Foshan Haitian Flavouring and Food Company Ltd.

Underlying Financial Statements
for the years ended
December 31, 2022, 2023 and 2024

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Independent auditor's report to the directors of Foshan Haitian Flavouring and Food Company Ltd.

(incorporated in the People's Republic of China with limited liability)

Opinion

We have audited the consolidated financial statements of Foshan Haitian Flavouring and Food Company Ltd. ("the Company") and its subsidiaries ("the Group") set out on pages 4 to 94, which comprise the consolidated statements of financial position of the Group and the statements of financial position of the Company as at December 31, 2022, 2023 and 2024, the consolidated statements of profit or loss, the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated cash flow statements for each of the years ended December 31, 2022, 2023 and 2024 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 Company's and the Group's financial position as at December 31, 2022, 2023 and 2024 and of the Group's consolidated financial performance and the Group's consolidated cash flows for each of the years ended December 31, 2022, 2023 and 2024 in accordance with the basis of preparation and presentation set out in note 1 to the consolidated financial statements.

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the Hong Kong Institute of Certified Public Accountants (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") together with any ethical requirements that are relevant to our audit of the consolidated financial statements in the People's Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KPMG, a Hong Kong (SAR) partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

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Emphasis of Matter – Basis of Preparation and Presentation

We draw attention to note 1 to the consolidated financial statements, which describes the basis of preparation and presentation. The consolidated financial statements are prepared for the purpose of the preparation of a prospectus by the directors of the Company in connection with the initial public offering of H shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited. As a result, the consolidated financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of the directors 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 the basis of preparation and presentation set out in note 1 to the consolidated financial statements and for such internal control as the directors of the Company determine is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company 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.

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. The report is made solely to you, as a body, 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 HKSAs 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.

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As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism 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.

We communicate with the directors of the Company 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.

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

June 11, 2025

Consolidated statements of profit or loss
(Expressed in RMB)

	Note	Year ended December 31, 2022 RMB'000	2023 RMB'000	2024 RMB'000
Revenue	4	25,609,652	24,559,312	26,900,978
Cost of sales		(16,679,019)	(16,222,544)	(17,175,902)
Gross profit		8,930,633	8,336,768	9,725,076
Other revenue	5	894,358	748,533	712,801
Other net income	6	151,254	225,143	263,233
Selling and marketing expenses		(1,378,054)	(1,305,747)	(1,628,602)
Administrative expenses		(449,008)	(534,411)	(595,339)
Research and development costs	8(c)	(751,339)	(715,418)	(839,532)
Provision for expected credit losses on trade and other receivables		(2,592)	(203)	(1,041)
Provision for impairment losses	7	(16,551)	(3,739)	(99,553)
Profit from operations		7,378,701	6,750,926	7,537,043
Finance costs	8(a)	(14,496)	(11,888)	(23,961)
Profit before taxation	8	7,364,205	6,739,038	7,513,082
Income tax	9	(1,161,039)	(1,096,851)	(1,157,221)
Profit for the year		6,203,166	5,642,187	6,355,861
Attributable to:				
Equity shareholders of the Company		6,197,717	5,626,625	6,344,126
Non-controlling interests		5,449	15,562	11,735
Profit for the year		6,203,166	5,642,187	6,355,861
Earnings per share	12			
Basic and diluted (RMB)		1.11	1.01	1.14

The accompanying notes are integral part of the consolidated financial statements.

Consolidated statements of profit or loss and other comprehensive income

(Expressed in RMB)

	Year ended December 31,		
	2022 RMB'000	*2023* RMB'000	*2024* RMB'000
Profit for the year	6,203,166	5,642,187	6,355,861
Other comprehensive income for the year (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	-	(9)	(5,073)
Other comprehensive income for the year	-	(9)	(5,073)
Total comprehensive income for the year	6,203,166	5,642,178	6,350,788
Attributable to:			
Equity shareholders of the Company	6,197,717	5,626,616	6,339,053
Non-controlling interests	5,449	15,562	11,735
Total comprehensive income for the year	6,203,166	5,642,178	6,350,788

The accompanying notes are integral part of the consolidated financial statements.

Consolidated statements of financial position
(Expressed in RMB)

	Note	As at December 31, 2022 RMB'000	2023 RMB'000	2024 RMB'000
Non-current assets				
Property, plant and equipment	13	5,397,675	6,073,857	6,533,073
Right-of-use assets	14	681,871	857,180	880,608
Investment property		4,131	3,775	3,437
Intangible assets	15	46,202	40,128	35,536
Goodwill	16	210,428	210,428	112,937
Other financial assets at fair value through profit or loss ("FVPL")	19	100	100	100
Other receivables	22	91,854	9,708	61,219
Deferred tax assets	30(b)	653,326	453,922	389,416
		7,085,587	7,649,098	8,016,326
Current assets				
Inventories	20	2,391,641	2,618,773	2,525,274
Trade receivables	21	188,395	223,149	242,632
Other receivables	22	88,582	402,107	341,891
Other financial assets at FVPL	19	6,081,663	5,841,005	7,617,576
Term deposits and certificates of deposits	23	9,040,109	8,830,381	10,199,512
Restricted cash	23	31,163	17,924	8,393
Cash and cash equivalents	23	9,152,035	12,841,080	11,906,831
		26,973,588	30,774,419	32,842,109
Current liabilities				
Trade and bills payable	24	1,300,262	1,861,489	1,946,575
Other payables	25	1,864,286	1,505,192	1,603,007
Contract liabilities	26	2,948,111	4,527,027	4,335,313
Bank loans	27	136,698	381,249	309,465
Lease liabilities	28	15,287	12,741	14,770
Current taxation	30(a)	328,856	222,925	337,785
Other current liabilities	26	125,791	425,614	438,876
		6,719,291	8,936,237	8,985,791
Net current assets		20,254,297	21,838,182	23,856,318
Total assets less current liabilities		27,339,884	29,487,280	31,872,644
Non-current liabilities				
Bank loans and other borrowing	27	112,653	89,270	52,200
Lease liabilities	28	29,746	30,186	28,591
Deferred income	29	279,166	303,224	358,519
Deferred tax liabilities	30(b)	33,840	31,624	31,390
		455,405	454,304	470,700
NET ASSETS		26,884,479	29,032,976	31,401,944

Consolidated statements of financial position (continued)
(Expressed in RMB)

	Note	As at December 31, 2022 RMB'000	2023 RMB'000	2024 RMB'000
CAPITAL AND RESERVES				
Share capital	31(c)	4,633,834	5,560,601	5,560,601
Treasury shares	31(d)	-	(249,998)	(563,842)
Reserves	31(e)	21,763,843	23,220,009	25,898,650
Total equity attributable to equity shareholders of the Company		26,397,677	28,530,612	30,895,409
Non-controlling interests		486,802	502,364	506,535
TOTAL EQUITY		26,884,479	29,032,976	31,401,944

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 consolidated financial statements.

Statements of financial position of the Company
(Expressed in RMB)

	Note	As at December 31, 2022 RMB'000	2023 RMB'000	2024 RMB'000
Non-current assets				
Property, plant and equipment		28,203	23,431	19,312
Right-of-use assets		29,887	15,916	15,956
Investment property		1,796	1,640	1,502
Intangible assets		8,761	10,314	13,208
Investments in subsidiaries	18	1,489,109	1,549,109	1,490,409
Other financial assets at FVPL	19	100	100	100
Deferred tax assets	30(b)	521,466	315,486	236,892
		2,079,322	1,915,996	1,777,379
Current assets				
Inventories	20	9,616	8,892	7,859
Other receivables	22	11,076,462	8,466,670	5,476,568
Other financial assets at FVPL	19	2,624,927	3,611,520	4,727,412
Term deposits and certificates of deposits	23	4,222,485	7,901,954	8,858,412
Cash and cash equivalents	23	7,191,574	8,640,855	5,151,010
		25,125,064	28,629,891	24,221,261
Current liabilities				
Trade and bills payable	24	1,683	450,289	612,489
Other payables	25	6,819,986	5,582,644	1,407,867
Contract liabilities	26	2,659,323	4,113,858	4,002,681
Lease liabilities	28	14,350	7,570	7,584
Current taxation	30(a)	35,698	35,675	82,876
Other current liabilities	26	100,100	380,787	401,947
		9,631,140	10,570,823	6,515,444
Net current assets		15,493,924	18,059,068	17,705,817
Total assets less current liabilities		17,573,246	19,975,064	19,483,196

Statements of financial position of the Company (continued)
(Expressed in RMB)

	Note	As at December 31, 2022 RMB'000	2023 RMB'000	2024 RMB'000
Non-current liabilities				
Lease liabilities	28	17,133	9,533	9,245
Deferred income	29	2,451	5,304	5,094
		19,584	14,837	14,339
NET ASSETS		17,553,662	19,960,227	19,468,857
CAPITAL AND RESERVES				
Share capital	31(c)	4,633,834	5,560,601	5,560,601
Treasury shares	31(d)	-	(249,998)	(563,842)
Reserves	31(e)	12,919,828	14,649,624	14,472,098
TOTAL EQUITY		17,553,662	19,960,227	19,468,857

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 consolidated financial statements.

