 years	1,481	2,053
2 to 3 years	755	737
Over 3 years	<u>462</u>	<u>360</u>
	<u>286,708</u>	<u>254,878</u>

Trade receivables are due within 90 days from the date of billing. Debtors with balances that are more than 6 months past due are requested to settle all outstanding balances before any further credit is granted.

13 Other receivables

	<i>As at March 31, 2025 RMB'000 (unaudited)</i>	<i>As at December 31, 2024 RMB'000</i>
Current		
Amounts due from related parties	5,948	3,325
Other receivables	<u>15,822</u>	<u>15,281</u>
	21,770	18,606
Prepayments for materials	25,528	34,294
Prepayments for listing expenses	19,410	-
Deductible input VAT and others	<u>202,783</u>	<u>288,991</u>
	<u>269,491</u>	<u>341,891</u>
Non-current		
Prepayments for purchase of property, plant and equipment	<u>14,858</u>	<u>61,219</u>
	<u>14,858</u>	<u>61,219</u>
Total	<u>284,349</u>	<u>403,110</u>

All of the other receivables in current portion are expected to be recovered or recognized as expense within one year.

14 Cash and cash equivalents, term deposits, certificates of deposits and restricted cash

(a) Cash and cash equivalents comprise:

	<i>As at March 31, 2025 RMB'000 (unaudited)</i>	<i>As at December 31, 2024 RMB'000</i>
Cash at bank and in hand, and cash equivalents	<u>9,104,048</u>	<u>11,906,831</u>

Classification as cash equivalents

For the purpose of presentation in the condensed consolidated cash flow statement, cash equivalents include term deposits and certificates of deposits held for the purpose of meeting short-term cash commitments.

(b) Term deposits and certificates of deposits comprise:

	<i>As at March 31, 2025 RMB'000 (unaudited)</i>	<i>As at December 31, 2024 RMB'000</i>
Term deposits	6,223,428	5,327,793
Certificates of deposits	<u>6,898,157</u>	<u>4,871,719</u>
	<u>13,121,585</u>	<u>10,199,512</u>

The balance of term deposits and certificates of deposits mainly comprise term deposits and certificates of deposits with terms over three months and related accrued interest.

14 Cash and cash equivalents, term deposits, certificates of deposits and restricted cash (continued)

(c) Restricted cash

	As at March 31, 2025 RMB'000 (unaudited)	As at December 31, 2024 RMB'000
Guarantee deposits	<u>1,773</u>	<u>8,393</u>

The balance of guarantee deposits mainly comprise letter of credit guarantee deposits and third-party payment platforms guarantee deposits which are both restricted.

15 Trade and bills payable

	As at March 31, 2025 RMB'000 (unaudited)	As at December 31, 2024 RMB'000
Trade payables	1,168,631	1,360,098
- third parties (note (ii))	1,053,992	1,224,340
- related parties	114,639	135,758
Bills payable	<u>1,419,411</u>	<u>586,477</u>
	<u>2,588,042</u>	<u>1,946,575</u>

Notes:

- (i) All trade and bills payable (including amounts due to related parties and subsidiaries) are expected to be settled within one year or are repayable on demand.
- (ii) Since 2023, the Group's certain suppliers has entered into factoring arrangements with Guangdong Haitian Commercial Factoring Company Limited ("Haitian Factoring"), an entity controlled by the immediate shareholder of the Group. Under these arrangements, the Group's suppliers transfer the receivables due from the Group to Haitian Factoring before the original due dates, and the Group settles these trade payables with Haitian Factoring upon the due date. The receivables due from the Group that certain suppliers transferred to Haitian Factoring as at March 31, 2025 amounted to RMB138,808,000 (December 31, 2024: RMB203,245,000). Trade payables that the Group settled with Haitian Factoring under above arrangement amounted to RMB668,604,000 in aggregate during the three months ended March 31, 2025 (three months ended March 31, 2024: RMB634,639,000).