Consolidated statements of changes in equity
(Expressed in RMB)

	Attributable to equity shareholders of the Company							
	Share capital RMB'000 (note 31(c))	*Capital reserve* RMB'000 (note 31(e)(i))	*Statutory reserve* RMB'000 (note 31(e)(ii))	*Other reserve* RMB'000 (note 31(e)(iii))	*Retained profits* RMB'000	*Sub-total* RMB'000	*Non-controlling interests* RMB'000	*Total equity* RMB'000
Balance at January 1, 2022	4,212,576	95,860	2,175,976	46,639	16,870,467	23,401,518	98,331	23,499,849
Changes in equity for 2022:								
Profit for the year	-	-	-	-	6,197,717	6,197,717	5,449	6,203,166
Total comprehensive income	-	-	-	-	6,197,717	6,197,717	5,449	6,203,166
Appropriation to statutory reserve	-	-	286,319	-	(286,319)	-	-	-
Dividends approved and paid in respect of the previous year (note 31(b))	-	-	-	-	(3,201,558)	(3,201,558)	-	(3,201,558)
Bonus issue (note 31(c)(ii))	421,258	-	-	-	(421,258)	-	-	-
Acquisition of subsidiaries (note 17)	-	-	-	-	-	-	383,022	383,022
Balance at December 31, 2022	4,633,834	95,860	2,462,295	46,639	19,159,049	26,397,677	486,802	26,884,479

Consolidated statements of changes in equity (continued)
(Expressed in RMB)

	Attributable to equity shareholders of the Company									
	Share capital RMB'000 (note 31(c))	*Treasury reserve* RMB'000 (note 31(d))	*Capital reserve* RMB'000 (note 31(e)(i))	*Statutory reserve* RMB'000 (note 31(e)(ii))	*Other reserve* RMB'000 (note 31(e)(iii))	*Exchange reserve* RMB'000 (note 31(e)(iv))	*Retained profits* RMB'000	*Sub-total* RMB'000	*Non-controlling interests* RMB'000	*Total equity* RMB'000
Balance at January 1, 2023	4,633,834	-	95,860	2,462,295	46,639	-	19,159,049	26,397,677	486,802	26,884,479
Changes in equity for 2023:										
Profit for the year	-	-	-	-	-	-	5,626,625	5,626,625	15,562	5,642,187
Other comprehensive income	-	-	-	-	-	(9)	-	(9)	-	(9)
Total comprehensive income	-	-	-	-	-	(9)	5,626,625	5,626,616	15,562	5,642,178
Repurchase of own shares (note 31(d))	-	(249,998)	-	-	-	-	-	(249,998)	-	(249,998)
Appropriation to statutory reserve	-	-	-	544,005	-	-	(544,005)	-	-	-
Dividends approved and paid in respect of the previous year (note 31(b))	-	-	-	-	-	-	(3,243,683)	(3,243,683)	-	(3,243,683)
Bonus issue (note 31(c)(ii))	926,767	-	-	-	-	-	(926,767)	-	-	-
Balance at December 31, 2023	5,560,601	(249,998)	95,860	3,006,300	46,639	(9)	20,071,219	28,530,612	502,364	29,032,976

Consolidated statements of changes in equity (continued)

(Expressed in RMB)

	Attributable to equity shareholders of the Company									
	Share capital RMB'000 (note 31(c))	*Treasury shares* RMB'000 (note 31(d))	*Capital reserve* RMB'000 (note 31(e)(i))	*Statutory reserve* RMB'000 (note 31(e)(ii))	*Other reserve* RMB'000 (note 31(e)(iii))	*Exchange reserve* RMB'000 (note 31(e)(iv))	*Retained profits* RMB'000	*Sub-total* RMB'000	*Non-controlling interests* RMB'000	*Total equity* RMB'000
Balance at January 1, 2024	5,560,601	(249,998)	95,860	3,006,300	46,639	(9)	20,071,219	28,530,612	502,364	29,032,976
Changes in equity for 2024:										
Profit for the year	-	-	-	-	-	-	6,344,126	6,344,126	11,735	6,355,861
Other comprehensive income	-	-	-	-	-	(5,073)	-	(5,073)	-	(5,073)
Total comprehensive income	-	-	-	-	-	(5,073)	6,344,126	6,339,053	11,735	6,350,788
Repurchase of own shares (note 31(d))	-	(313,844)	-	-	-	-	-	(313,844)	-	(313,844)
Appropriation to statutory reserve	-	-	-	69,596	-	-	(69,596)	-	-	-
Dividends approved and paid in respect of the previous year (note 31(b))	-	-	-	-	-	-	(3,660,412)	(3,660,412)	(7,564)	(3,667,976)
Balance at December 31, 2024	5,560,601	(563,842)	95,860	3,075,896	46,639	(5,082)	22,685,337	30,895,409	506,535	31,401,944

The accompanying notes are integral part of the consolidated financial statements.

Consolidated cash flow statements
(Expressed in RMB)

	Note	Year ended December 31, 2022 RMB'000	2023 RMB'000	2024 RMB'000
Operating activities				
Cash generated from operations	23(d)	5,065,810	8,361,245	7,821,799
Income tax paid		(1,235,496)	(1,005,594)	(978,089)
Net cash generated from operating activities		3,830,314	7,355,651	6,843,710
Investing activities				
Payment for purchase of property, plant and equipment, right-of-use assets and intangible assets		(1,517,900)	(1,924,150)	(1,575,700)
Proceeds from disposal of property, plant and equipment and intangible assets		5,066	1,813	16,629
Proceeds from maturity of term deposits and certificates of deposits		4,940,000	6,780,000	5,212,050
Placement of term deposits and certificates of deposits		(8,016,050)	(6,376,000)	(6,527,747)
Purchase of other financial assets at FVPL		(7,674,000)	(7,212,630)	(10,457,000)
Proceeds from disposal of other financial assets at FVPL		7,111,527	7,683,415	8,917,784
Interest received		566,133	396,450	487,840
(Payment for)/withdrawal of deposits for a derivative financial instrument		-	(150,000)	150,000
Payments for acquisition of subsidiaries, net of cash acquired		(73,304)	(18,900)	-
Net cash used in investing activities		(4,658,528)	(820,002)	(3,776,144)

Consolidated cash flow statements (continued)
(Expressed in RMB)

	Note	Year ended December 31, 2022 RMB'000	2023 RMB'000	2024 RMB'000
Financing activities				
Payment for repurchase of own shares		-	(249,998)	(313,844)
Proceeds from bank loans	23(e)	251,009	517,920	356,506
Proceeds from discount of bills receivable due from the Company by a subsidiary	23(e)	700,000	1,050,000	1,486,477
Payment for expired bills payable due to a subsidiary from the Company	23(e)	(1,142,500)	(600,000)	(1,350,000)
Repayments of bank loans	23(e)	(259,489)	(296,769)	(465,361)
Repayment of borrowings from non-controlling shareholders	23(e)	(331,902)	-	-
Lease payments	23(e)	(20,795)	(18,380)	(26,379)
Dividends paid to equity shareholders of the Company		(3,201,558)	(3,243,683)	(3,660,412)
Dividends paid to non-controlling shareholders		-	-	(7,564)
Interest paid	23(e)	(12,528)	(9,720)	(21,818)
Net cash used in financing activities		(4,017,763)	(2,850,630)	(4,002,395)
Net (decrease)/increase in cash and cash equivalents		(4,845,977)	3,685,019	(934,829)
Effect of foreign exchange rate changes		(2,786)	4,026	580
Cash and cash equivalents at the beginning of the year		14,000,798	9,152,035	12,841,080
Cash and cash equivalents at the end of the year	23(a)	9,152,035	12,841,080	11,906,831

The accompanying notes are integral part of the consolidated financial statements.

Notes to the consolidated financial statements

(Expressed in thousands of RMB, unless otherwise indicated)

1 Basis of preparation and presentation of the consolidated financial statements

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 financial statements of the Company and its subsidiaries for which there are statutory requirements were prepared in accordance with the relevant accounting rules and regulations applicable to entities in the countries in which they were incorporated and/or established. The Company's statutory financial statements for the years ended December 31, 2022, 2023 and 2024 were audited by KPMG Huazhen LLP 畢馬威華振會計師事務所 (特殊普通合夥).

1 Basis of preparation and presentation of the consolidated financial statements (continued)

As at December 31, 2022, 2023 and 2024, and as at the date of issue of the consolidated financial statements, the Company has direct or indirect interests in the following principal subsidiaries, all of which are private companies:

Company name	*Place and date of incorporation/establishment*	*Particulars of issued and paid-up capital*	*Effective interest held by the Group*				*Principal activities and place of operation*
			As at December 31,			*At the date of issue of the consolidated financial statements*	
			2022	*2023*	*2024*		
Directly held by the Company							
Hensil Worldwide Investments Limited ("Hensil Worldwide") (興兆環球投資有限公司) (iv)	British Virgin Island ("BVI") July 4, 2001	USD1	100%	100%	100%	100%	Equity investment; BVI
Haitian Vinegar Industry Group Limited ("Vinegar Group") (海天醋業集團有限公司) (i)(v)	PRC March 25, 2014	RMB10,000,000	100%	100%	100%	100%	Manufacturing of condiments; PRC
Guangdong Xiaokang Technology Co., Ltd. ("Xiaokang Technology") (廣東小康科技有限公司) (i)(iii)	PRC June 22, 2017	RMB10,000,000	100%	100%	100%	100%	Sales of condiments, food and beverages; PRC
Foshan Haitian (Nanning) Seasoning Food Co., Ltd. ("Nanning Haitian") (佛山市海天 (南寧) 調味食品有限公司) (i)(iii)	PRC January 23, 2020	RMB50,000,000	100%	100%	100%	100%	Manufacturing of condiments; PRC

1 Basis of preparation and presentation of the consolidated financial statements (continued)

Company name	*Place and date of incorporation/establishment*	*Particulars of issued and paid-up capital*	*Effective interest held by the Group*				*Principal activities and place of operation*
			As at December 31,			*At the date of issue of the consolidated financial statements*	
			2022	*2023*	*2024*		
Haitian Oyster Sauce (Tianjin) Group Co., Ltd. ("Tianjin Oyster") (海天蠔油 (天津) 集團有限公司) (i)(iii)	PRC February 7, 2021	RMB 1,000,000	100%	100%	100%	100%	Sales of condiments; PRC
Foshan Haitian (Suqian) Seasoning Food Co., Ltd. ("Suqian Haitian") (佛山市海天 (宿遷) 調味食品有限公司) (i)(iii)	PRC August 25, 2021	RMB 100,000,000	100%	100%	100%	100%	Manufacturing of condiments; PRC
Haitian Brewing Food Co., Ltd. ("Haitian Niangzao") (海天釀造食品有限公司)(i)(ii)	PRC January 10, 2022	RMB 25,000,000	100%	100%	100%	100%	Sales of condiments; PRC

1 Basis of preparation and presentation of the consolidated financial statements (continued)

Company name	*Place and date of incorporation /establishment*	*Particulars of issued and paid-up capital*	*Effective interest held by the Group*				*Principal activities and place of operation*
			As at December 31,			*At the date of issue of the consolidated financial statements*	
			2022	*2023*	*2024*		
Foshan Haitian (Gaoming) Flavoring Food Co., Ltd. ("Gaoming Haitian") (佛山市海天 (高明) 調味食品有限公司) (i)(iii)	PRC June 7, 2004	RMB 50,000,000	100%	100%	100%	100%	Manufacturing of condiments; PRC
Indirectly held by the Company							
Zhejiang Haitian Vinegar Wine Marketing Co., Ltd. ("Zhejiang Cujiu") (浙江海天醋酒營銷有限公司) (i)(iii)	PRC September 1, 2021	RMB 10,000,000	100%	100%	100%	100%	Sales of condiments; PRC

1 Basis of preparation and presentation of the consolidated financial statements (continued)

Notes:

(i) The English translation of the company names is for reference only. The official names of these companies are in Chinese. These companies were all limited liability companies under the law of the PRC.

(ii) The statutory financial statements of this entity for the year ended December 31, 2022 were prepared in accordance with the Accounting Standards for Business Enterprises applicable to the enterprises in the PRC and were audited by KPMG Huazhen LLP. No audited financial statements were prepared for this entity for the years ended December 31, 2023 and 2024.

(iii) The statutory financial statements of these entities for the years ended December 31, 2022, 2023 and 2024 were prepared in accordance with the Accounting Standards for Business Enterprises applicable to the enterprises in the PRC. The statutory financial statements for the years ended December 31, 2022, 2023 and 2024 were audited by KPMG Huazhen LLP.

(iv) The audited financial statements of this entity for the years ended December 31, 2022, 2023 and 2024 were prepared in accordance with the Hong Kong Financial Reporting Standard for Private Entities. The audited financial statements for the years ended December 31, 2022, 2023 and 2024 were audited by Tony Kwok Tung Ng & Co., Certified Public Accountants.

(v) The statutory financial statements of this entity for the years ended December 31, 2022, 2023 and 2024 were prepared in accordance with the Accounting Standards for Business Enterprises applicable to the enterprises in the PRC. The statutory financial statements for the years ended December 31, 2022, 2023 and 2024 were audited by Suqian Gongxing Certified Public Accountants Co., Ltd..

(vi) The above table lists the subsidiaries of the Company which, in the opinion of the directors of the Company, principally affected the results or assets and liabilities of the Group.

All companies comprising the Group have adopted December 31 as their financial year end date.

The consolidated financial statements have been prepared in accordance with all applicable IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB"). As the Group's first consolidated financial statements prepared in accordance with IFRS Accounting Standards, IFRS 1 "*First-time Adoption of International Financial Reporting Standards*" have been applied save for certain presentation and disclosure provisions therein. The date of transition to IFRS Accounting Standards was January 1, 2022. Further details of the material accounting policy information adopted are set out in note 2.

1 Basis of preparation and presentation of the consolidated financial statements (continued)

The IASB has issued a number of new and revised IFRS Accounting Standards. For the purpose of preparing the consolidated financial statements, the Group has adopted all applicable new and revised IFRS Accounting Standards effective for the accounting period beginning on January 1, 2024, except for any new standards or interpretations that are not yet effective for the accounting period beginning on January 1, 2024. The revised and new accounting standards and interpretations issued but not yet effective for the accounting period beginning on January 1, 2024 are set out in note 36.

The consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The accounting policies set out below have been applied consistently to all periods presented in the consolidated financial statements.

The consolidated financial statements are presented in Renminbi ("RMB"), rounded to the nearest thousand ("RMB'000"), unless otherwise indicated.

2 Material accounting policy information

(a) Basis of measurement

The measurement basis used in the preparation of the financial statements is the historical cost basis, except for certain financial assets measured at their fair value (see note 2(e)).

(b) Use of estimates and judgements

The preparation of the financial statements in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized 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.

Judgements made by management in the application of IFRS Accounting Standards that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 3.

2 Material accounting policy information (continued)

(c) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any unrealized income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealized losses resulting from intra-group transactions are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

For each business combination, the Group elects to measure the non-controlling interests ("NCI") at the NCI's proportionate share of the subsidiary's net identifiable assets. NCI are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. NCI in the results of the Group are presented on the face of the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between NCI and the equity shareholders of the Company.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When the Group loses control of a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in that former subsidiary is measured at fair value when control is lost.

In the Company's statements of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 2(j)(ii)).

(d) Goodwill

Goodwill represents the excess of

(i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over

(ii) the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

When (ii) is greater than (i), then this excess is recognized immediately in profit or loss as a gain on a bargain purchase.

Goodwill is stated at cost less accumulated impairment losses. Goodwill is not amortized but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses (see note 2(j)(ii)).

2 Material accounting policy information (continued)

(e) Other investments in securities

The Group's policies for investments in securities, other than investments in subsidiaries, are set out below.

Investments in securities are recognized/derecognized on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at FVPL for which transaction costs are recognized directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see note 32(e). These investments are subsequently accounted for as follows, depending on their classification.

(i) Non-equity investments

Non-equity investments are classified as FVPL if the investment does not meet the criteria for being measured at amortised cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognized in profit or loss.

(ii) Equity investments

An investment in equity securities is classified as FVPL, unless the investment is not held for trading purposes and on initial recognition the Group makes an irrevocable election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognized in OCI. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. If such election is made for a particular investment, at the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings and not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVPL or FVOCI, are recognized in profit or loss as other income (see note 2(t)(ii)(d)).

(f) Investment property

Investment property is initially measured at cost. After initial recognition, the Group chooses the cost model to measure all of its investment properties.

Depreciation is calculated on the straight-line basis to write off the cost to its residual value over its estimated useful life. The estimated useful lives are as follows:

- Buildings 20 years

The carrying amounts of investment properties measured using the cost method are reviewed for impairment when events or changes in circumstances indicate that the carrying amounts may not be recoverable.

Any gain or loss on disposal of investment property is recognized in profit or loss. Rental income from investment properties is recognized in accordance with note 2(t)(ii)(a).

2 Material accounting policy information (continued)

(g) Property, plant and equipment

Property, plant and equipment are stated at cost, which includes capitalized borrowing costs, less accumulated depreciation and any impairment losses (see note 2(j)(ii)).

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components).

Any gains or losses on disposal of an item of property, plant and equipment is recognized in profit or loss.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual values, if any, using the straight-line method over their estimated useful lives, and is generally recognized in profit or loss as follows:

- Land-use rights, other leased properties, machinery and equipment are depreciated over the unexpired term of lease
- Buildings 5 - 30 years
- Machinery and equipment 2 - 15 years
- Vehicles 3 - 10 years
- Office equipment and others 2 - 10 years
- Leasehold improvements 2 - 5 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Construction in progress is stated at cost less impairment losses (see note 2(j)(ii)). Cost comprises direct costs of construction as well as interest expense capitalized during the periods of construction and installation. Capitalization of these costs ceases and the construction in progress is transferred to property, plant and equipment when substantially all the activities necessary to prepare the assets for their intended use are completed. No depreciation is provided for in respect of construction in progress until it is completed and ready for its intended use.

2 Material accounting policy information (continued)

(h) Intangible assets (other than goodwill)

Expenditure on research and development activities is recognized in profit or loss as incurred.

Intangible assets acquired by the Group with finite useful lives are measured at cost less accumulated amortization and impairment losses (see note 2(j)(ii)).

Amortization is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line basis over their estimated useful lives, if any, and is generally recognized in profit or loss.

The following intangible assets with finite useful lives are amortized from the date they are available for use and their estimated useful lives are as follows:

- Enterprise resource planning system and other software 2 - 10 years
- Trademark and others 3 - 10 years

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(i) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. This is the case if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

(i) As a lessee

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognizes a right-of-use asset and a lease liability, except for leases that have a short lease term of 12 months or less, and leases of low-value items. When the Group enters into a lease in respect of a low-value item, the Group decides whether to capitalize the lease on a lease-by-lease basis. If not capitalized, the associated lease payments are recognized in profit or loss on a systematic basis over the lease term.

Where the lease is capitalized, the lease liability is initially recognized at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortized cost and interest expense is recognized using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability, and are charged to profit or loss as incurred.

2 Material accounting policy information (continued)

The right-of-use asset recognized when a lease is capitalized is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see notes 2(g) and 2(j)(ii)).

Refundable rental deposits are accounted for separately from the right-of-use assets in accordance with the accounting policy applicable to investments in non-equity securities carried at amortized cost (see notes 2(e)(i), 2(t)(ii)(b) and 2(j)(i)). Any excess of the nominal value over the initial fair value of the deposits is accounted for as additional lease payments made and is included in the cost of right-of-use assets.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a lease modification, which means change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract, if such modification is not accounted for as a separate lease. In this case, the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

In the financial statements, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

(ii) As a lessor

The Group determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. Otherwise, the lease is classified as an operating lease.

When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. The rental income from operating leases is recognized in accordance with note 2(t)(ii)(a).

2 Material accounting policy information (continued)

(j) Credit losses and impairment of assets

(i) Credit losses from financial instruments

The Group recognizes a loss allowance for expected credit losses ("ECLs") on financial assets measured at amortized cost, non-equity securities measured at fair value through other comprehensive income and lease receivables.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Generally, credit losses are measured as the present value of all expected cash shortfalls between the contractual and expected amounts.

The expected cash shortfalls are discounted using the following rates if the effect is material:

- fixed-rate financial assets, trade and other receivables: effective interest rate determined at initial recognition or an approximation thereof;
- variable-rate financial assets: current effective interest rate.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected live of the instrument is less than 12 months); and

- lifetime ECLs: these are ECLs that result from all possible default events over the expected lives of the items to which the ECL model applies.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-months ECLs:

- financial instruments that are determined to have low credit risk at the reporting date; and

- other financial instruments for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade and bills receivables are always measured at an amount equal to lifetime ECLs.