15 Trade and bills payable (continued)

As of the end of each reporting period, the ageing analysis of trade payables based on the invoice date, is as follows:

	<i>As at March 31, 2025 RMB'000 (unaudited)</i>	<i>As at December 31, 2024 RMB'000</i>
Within 1 year	<u>1,168,631</u>	<u>1,360,098</u>
	<u>1,168,631</u>	<u>1,360,098</u>

16 Other payables

	<i>As at March 31, 2025 RMB'000 (unaudited)</i>	<i>As at December 31, 2024 RMB'000</i>
Other taxes payable	92,340	76,320
Payroll payables	445,900	664,673
Amounts due to related parties	2,940	3,858
Deposits due to suppliers	152,811	154,877
Accrual for marketing expenses	231,311	227,760
Accrual for transportation expenses	240,812	261,592
Payables for equipment and construction	115,355	157,538
Others	<u>53,101</u>	<u>56,389</u>
	<u>1,334,570</u>	<u>1,603,007</u>

All other payables (including amounts due to related parties) are expected to be settled within one year or are repayable on demand.

17 Contract liabilities

Contract liabilities mainly represents the advance payments (exclude output VAT) from customers, for which the underlying goods are yet to be provided. The output VAT contained in the advance payments has been classified under other current liabilities.

	<i>As at March 31, 2025 RMB'000 (unaudited)</i>	<i>As at December 31, 2024 RMB'000</i>
Receipts in advance	<u>1,377,465</u>	<u>4,335,313</u>

18 Capital, reserves and dividends

(a) Dividends

- (i) No interim dividends were proposed to equity shareholders of the Company attributable to the interim period after the end of the reporting period.
- (ii) No dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the three months ended March 31, 2025 (three months ended March 31, 2024: nil).

(b) Treasury shares

During the three months ended March 31, 2025 and 2024, the Company repurchased its own ordinary A shares as follows:

	<i>As at March 31, 2025 RMB'000 (unaudited)</i>	<i>As at March 31, 2024 RMB'000 (unaudited)</i>
At the beginning of the period	563,842	249,998
Repurchase of own shares	<u>-</u>	<u>249,982</u>
At the end of the period	<u>563,842</u>	<u>499,980</u>

18 Capital, reserves and dividends (continued)

The Company did not repurchase any treasury shares during the three months ended March 31, 2025 while the Company repurchased 6,775,068 shares in total, on the Shanghai Stock Exchange for an aggregate consideration of RMB 249,982,000 during the three months ended March 31, 2024. The details of repurchase information are as follows.

Period ended	Number of shares repurchased	Highest price paid per share RMB	Lowest price paid per share RMB	Aggregate price paid RMB
March 31, 2024	<u>6,775,068</u>	40.80	33.64	<u>249,982,000</u>

The ordinary shares held as at March 31, 2025 include 10,289,491 shares held as treasury shares and 5,000,000 shares held under the 2024 employee stock ownership plan, which are mainly used for future share award scheme.

19 Fair value measurement of financial instruments

(a) Financial assets measured at fair value

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3 valuations: Fair value measured using significant unobservable inputs

Analysis on fair value measurement of financial instruments as at March 31, 2025 and December 31, 2024 are as follows:

	Fair value at March 31, 2025 RMB'000 (unaudited)	Fair value measurement at March 31, 2025, categorised into		
		Level 1	Level 2	Level 3
Recurring fair value measurement				
Other financial assets at FVPL				
- Wealth management products	7,529,267	-	7,529,267	-
- Equity securities	100	-	100	-
- Listed securities	31,049	31,049	-	-
	7,560,416	31,049	7,529,367	-

19 Fair value measurement of financial instruments (continued)

	Fair value at December 31, 2024 RMB'000	Fair value measurement at December 31, 2024, categorised into		
		Level 1	Level 2	Level 3
Recurring fair value measurement				
Other financial assets at FVPL				
- Wealth management products	7,518,580	-	7,518,580	-
- Equity securities	100	-	100	-
- Listed securities	98,996	98,996	-	-
	7,617,676	98,996	7,518,680	-

During the three months ended March 31, 2025, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (three months ended March 31, 2024: nil). The Group's policy is to recognize transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

The listed securities are accounted for at fair value in level 1 and measured by referencing to the stock price.

Valuation techniques and inputs used in Level 2 fair value measurements

The fair value of wealth management products in Level 2 is measured by referencing to the net asset value published by the banks.

(b) Fair value of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial instruments carried at amortized cost are not materially different from their fair values as at March 31, 2025 and December 31, 2024.