2 Material accounting policy information (continued)

Significant increases in credit risk

When determining whether the credit risk of a financial instrument has increased significantly since initial recognition and when measuring ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held); or
- the financial asset is 90 days past due

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognized as an impairment gain or loss in profit or loss. The Group recognizes an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in non-equity securities that are measured at FVOCI (recycling), for which the loss allowance is recognized in OCI and accumulated in the fair value reserve (recycling) does not reduce the carrying amount of the financial assets in the consolidated statements of financial position.

Credit-impaired financial assets

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default;
- for economic or contractual reasons relating to the debtor's financial difficulties, the Group having granted to the debtor a concession that it would not otherwise consider;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties of the issuer or the debtor

2 Material accounting policy information (continued)

Write-off policy

The gross carrying amount of a financial asset is written off to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognized as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(ii) Impairment of other non-current assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("CGUs"). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use based on the estimated future cash flows, 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 CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the resulting carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(k) Inventories

Inventories are measured at the lower of cost and net realizable value.

Cost is calculated using weighted average cost formula and comprises all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2 Material accounting policy information (continued)

(l) Trade and other receivables

A receivable is recognized when the Group has an unconditional right to receive consideration and only the passage of time is required before payment of that consideration is due.

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. Trade receivables that contain a significant financing component and other receivables are initially measured at fair value plus transaction costs. All receivables are subsequently stated at amortized cost (see note 2(j)(i)).

(m) Cash and cash equivalents and restricted cash

Cash and cash equivalents comprise cash at bank and in hand, demand deposits with banks, term deposits and certificates of deposits held for the purpose of meeting short-term cash commitments that are readily convertible into known amount of cash and which are subject to an insignificant risk of changes in value.

Guarantee deposits which are restricted to use are presented separately in consolidated statements of financial position as "Restricted cash". Restricted cash is excluded from cash and cash equivalents in the consolidated cash flow statements.

Cash and cash equivalents, term deposits, certificates of deposits and restricted cash are assessed for ECLs in accordance with the policy set out in note 2(j)(i).

(n) Trade and other payables

Trade and other payables are initially recognized at fair value. Subsequent to initial recognition, trade and other payables are stated at amortized cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

(o) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequently, these borrowings are stated at amortized cost using the effective interest method. Interest expense is recognized in accordance with note 2(v).

(p) Contract liabilities

A contract liability is recognized when the customer pays non-refundable consideration before the Group recognizes the related revenue (see note 2(t)(i)). A contract liability is also recognized if the Group has an unconditional right to receive non-refundable consideration before the Group recognizes the related revenue. In such cases, a corresponding receivable is also recognized (see note 2(l)).

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method (see note 2(t)(ii)(b)).

2 Material accounting policy information (continued)

(q) Employee benefits

(i) Short-term employee benefits and contributions to defined contribution retirement plans

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Obligations for contributions to defined contribution retirement plans are expensed as the related service is provided.

(ii) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognizes costs for a restructuring.

(r) Income tax

Income tax expense comprises current tax and deferred tax. It is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in OCI.

Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;

- temporary differences related to investment in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;

- taxable temporary differences arising on the initial recognition of goodwill; and

- those related to the income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development.

The Group recognized deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of-use assets.

2 Material accounting policy information (continued)

Deferred tax assets are recognized for unused tax losses, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognize a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

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

Deferred tax assets and liabilities are offset only if certain criteria are met.

(s) Provisions and contingent liabilities

Generally provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognized for any expected reimbursement that would be virtually certain. The amount recognized for the reimbursement is limited to the carrying amount of the provision.

2 Material accounting policy information (continued)

(t) Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods or the provision of services or the use by others of the Group's assets under leases in the ordinary course of the Group's business.

Further details of the Group's revenue and other income recognition policies are as follows:

(i) Revenue from contracts with customers

The Group is the principal for its revenue transactions and recognizes revenue on a gross basis. In determining whether the Group acts as a principal or as an agent, it considers whether it obtains control of the products before they are transferred to the customers. Control refers to the Group's ability to direct the use of and obtain substantially all of the remaining benefits from the products.

Revenue is recognized when control over a product or service is transferred to the customer at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties such as value added tax.

(a) Sales of flavoring products

Revenue is recognized when the products are delivered to customers at the locations specified in the sales orders or sales contracts, or when the products are despatched if the customers designate the Group as the carrier. Revenue is recognized based on the price agreed in the contract net of the expected sales rebates and customer incentives to be paid to customers.

(b) Revenue from transportation services

Revenue from transportation services is recognized over time.

(c) Other practical expedients applied

For sales contracts that had an original expected duration of one year or less, the Group has not disclosed the information related to the aggregated amount of the transaction price allocated to the remaining performance obligations in accordance with paragraph 121(a) of IFRS 15.

2 Material accounting policy information (continued)

(ii) Revenue from other sources and other income

(a) Rental income from operating leases

Rental income from operating leases is recognized in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

(b) Interest income

Interest income is recognized using the effective interest method. The "effective interest rate" is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(c) Government grants

Government grants are recognized in the statements of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them.

Grants that compensate the Group for expenses incurred are recognized as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred.

Grants that compensate the Group for the cost of an asset are recognized by setting up the grant as deferred income that is recognized in profit or loss on a systematic basis over the useful life of the asset.

(d) Dividends

Dividend income is recognized in profit or loss on the date on which the Company's right to receive payment is established.

2 Material accounting policy information (continued)

(u) Translation of foreign currencies

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognized in profit or loss.

The assets and liabilities of foreign operations are translated into RMB at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into RMB at the exchange rates at the dates of the transactions.

Foreign currency differences are recognized in OCI and accumulated in the exchange reserve, except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the exchange reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. On disposal of a subsidiary that includes a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation that have been attributed to the NCI shall be derecognized, but shall not be reclassified to profit or loss. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(v) Borrowing costs

Borrowing costs are expensed in the period in which they are incurred.

2 Material accounting policy information (continued)

(w) Related parties

(a) A person, or a close member of that person's family, is related to the Group if that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or the Group's parent.

(b) An entity is related to the Group if any of the following conditions applies:

(i) the entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) both entities are joint ventures of the same third party.

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

(vi) the entity is controlled or jointly controlled by a person identified in (a).

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(x) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

2 Material accounting policy information (continued)

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

According to the Group's internal organisational structure, management requirements and internal reporting system, the nature, production process, sales methods and customer types of the Group's products are similar. The Group's operations and strategies operate as a whole. The financial information provided by the chief operating decision maker does not contain profit or loss information for each operating activity. Therefore, the management believes that the Group has only one reportable segment and the Group is not required to prepare a segment report.

3 Critical accounting judgements, estimates and assumptions

In the process of applying the Group's accounting policies, management has made the following judgments, estimates and assumptions which have the most significant effect on the amounts recognized in the financial statements:

(a) Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value.

Value in use is determined using the discounted cash flow method. Due to inherent risk associated with estimations in the timing and magnitude of the future cash flows, the estimated recoverable amount of the assets may be different from its actual recoverable amount and the Group's profit or loss could be affected by the accuracy of the estimations. Changes in facts and circumstances may result in revisions to the estimates of recoverable amount, which would affect profit or loss in future years.

(b) Net realizable value of inventories

Net realizable value of inventories is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated cost necessary to make the sale. These estimates are based on the current market conditions and the historical experience of selling products with similar nature. Any change in the assumptions would increase or decrease the amount of inventories write-down or the related reversals of write-down made in prior years and affect the Group's profit or loss and net assets value. The Group reassesses these estimates annually.

3 Critical accounting judgements, estimates and assumptions (continued)

(c) Useful lives of property, plant and equipment

Property, plant and equipment is depreciated on a straight-line basis over the estimated useful lives, after taking into account the estimated residual value. The Group reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation expense to be recorded during any reporting period. The useful lives are based on the Group's historical experience with similar assets and taking into account anticipated technological changes. The depreciation expenses for future periods are adjusted prospectively if there are significant changes from previous estimates.

4 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:

	Year ended December 31,		
	2022 RMB'000	*2023* RMB'000	*2024* RMB'000
Revenue from contracts with customers within the scope of IFRS 15			
Disaggregated by major products and services			
Sales of soy sauce products	13,861,182	12,637,386	13,757,879
Sales of oyster sauce products	4,416,535	4,251,221	4,615,205
Sales of flavored sauce products	2,584,009	2,427,007	2,668,946
Sales of specialty condiment products and others	2,932,177	3,499,473	4,085,756
Others (note)	1,796,665	1,722,231	1,750,336
	25,590,568	24,537,318	26,878,122
Revenue from other sources			
Rental income	19,084	21,994	22,856
	25,609,652	24,559,312	26,900,978

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

4 Revenue and segment reporting (continued)

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

	Year ended December 31,		
	2022	*2023*	*2024*
	RMB'000	RMB'000	RMB'000
Revenue from contracts with customers			
Point in time	24,853,611	23,845,149	26,222,393
Over time	736,957	692,169	655,729
	25,590,568	24,537,318	26,878,122

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 each of the years ended December 31, 2022, 2023 and 2024.

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.

5 Other revenue

	Year ended December 31,		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Interest income	750,174	604,372	527,623
Government grants (note (a))	143,894	73,704	91,440
Additional deduction for VAT (note (b))	-	70,457	93,738
Others	290	-	-
	894,358	748,533	712,801

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.

6 Other net income

	Year ended December 31,		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Net fair value changes on other financial assets at FVPL	134,372	230,126	237,355
Net gains/(losses) on disposal of property, plant and equipment	851	(951)	8,091
Net foreign exchange gains	3,767	1,374	10,511
Others	12,264	(5,406)	7,276
	151,254	225,143	263,233

7 Provision for impairment losses

	Year ended December 31,		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Provision for impairment losses on goodwill	15,488	-	97,491
Others	1,063	3,739	2,062
	16,551	3,739	99,553

8 Profit before taxation

Profit before taxation is arrived at after charging:

(a) Finance costs

	Year ended December 31,		
	2022	*2023*	*2024*
	RMB'000	RMB'000	RMB'000
Interest on bank loans and other borrowing	12,380	9,737	21,819
Interest on lease liabilities	2,116	2,151	2,142
	14,496	11,888	23,961

(b) Staff costs (including directors' and supervisors' emoluments)

	Year ended December 31,		
	2022	*2023*	*2024*
	RMB'000	RMB'000	RMB'000
Salaries, wages and other benefits	1,361,160	1,422,006	1,808,118
Contributions to defined contribution retirement plans	59,655	70,170	83,168
	1,420,815	1,492,176	1,891,286

The Group's PRC entities participate in defined contribution retirement benefit schemes (the "Schemes") organised by the PRC municipal and provincial government authorities, whereby the PRC entities are required to make contribution at the rates required by different local government authorities. The local government authorities are responsible for the pension obligations payable to the retired employees covered under the Schemes.