20 Commitments

Capital commitments outstanding at March 31, 2025 not provided for in the interim financial information were as follows:

	As at March 31, 2025 RMB'000 (unaudited)	As at December 31, 2024 RMB'000
Contracted for purchase for property, plant and equipment	565,960	704,563

21 Material related party transactions

(a) Transactions with related parties

Apart from disclosures made in note 15 of the interim financial information, the Group entered into the following material related party transactions:

	<i>Three months ended March 31,</i>	
	<i>2025</i>	<i>2024</i>
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Purchases of goods and services		
Guangdong Haitian Group Co., Ltd.		
("Guangdong Haitian") and entities controlled by		
Guangdong Haitian	216,865	233,323
Entities over which Guangdong Haitian has		
significant influence	109,554	125,047
	<u>326,419</u>	<u>358,370</u>
Sales of goods and rendering of services		
Guangdong Haitian and entities controlled by		
Guangdong Haitian	15,010	6,797
Entities over which Guangdong Haitian has		
significant influence	44	10
	<u>15,054</u>	<u>6,807</u>
Expense relating to short-term leases		
Guangdong Haitian and entities controlled by		
Guangdong Haitian	454	448
Provision of rental services		
Guangdong Haitian and entities controlled by		
Guangdong Haitian	310	456
Purchases of property, plant and equipment		
Guangdong Haitian and entities controlled by		
Guangdong Haitian	17,650	28,163

(i) Leasing arrangements

Our Group has entered into several lease agreements with lease periods of 1 to 3 years with Guangdong Haitian and entities controlled by Guangdong Haitian to lease certain premises, machinery and equipment. During the three months ended March 31, 2025, the Group settled the lease payments with amounts of RMB4,814,000 (three months ended March 31, 2024: RMB 4,935,000) for the above rental services, and interests generated from these leasing arrangements are RMB147,000 (three months ended March 31, 2024: RMB189,000).

21 Material related party transactions (continued)

During the three months ended March 31, 2025, the Group entered into new lease agreements with Guangdong Haitian for use of machinery and equipment and therefore recognised right-of-use assets and lease liabilities of RMB822,000 while no new lease arrangements conducted during the three months ended March 31, 2024.

- (ii) Since 2024, certain distributors of the Group entered into the loan agreements independently with Jiaxing Haitian Small Loan Company Limited ("Jiaxing Haitian"), an entity controlled by Guangdong Haitian. Pursuant to the agreements, Jiaxing Haitian agreed to make the direct payment to the Group on behalf of distributors as distributors' prepayments for purchase of flavoring products, and the above advance payments are regarded as Jiaxing Haitian's loans to distributors. During the three months ended March 31, 2025, the total amount received by the Group from Jiaxing Haitian, as the distributors' prepayments, are RMB112,214,000 (three months ended March 31, 2024: nil) in aggregate. The Group does not provide any guarantee over Jiaxing Haitian's loans to distributors.

(b) Balances with related parties

	As at March 31, 2025 RMB'000 (unaudited)	As at December 31, 2024 RMB'000
Trade related:		
Other receivables		
Guangdong Haitian and entities controlled by Guangdong Haitian	5,948	3,282
Entities over which Guangdong Haitian has significant influence	-	43
	<u>5,948</u>	<u>3,325</u>
Trade payables		
Guangdong Haitian and entities controlled by Guangdong Haitian	48,008	56,938
Entities over which Guangdong Haitian has significant influence	66,631	78,820
	<u>114,639</u>	<u>135,758</u>
Other payables		
Guangdong Haitian and entities controlled by Guangdong Haitian	1,590	2,508
Entities over which Guangdong Haitian has significant influence	1,350	1,350
	<u>2,940</u>	<u>3,858</u>

22 Immediate and ultimate controlling party

The directors of the Company consider the immediate holding party of the Company as at March 31, 2025 and December 31, 2024 was Guangdong Haitian.

The ultimate controlling party of the Company was Mr. Pang Kang, Ms. Cheng Xue, Mr. Guan Jianghua, Mr. Chen Junyang, Mr. Wen Zhizhou and Mr. Liao Changhui, which signed acting-in-concert agreement.

23 Significant non-adjusting events

On May 9, 2025, a final dividend in respect of the year ended December 31, 2024 of RMB8.60 per 10 shares (tax inclusive), in an aggregate amount of approximately RMB4,773,268,000 has been approved by the shareholders in the annual general meeting.