The Group has no other material obligations for payments of pension benefits beyond the contributions above.

(c) Other items

	Year ended December 31,		
	2022	*2023*	*2024*
	RMB'000	RMB'000	RMB'000
Amortization cost of intangible assets (note 15)	11,929	11,930	12,756
Depreciation charge			
- Property, plant and equipment (note 13)	798,512	879,589	853,333
- Right-of-use assets (note 14)	26,386	33,503	39,643
- Investment properties	365	356	338
	825,263	913,448	893,314
Auditors' remuneration	3,837	3,731	4,553
Cost of inventories	13,967,282	13,716,828	14,521,966
Logistics costs	1,451,277	1,340,434	1,449,240
Research and development expenses (note(i))	751,339	715,418	839,532

8 Profit before taxation (continued)

Note: (i) During the years ended December 31, 2022, 2023 and 2024, research and development expenses include RMB709,400,000, RMB666,786,000, and RMB767,875,000, respectively relating to cost of inventories, staff costs and depreciation expenses, which are also included in the respective total amounts disclosed separately above or in note 8(b) for each of these types of expenses.

9 Income tax in the consolidated statements of profit or loss

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

	Year ended December 31,		
	2022 RMB'000	*2023* RMB'000	*2024* RMB'000
Current tax – PRC corporate income tax ("CIT")			
Provision for the year	1,113,245	898,613	1,099,497
Under/(over) - provision in respect of prior years	4,468	1,050	(6,548)
	1,117,713	899,663	1,092,949
Deferred tax			
Origination and reversal of temporary differences (note 30(b))	43,326	197,188	64,272
	1,161,039	1,096,851	1,157,221

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

	Year ended December 31,		
	2022 RMB'000	*2023* RMB'000	*2024* RMB'000
Profit before taxation	7,364,205	6,739,038	7,513,082
Tax at the tax rate of 25%	1,841,051	1,684,760	1,878,271
Effect of different tax rates applicable to subsidiaries (notes (i)(ii)(iii))	(587,032)	(508,159)	(657,455)
Tax effect of additional deduction for qualified research and development expenses (note (i))	(109,964)	(88,342)	(107,905)
Tax effect of non-deductible expenses	1,811	7,487	37,624
Under/(over) - provision in prior periods	4,468	1,050	(6,548)
Effect of expired unused tax losses recognized in prior years	6,935	-	14,018
Others	3,770	55	(784)
Actual tax expense	1,161,039	1,096,851	1,157,221

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

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 years ended December 31, 2022, 2023 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

- 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 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 additional deduction for qualified research and development expenses mainly represents an additional 100% tax deduction on eligible research and development expenses incurred by certain subsidiaries during the years ended December 31, 2022, 2023 and 2024.

(ii) Hong Kong profits tax

The provision for Hong Kong Profits Tax for the years ended December 31, 2023 and 2024 is calculated at 16.5% of the estimated assessable profits for the year, 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 years ended December 31, 2023 and 2024.

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

(iii) Corporate income tax in other jurisdictions

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

(c) 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. However, no provision was made for the Pillar Two global minimum tax as Haday Vietnam Company Limited and Haday Vietnam Food Company Limited did not earn any taxable income for the year ended December 31, 2024.

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.

10 Directors' and supervisors' emoluments

Details of directors' and supervisors' emoluments during the years ended December 31, 2022, 2023 and 2024 are as follows:

For the year ended December 31, 2022

	Directors' fees RMB'000	*Salaries, allowances and other benefits* RMB'000	*Discretionary bonuses* RMB'000	*Retirement scheme contributions* RMB'000	*Total* RMB'000
Executive directors					
Mr.Pang Kang (vii)	-	1,735	5,274	-	7,009
Ms.Cheng Xue	-	1,660	5,355	42	7,057
Mr.Guan Jianghua	-	1,140	2,473	42	3,655
Mr.Chen Junyang (vii)	-	720	1,343	42	2,105
Mr. Wen Zhizhou	-	1,074	1,476	42	2,592
Mr.Liao Changhui	-	47	34	2	83
Mr.He Tingwei (i)	-	1,153	560	3	1,716
Mr.Huang Shuliang (ii)	-	620	1,200	42	1,862
Independent non-executive directors					
Mr.Zhu Tao (iii)	80	-	-	-	80
Mr.Chao Gang (iii)	151	-	-	-	151
Mr.Sun Zhanli (iii)	151	-	-	-	151
Ms.Shen Hongtao (iv)	80	-	-	-	80
Mr.Sun Yuanming (iv)	9	-	-	-	9
Mr.Xu Jiali (iv)	9	-	-	-	9
Supervisors					
Mr.Gui Junqiang (v)	-	601	420	19	1,040
Ms.Chen Min	-	637	123	19	779
Mr.Li Jun (vi)	-	558	275	18	851
Mr.Tong Xing (x)	-	77	17	2	96
	480	10,022	18,550	273	29,325

For the year ended December 31, 2023

	Directors' fees RMB'000	*Salaries, allowances and other benefits* RMB'000	*Discretionary bonuses* RMB'000	*Retirement scheme contributions* RMB'000	*Total* RMB'000
Executive directors					
Mr.Pang Kang (vii)	-	2,401	3,149	-	5,550
Ms.Cheng Xue	-	2,447	4,208	43	6,698
Mr.Guan Jianghua	-	1,307	2,446	43	3,796
Mr.Chen Junyang (vii)	-	1,008	1,027	43	2,078
Mr.Wen Zhizhou	-	1,169	1,129	43	2,341
Mr.Liao Changhui	-	861	850	18	1,729
Independent non-executive directors					
Ms.Shen Hongtao (iv)	200	-	-	-	200
Mr.Sun Yuanming (iv)	200	-	-	-	200
Mr.Xu Jiali (iv)	200	-	-	-	200
Supervisors					
Ms.Chen Min	-	620	204	18	842
Mr.Tong Xing (x)	-	998	244	18	1,260
Mr.Huang Shuliang	-	760	973	43	1,776
	600	11,571	14,230	269	26,670

10 Directors' and supervisors' emoluments (continued)

For the year ended December 31, 2024

	Directors' fees RMB'000	*Salaries, allowances and other benefits* RMB'000	*Discretionary bonuses* RMB'000	*Retirement scheme contributions* RMB'000	*Total* RMB'000
Executive directors					
Mr.Pang Kang (vii)	-	2,594	2,886	-	5,480
Ms.Cheng Xue	-	6,448	2,637	49	9,134
Mr.Guan Jianghua	-	4,452	1,532	49	6,033
Mr.Chen Junyang (vii)	-	723	1,054	35	1,812
Mr.Wen Zhizhou	-	1,182	1,449	49	2,680
Mr.Liao Changhui	-	1,247	1,438	20	2,705
Mr.Huang Wenbiao (viii)	-	306	981	14	1,301
Mr.Dai Wen (viii)	-	311	502	5	818
Independent non-executive directors					
Ms.Shen Hongtao (iv)	150	-	-	-	150
Mr.Sun Yuanming (iv)	150	-	-	-	150
Mr.Xu Jiali (iv)	150	-	-	-	150
Mr.Zhang Kechun (ix)	86	-	-	-	86
Mr.Qu Wenzhou (ix)	86	-	-	-	86
Mr.Ding Bangqing (ix)	86	-	-	-	86
Supervisors					
Ms.Chen Min	-	623	323	20	966
Mr.Tong Xing (x)	-	737	649	15	1,401
Mr.Huang Shuliang	-	747	1,248	49	2,044
Mr.He Tao (xi)	-	155	93	5	253
	708	19,525	14,792	310	35,335

(i) Mr. He Tingwei resigned as the executive director of the Company in December 2022.

(ii) Mr. Huang Shuliang served as executive director and supervisor of the Company in 2022 and resigned as the executive director of the Company in December 2022.

(iii) Mr.Zhu Tao resigned as independent non-executive director of the Company in March 2022, Mr.Chao Gang and Mr.Sun Zhanli resigned as independent non-executive directors of the Company in December 2022.

(iv) Ms.Shen Hongtao was appointed as independent non-executive director of the Company in July 2022, Mr.Sun Yuanming and Mr.Xu Jiali were appointed as independent non-executive directors in December 2022 and all of the above non-executive directors resigned in September 2024.

(v) Mr.Gui Junqiang resigned as the supervisor of the Company in December 2022.

(vi) Mr.Li Jun resigned as the supervisor of the Company in December 2022.

(vii) Mr.Pang Kang and Mr.Chen Junyang resigned as the executive directors of the Company in September 2024.

(viii) Mr.Huang Wenbiao and Mr.Dai Wen were appointed as executive directors of the Company in September 2024.

10 Directors' and supervisors' emoluments (continued)

(ix) Mr.Zhang Kechun, Mr.Qu Wenzhou and Mr.Ding Bangqing were appointed as independent non-executive directors of the Company in September 2024.

(x) Mr.Tong Xing resigned as the supervisor of the Company in September 2024.

(xi) Mr.He Tao was appointed as supervisor of the Company in September 2024.

During the years ended December 31, 2022, 2023 and 2024, the executive directors and the supervisors have provided management services in connection with the management of the affairs of the Company or its subsidiaries undertaking. Since the emoluments as directors, supervisors or management cannot be distinguished from each other, emoluments as the mentioned roles are disclosed on a combined basis.

During the years ended December 31, 2022, 2023 and 2024, no emoluments was paid by the Group to the directors or supervisors as an inducement to join or upon joining the Group or as compensation for loss of office. No director or supervisor has waived or agreed to waive any emoluments during the years ended December 31, 2022, 2023 and 2024.

11 Individuals with highest remuneration

For the years ended December 31, 2022, 2023 and 2024, of the five individuals with the highest remuneration, 5, 5, and 3 are directors whose remunerations are disclosed in note 10.

The aggregate remuneration in respect of the remaining individuals are as follows:

	Year ended December 31,		
	2022	*2023*	*2024*
	RMB'000	RMB'000	RMB'000
Salaries, allowances and other emoluments	-	-	2,955
Discretionary bonuses	-	-	5,001
Retirement scheme contributions	-	-	99
	-	-	8,055

The remuneration of the above individuals with the highest remuneration are within the following bands:

	Year ended December 31,		
	2022	*2023*	*2024*
	Number of individuals	*Number of individuals*	*Number of individuals*
HKD 3,500,001 - HKD 4,000,000	-	-	1
HKD 5,000,001 - HKD 5,500,000	-	-	1

12 Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company for the years ended December 31, 2022, 2023 and 2024 and the weighted average number of ordinary shares in issue or deemed to be in issue for the respective year, calculated as follows:

(i) Profit attributable to equity shareholders of the Company used in basic earnings per share calculation

	Year ended December 31,		
	2022	*2023*	*2024*
	RMB'000	RMB'000	RMB'000
Profit attributable to equity shareholders of the Company	6,197,717	5,626,625	6,344,126

(ii) Weighted-average number of ordinary shares

	Year ended December 31,		
	2022	*2023*	*2024*
	'000	'000	'000
Issued ordinary shares at the beginning of the year	4,212,576	4,633,834	5,560,601
Effect of bonus issue (note 31(c)(ii))	1,348,025	926,767	-
Effect of shares repurchased in previous years (note 31 (d))	-	-	(6,758)
Effect of shares repurchased during the year (note 31 (d))	-	(503)	(7,193)
Weighted average number of ordinary shares at the end of the year	5,560,601	5,560,098	5,546,650

The weighted average number of ordinary shares has been adjusted retrospectively from 1 January 2022 for the effect of bonus issues in 2022 and 2023 (see Note 31(c)(ii)).

(b) Diluted earnings per share

During the years ended December 31, 2022, 2023 and 2024, there were no dilutive potential ordinary shares issued. Therefore, diluted earnings per share is the same as basic earnings per share.

13 Property, plant and equipment

(a) Reconciliation of carrying amount

The Group:

	Buildings RMB'000	*Machinery and equipment* RMB'000	*Vehicles* RMB'000	*Office equipment and others* RMB'000	*Construction in progress* RMB'000	*Leasehold improvements* RMB'000	*Total* RMB'000
Cost:							
At January 1, 2022	2,145,777	5,226,584	5,586	10,383	923,164	9,469	8,320,963
Additions	238	1,068	182	241	1,209,068	3,736	1,214,533
Business combinations through acquisition of subsidiaries (note 17)	337,227	68,238	3,284	2,721	39,846	-	451,316
Transfer from construction in progress	267,823	699,218	-	9,523	(980,857)	4,293	-
Transfer to intangible assets	-	-	-	-	(11,343)	-	(11,343)
Disposals	-	(14,448)	(104)	(265)	-	-	(14,817)
At December 31, 2022 and January 1, 2023	2,751,065	5,980,660	8,948	22,603	1,179,878	17,498	9,960,652
Additions	794	19,657	428	1,525	1,541,555	-	1,563,959
Transfer from construction in progress	630,379	618,957	1,319	5,239	(1,255,894)	-	-
Transfer to intangible assets	-	-	-	-	(5,424)	-	(5,424)
Disposals	(699)	(51,736)	(1,629)	(525)	-	(116)	(54,705)
At December 31, 2023 and January 1, 2024	3,381,539	6,567,538	9,066	28,842	1,460,115	17,382	11,464,482
Additions	2,064	46,980	440	711	1,274,361	2,095	1,326,651
Transfer from construction in progress	579,609	669,635	106	1,457	(1,250,807)	-	-
Transfer to intangible assets	-	-	-	-	(8,033)	-	(8,033)
Disposals	-	(26,954)	(614)	(480)	-	-	(28,048)
At December 31, 2024	3,963,212	7,257,199	8,998	30,530	1,475,636	19,477	12,755,052

13 Property, plant and equipment (continued)

	Buildings RMB'000	*Machinery and equipment* RMB'000	*Vehicles* RMB'000	*Office equipment and others* RMB'000	*Construction in progress* RMB'000	*Leasehold improvements* RMB'000	*Total* RMB'000
Accumulated depreciation:							
At January 1, 2022	(802,357)	(2,961,979)	(4,282)	(5,489)	-	(1,248)	(3,775,355)
Charge for the year	(133,110)	(652,155)	(1,194)	(6,816)	-	(5,237)	(798,512)
Written back on disposals	-	10,579	82	229	-	-	10,890
At December 31, 2022 and January 1, 2023	(935,467)	(3,603,555)	(5,394)	(12,076)	-	(6,485)	(4,562,977)
Charge for the year	(154,279)	(711,867)	(1,056)	(5,990)	-	(6,397)	(879,589)
Written back on disposals	420	49,556	1,346	503	-	116	51,941
At December 31, 2023 and January 1, 2024	(1,089,326)	(4,265,866)	(5,104)	(17,563)	-	(12,766)	(5,390,625)
Charge for the year	(186,181)	(654,450)	(1,224)	(6,747)	-	(4,731)	(853,333)
Written back on disposals	-	21,067	559	353	-	-	21,979
At December 31, 2024	(1,275,507)	(4,899,249)	(5,769)	(23,957)	-	(17,497)	(6,221,979)

	Buildings RMB'000	*Machinery and equipment* RMB'000	*Vehicles* RMB'000	*Office equipment and others* RMB'000	*Construction in progress* RMB'000	*Leasehold improvements* RMB'000	*Total* RMB'000
Net book value:							
At December 31, 2022	1,815,598	2,377,105	3,554	10,527	1,179,878	11,013	5,397,675
At December 31, 2023	2,292,213	2,301,672	3,962	11,279	1,460,115	4,616	6,073,857
At December 31, 2024	2,687,705	2,357,950	3,229	6,573	1,475,636	1,980	6,533,073

As at December 31, 2022, 2023 and 2024, the Group was in the process of applying for certificates of ownership for certain properties located in mainland China with carrying amounts of RMB179,618,000, RMB661,020,000, and RMB109,531,000, respectively. The directors of the Group are of the opinion that the use of and the conduct of operating activities at these properties are not affected by the fact that the Group has not yet obtained the relevant property title certificates.

13 Property, plant and equipment (continued)

(b) Buildings leased out under operating leases

The Group:

	Buildings RMB'000
Cost:	
At January 1, 2022	29,600
Additions	55,888
At December 31, 2022 and January 1, 2023	85,488
Additions	401
Decrease	(685)
At December 31, 2023 and January 1, 2024	85,204
Additions	80,348
Decrease	(70,079)
At December 31, 2024	95,473
Accumulated depreciation:	
At January 1, 2022	(8,025)
Charge for the year	(3,927)
Additions	(20,381)
At December 31, 2022 and January 1, 2023	(32,333)
Charge for the year	(9,647)
Additions	(326)
Decrease	490
At December 31, 2023 and January 1, 2024	(41,816)
Charge for the year	(4,393)
Additions	(45,310)
Decrease	29,641
At December 31, 2024	(61,878)
Net book value:	
At December 31, 2022	53,155
At December 31, 2023	43,388
At December 31, 2024	33,595

14 Right-of-use assets

Reconciliation of carrying amount

The Group:

	Land-use rights RMB'000	*Other properties, machinery and equipment* RMB'000	*Total* RMB'000
Cost:			
At January 1, 2022	418,476	84,533	503,009
Additions	188,679	-	188,679
Business combinations through acquisition of subsidiaries (note 17)	105,377	-	105,377
Reductions due to early termination	-	(15,318)	(15,318)
At December 31, 2022 and January 1, 2023	712,532	69,215	781,747
Additions	194,689	14,123	208,812
At December 31, 2023 and January 1, 2024	907,221	83,338	990,559
Additions	40,866	24,649	65,515
Decrease due to early termination	-	(2,553)	(2,553)
Decrease due to expiration of leases	-	(54,671)	(54,671)
Exchange adjustment	-	22	22
At December 31, 2024	948,087	50,785	998,872
Accumulated depreciation:			
At January 1, 2022	(55,907)	(20,888)	(76,795)
Charge for the year	(8,619)	(17,767)	(26,386)
Reductions due to early termination	-	3,305	3,305
At December 31, 2022 and January 1, 2023	(64,526)	(35,350)	(99,876)
Charge for the year	(16,692)	(16,811)	(33,503)
At December 31, 2023 and January 1, 2024	(81,218)	(52,161)	(133,379)
Charge for the year	(19,131)	(20,512)	(39,643)
Decrease due to early termination	-	84	84
Decrease due to expiration of leases	-	54,671	54,671
Exchange adjustment	-	3	3
At December 31, 2024	(100,349)	(17,915)	(118,264)
Net book value:			
At December 31, 2022	648,006	33,865	681,871
At December 31, 2023	826,003	31,177	857,180
At December 31, 2024	847,738	32,870	880,608

14 Right-of-use assets (continued)

The Group's land-use rights on leasehold land are located in the PRC. Depreciation is recognized in profit or loss on a straight-line basis over the respective periods of the land-use rights, which are 22 to 70 years, 22 to 70 years, and 22 to 70 years as at December 31, 2022, 2023 and 2024, respectively.

The Group leases other offices, machinery equipment, dormitories and warehouses expiring from 3 to 16 years, 3 to 16 years, and 1 to 16 years as at December 31, 2022, 2023 and 2024, respectively. Some leases include an option to renew the lease when all terms are renegotiated. None of the leases includes variable lease payments.

The analysis of expense items in relation to leases recognized in the Group's profit or loss is as follows:

	Year ended December 31,		
	2022	*2023*	*2024*
	RMB'000	RMB'000	RMB'000
Interest on lease liabilities	2,116	2,151	2,142
Depreciation charge of right-of-use assets	26,386	33,503	39,643
Expense relating to short-term leases	2,226	1,781	4,823
	30,728	37,435	46,608

Details of total cash outflow for leases and the maturity analysis of lease liabilities are set out in note 23(f) and note 28.

15 Intangible assets

The Group:

	Enterprise resource planning system RMB'000	*Other software* RMB'000	*Trademark and others* RMB'000	*Total* RMB'000
Cost:				
At January 1, 2022	15,578	7,967	30,207	53,752
Additions	-	1,491	1,389	2,880
Transfer from construction in progress	1,323	6,847	3,173	11,343
Business combinations through acquisition of subsidiaries (note 17)	-	340	19,510	19,850
Disposals	-	(37)	-	(37)
At December 31, 2022 and January 1, 2023	16,901	16,608	54,279	87,788
Additions	-	21	411	432
Transfer from construction in progress	-	5,424	-	5,424
At December 31, 2023 and January 1, 2024	16,901	22,053	54,690	93,644
Additions	-	131	-	131
Transfer from construction in progress	-	7,641	392	8,033
At December 31, 2024	16,901	29,825	55,082	101,808
Accumulated amortization:				
At January 1, 2022	(15,578)	(4,723)	(9,367)	(29,668)
Charge for the year	(125)	(1,704)	(10,100)	(11,929)
Written back on disposals	-	11	-	11
At December 31, 2022 and January 1, 2023	(15,703)	(6,416)	(19,467)	(41,586)
Charge for the year	(280)	(2,989)	(8,661)	(11,930)
At December 31, 2023 and January 1, 2024	(15,983)	(9,405)	(28,128)	(53,516)
Charge for the year	(279)	(4,616)	(7,861)	(12,756)
At December 31, 2024	(16,262)	(14,021)	(35,989)	(66,272)
Net book value:				
At December 31, 2022	1,198	10,192	34,812	46,202
At December 31, 2023	918	12,648	26,562	40,128
At December 31, 2024	639	15,804	19,093	35,536

16 Goodwill

	RMB'000
Cost:	
At January 1, 2022	47,756
Arising from business combination (note 17)	195,338
At December 31, 2022, December 31, 2023, January 1, 2024 and December 31, 2024	243,094
Accumulated impairment losses:	
At January 1, 2022	(17,178)
Addition	(15,488)
At December 31, 2022, December 31, 2023 and January 1, 2024	(32,666)
Addition	(97,491)
At December 31, 2024	(130,157)
Carrying amount:	
At December 31, 2022	210,428
At December 31, 2023	210,428
At December 31, 2024	112,937

Impairment tests for cash-generating units containing goodwill

Goodwill is allocated to the Group's cash-generating units (CGU) identified according to business types as follows:

	As at December 31 2022, RMB'000	*As at December 31 2023,* RMB'000	*As at December 31 2024,* RMB'000
Cost:			
Zhejiang Jiu Sheng Camellia Oil Technology Co., Ltd. ("Zhejiang Jiusheng")	97,847	97,847	97,847
Honghe Hongbin Food Co., Ltd. ("Honghe Hongbin")	97,491	97,491	97,491
Others	47,756	47,756	47,756
Accumulated impairment losses:			
Zhejiang Jiusheng	-	-	-
Honghe Hongbin	-	-	(97,491)
Others	(32,666)	(32,666)	(32,666)
	210,428	210,428	112,937

16 Goodwill (continued)

(a) Zhejiang Jiusheng CGU

The recoverable amount of the Zhejiang Jiusheng CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. The discount rates used are pre-tax and reflect specific risks relating to the relevant businesses.

	As at December 31,		
	2022	*2023*	*2024*
Annual growth rate of revenue during five-year forecast period	18% - 24%	14% - 19%	12% - 25%
Gross profit margin	39% - 41%	34% - 37%	30% - 34%
Pre-tax discount rate	13.82%	13.82%	14.75%

The headroom calculated based on the recoverable amounts deducting the carrying amount of the Zhejiang Jiusheng CGU as at December 31, 2022, 2023 and 2024 is RMB509,284,000, RMB267,700,000 and RMB327,448,000, respectively.

(b) Honghe Hongbin CGU

Due to the adverse change in the market in 2024, management expected the selling price of Honghe Hongbin's products would decrease, which had a negative impact on the relevant products' gross profit. When preparing the consolidated financial statements for the nine months ended 30 September 2024, management consider there is an indicator of goodwill impairment, and performed the goodwill impairment test in September 2024. The carrying amount of the Honghe Hongbin CGU was determined to be higher than its recoverable amount. Accordingly, goodwill allocated to the Honghe Hongbin CGU of RMB97,491,000 is fully impaired and the relevant impairment loss was recognized in "Provision for impairment losses" during the year ended December 31, 2024.

The recoverable amount of the Honghe Hongbin CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. The discount rates used are pre-tax and reflect specific risks relating to the relevant businesses.

	As at December 31,		*As at September 30,*
	2022	*2023*	*2024*
Annual growth rate of revenue during five-year forecast period	15% - 48%	13% - 36%	5% - 29%
Gross profit margin	19% - 23%	18% - 24%	14% - 21%
Pre-tax discount rate	14.75%	14.75%	15.28%

The headroom calculated based on the recoverable amounts deducting the carrying amount of the Honghe Hongbin CGU as at December 31, 2022 and 2023 is RMB35,541,000 and RMB6,676,000, respectively.

16 Goodwill (continued)

(c) Sensitivity analysis

Management have undertaken sensitivity analysis on the impairment test of Zhejiang Jiusheng CGU and Honghe Hongbin CGU . The following table sets forth the hypothetical changes to the percentage points of annual growth rate of revenue during five-year forecast period, gross profit margin and pre-tax discount rate that would, in isolation, have removed the remaining headroom respectively as at December 31, 2022, 2023 and 2024:

	As at December 31, 2022		*As at December 31, 2023*		*As at December 31, 2024*
	Zhejiang Jiusheng CGU	*Honghe Hongbin CGU*	*Zhejiang Jiusheng CGU*	*Honghe Hongbin CGU*	*Zhejiang Jiusheng CGU*
Annual growth rate of revenue during five-year forecast period	7.28%	0.86%	4.26%	0.13%	5.13%
Gross profit margin	9.59%	0.64%	5.00%	0.10%	5.51%
Pre-tax discount rate	10.54%	0.46%	5.50%	0.07%	7.55%

The directors of the Company are of the view that, except for the Honghe Hongbin CGU, a reasonably possible change in a key parameter will not cause the carrying amount of the relevant CGUs to exceed the respective recoverable amounts as at December 31, 2022, 2023 and 2024.

17 Acquisitions of subsidiaries

(a) Zhejiang Jiusheng

In January 2022, the Group acquired of 67% equity interest in Zhejiang Jiusheng from Ms. Shi Yuhua and Mr. Zhang Xiangjie (the then controlling shareholders of Zhejiang Jiusheng) at consideration of RMB440,181,000. Zhejiang Jiusheng principally engages in manufacturing and sales of camellia oil products. The above acquisition was made as part of the Group's strategy to expand its market share in different types of condiments products.

From the post acquisition date to December 31, 2022, Zhejiang Jiusheng contributed revenue of RMB272,903,000 and profit of RMB26,567,000 to the Group's results.

17 Acquisitions of subsidiaries (continued)

The fair values of the identifiable assets and liabilities acquired as at the date of acquisition are set out as follows:

	Fair Value RMB'000
Property, plant and equipment	93,826
Right-of-use assets	21,715
Intangible assets	9,595
Other financial assets at FVPL	7,000
Deferred tax assets	2,065
Inventories	99,917
Trade receivables	34,283
Other receivables	13,001
Cash and cash equivalents	326,781
Restricted cash	558
Trade payables	(7,745)
Other payables	(22,493)
Contract liabilities	(4,700)
Bank loans and other borrowing	(53,239)
Deferred tax liabilities	(9,618)
Total identifiable net assets acquired	510,946
Non-controlling interests (33%)	168,612
Cash consideration	440,181
Goodwill arising on acquisition	97,847

(b) Honghe Hongbin

In May 2022, the Group acquired of 67% equity interest in Honghe Hongbin from Ms. Tao Jinlin and Mr. Ren Hongbin (the then controlling shareholders of Honghe Hongbin) at consideration of RMB532,808,000. Honghe Hongbin principally engages in manufacturing and sales of pickled chili products. The above acquisition was made as part of the Group's strategy to expand its market share in different types of condiments products.

From the post acquisition date to December 31, 2022, Honghe Hongbin contributed revenue of RMB179,838,000 and profit of RMB2,657,000 to the Group's results.

17 Acquisitions of subsidiaries (continued)

The fair values of the identifiable assets and liabilities acquired as at the date of acquisition are set out as follows:

	Fair Value RMB'000
Property, plant and equipment	357,490
Right-of-use assets	83,662
Intangible assets	10,255
Inventories	101,495
Trade receivables	23,239
Other receivables	10,777
Cash and cash equivalents	554,004
Trade payables	(6,425)
Other payables	(367,265)
Contract liabilities	(4,085)
Bank loans	(100,140)
Deferred tax liabilities	(13,280)
Total identifiable net assets acquired	649,727
Non-controlling interests (33%)	214,410
Cash consideration	532,808
Goodwill arising on acquisition	97,491

The Group incurred transaction costs of RMB1,294,000 in connection with the above two acquisitions. The transaction costs have been included in administrative expenses in the consolidated statement of profit or loss.

An analysis of the cash flows in respect of the above two acquisitions are as follows.

	Year ended December 31, 2022 RMB'000
Total cash consideration	(972,989)
Cash consideration payable (note (i))	18,900
Cash and cash balances acquired	880,785
Net outflow of cash and cash equivalents included in cash flows used in investing activities	(73,304)

Note: (i) Cash consideration payable is fully settled in September 2023.

If the above mentioned two acquisitions had occurred on January 1, 2022, management estimates the consolidated revenue for year ended December 31, 2022 would have been RMB25,671,854,000 and consolidated profit for the year ended December 31, 2022 would have been RMB6,222,845,000.

17 Acquisitions of subsidiaries (continued)

Non-controlling interests recognized at the acquisition date were measured by reference to the non-controlling interests' proportionate share of the acquiree's identifiable net assets.

18 Investments in subsidiaries

The carrying amounts of investments in subsidiaries of the Company is listed below:

	As at December 31,		
	2022 RMB'000	*2023* RMB'000	*2024* RMB'000
Cost	1,499,109	1,559,109	1,597,900
Less: impairment	(10,000)	(10,000)	(107,491)
	1,489,109	1,549,109	1,490,409

Further details of the principal subsidiaries of the Group are set out in note 1.

The subsidiaries of the Group do not have material non-controlling interest.

The impairment losses of investment in Honghe Hongbin amounted to RMB97,491,000 recognized during the year ended December 31, 2024 (note 16(b)).

19 Other Financial assets at fair value through profit or loss

The Group:

	Note	*As at December 31,*		
		2022 RMB'000	*2023* RMB'000	*2024* RMB'000
Non-current:				
Equity securities		100	100	100
Current:				
Wealth management products	(i)	6,081,663	5,841,005	7,518,580
Listed securities		-	-	98,996
		6,081,663	5,841,005	7,617,576
		6,081,763	5,841,105	7,617,676

19 Other Financial assets at fair value through profit or loss (continued)

The Company:

	Note	As at December 31, 2022 RMB'000	2023 RMB'000	2024 RMB'000
Non-current:				
Equity securities		100	100	100
Current:				
Wealth management products	(i)	2,624,927	3,611,520	4,727,412
		2,625,027	3,611,620	4,727,512

(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.

20 Inventories

(a) Inventories in the statements of financial position comprises:

The Group:

	As at December 31, 2022 RMB'000	2023 RMB'000	2024 RMB'000
Raw materials	318,101	212,772	210,128
Work in progress	1,553,902	1,469,434	1,319,870
Finished goods	421,402	832,177	886,731
Packaging materials	64,976	69,687	73,995
Low value consumables	34,323	34,545	32,744
Others	-	3,897	5,076
	2,392,704	2,622,512	2,528,544
Less: write-down of inventories	(1,063)	(3,739)	(3,270)
Total	2,391,641	2,618,773	2,525,274

The Company:

	As at December 31, 2022 RMB'000	2023 RMB'000	2024 RMB'000
Finished goods	1,688	1,314	2,746
Packaging materials	48	17	17
Low value consumables	7,880	7,561	5,096
	9,616	8,892	7,859

20 Inventories (continued)

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

The Group:

	Year ended December 31,		
	2022	*2023*	*2024*
	RMB'000	RMB'000	RMB'000
Carrying amount of inventories sold	13,413,820	13,207,937	13,950,948
Carrying amount of inventories recognized as research and development expenses	552,399	505,152	568,956
Write-down of inventories	1,063	3,739	2,062
	13,967,282	13,716,828	14,521,966

21 Trade receivables

The Group:

	As at December 31,		
	2022	*2023*	*2024*
	RMB'000	RMB'000	RMB'000
Current			
Trade receivables	199,771	234,511	254,507
Bills receivable	-	-	371
Less: loss allowance	(11,376)	(11,362)	(12,246)
Total	188,395	223,149	242,632

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

Aging analysis

As of the end of each reporting period, the aging analysis of trade and bills receivable, based on the invoice date, is as follows:

The Group:

	As at December 31,		
	2022	*2023*	*2024*
	RMB'000	RMB'000	RMB'000
Within 1 year	196,567	232,540	251,728
1 to 2 years	2,644	1,611	2,053
2 to 3 years	329	74	737
Over 3 years	231	286	360
	199,771	234,511	254,878

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.

22 Other receivables

The Group:

	As at December 31,		
	2022	*2023*	*2024*
	RMB'000	RMB'000	RMB'000
Current			
Amounts due from related parties	2,190	3,559	3,325
Other receivables	8,548	28,010	15,281
Deposits for a derivative financial instrument	-	150,000	-
	10,738	181,569	18,606
Prepayments for materials	25,304	19,263	34,294
Deductible input VAT and others	52,540	201,275	288,991
	88,582	402,107	341,891
Non-current			
Prepayments for purchase of property, plant and equipment	4,267	9,708	61,219
Deposits for acquisition of land-use rights	84,376	-	-
Other receivables	3,211	-	-
	91,854	9,708	61,219
Total	180,436	411,815	403,110

The Company:

	As at December 31,		
	2022	*2023*	*2024*
	RMB'000	RMB'000	RMB'000
Current			
Amounts due from subsidiaries	4,595,252	3,562,200	2,805,593
Dividends receivables from subsidiaries	6,479,000	4,750,000	2,670,000
Deposits for a derivative financial instrument	-	150,000	-
Other receivables	2,210	4,470	975
	11,076,462	8,466,670	5,476,568

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

23 Cash and cash equivalents, term deposits, certificates of deposits and restricted cash, and other cash flow information

(a) Cash and cash equivalents comprise:

The Group:

	As at December 31,		
	2022	*2023*	*2024*
	RMB'000	RMB'000	RMB'000
Cash at bank and in hand, and cash equivalents	9,152,035	12,841,080	11,906,831

The Company:

	As at December 31,		
	2022	*2023*	*2024*
	RMB'000	RMB'000	RMB'000
Cash at bank and in hand, and cash equivalents	7,191,574	8,640,855	5,151,010

(i) Classification as cash equivalents

For the purpose of presentation in the consolidated statements of cash flows, 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:

The Group:

	As at December 31,		
	2022	*2023*	*2024*
	RMB'000	RMB'000	RMB'000
Term deposits (note (i))	5,229,999	4,805,377	5,327,793
Certificates of deposits (note (i))	3,810,110	4,025,004	4,871,719
	9,040,109	8,830,381	10,199,512

The Company:

	As at December 31,		
	2022	*2023*	*2024*
	RMB'000	RMB'000	RMB'000
Term deposits (note (i))	1,986,509	4,143,664	4,599,554
Certificates of deposits (note (i))	2,235,976	3,758,290	4,258,858
	4,222,485	7,901,954	8,858,412

(i) 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.

23 Cash and cash equivalents, term deposits, certificates of deposits and restricted cash, and other cash flow information (continued)

(c) Restricted cash

The Group:

	As at December 31,		
	2022 RMB'000	*2023* RMB'000	*2024* RMB'000
Guarantee deposits (note (i))	31,163	17,924	8,393

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

(d) Reconciliation of profit before taxation to cash generated from operations:

		Year ended December 31,		
	Note	*2022* RMB'000	*2023* RMB'000	*2024* RMB'000
Profit before taxation		7,364,205	6,739,038	7,513,082
Adjustments for:				
Depreciation	8(c)	825,263	913,448	893,314
Amortization	8(c)	11,929	11,930	12,756
Provision for expected credit losses on trade and other receivables		2,592	203	1,041
Provision for impairment losses	7	16,551	3,739	99,553
Interest income	5	(750,174)	(604,372)	(527,623)
Finance costs	8(a)	14,496	11,888	23,961
Net fair value changes on other financial assets at FVPL	6	(134,372)	(230,126)	(237,355)
(Gain)/loss arising from disposal of property, plant and equipment	6	(851)	951	(8,091)
Changes in working capital:				
Decrease/(increase) in inventories		35,526	(229,808)	93,968
Increase in trade receivables		(77,519)	(34,957)	(20,524)
Decrease/(increase) in other receivables		39,042	(145,486)	(101,509)
(Decrease)/increase in trade and bills payable		(344,938)	111,226	(51,391)
(Decrease)/increase in other payables		(153,455)	210,597	267,036
(Decrease)/increase in deferred income		(13,190)	24,058	55,295
(Decrease)/increase in contract liabilities		(1,769,295)	1,578,916	(191,714)
Cash generated from operations		5,065,810	8,361,245	7,821,799

23 Cash and cash equivalents, term deposits, certificates of deposits and restricted cash, and other cash flow information (continued)

(e) Reconciliation of liabilities arising from financing activities:

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated cash flow statements as cash flows from financing activities.

	Bank loans and other borrowing RMB'000 (note 27)	*Lease liabilities* RMB'000 (note 28)	*Bills payable* RMB'000 (note 24)	*Other payables* RMB'000 (note 25)	*Total* RMB'000
Balance at January 1, 2022	104,600	75,466	442,500	-	622,566
Changes from financing cash flows:					
Proceeds from bank loans	251,009	-	-	-	251,009
Repayment of bank loans	(259,489)	-	-	-	(259,489)
Repayment of borrowings from non-controlling shareholders	-	-	-	(331,902)	(331,902)
Lease payments	-	(20,795)	-	-	(20,795)
Interest paid	(12,528)	-	-	-	(12,528)
Proceeds from discount of bills receivable due from the Company by a subsidiary	-	-	700,000	-	700,000
Payment for expired bills payable due to a subsidiary from the Company	-	-	(1,142,500)	-	(1,142,500)
Total changes from financing cash flows	(21,008)	(20,795)	(442,500)	(331,902)	(816,205)
Other changes:					
Interests incurred during the year (note 8(a))	12,380	2,116	-	-	14,496
Decrease in lease liabilities	-	(11,754)	-	-	(11,754)
Increase from business combinations	153,379	-	-	331,902	485,281
Total other changes	165,759	(9,638)	-	331,902	488,023
Balance at December 31, 2022	249,351	45,033	-	-	294,384

	Bank loans and other borrowing RMB'000 (note 27)	*Lease liabilities* RMB'000 (note 28)	*Bills payable* RMB'000 (note 24)	*Total* RMB'000
Balance at January 1, 2023	249,351	45,033	-	294,384
Changes from financing cash flows:				
Proceeds from bank loans	517,920	-	-	517,920
Repayment of bank loans	(296,769)	-	-	(296,769)
Lease payments	-	(18,380)	-	(18,380)
Interest paid	(9,720)	-	-	(9,720)
Proceeds from discount of bills receivable due from the Company by a subsidiary	-	-	1,050,000	1,050,000
Payment for expired bills payable due to a subsidiary from the Company	-	-	(600,000)	(600,000)
Total changes from financing cash flows	211,431	(18,380)	450,000	643,051
Other changes:				
Interests incurred during the year (note 8(a))	9,737	2,151	-	11,888
Increase in lease liabilities	-	14,123	-	14,123
Total other changes	9,737	16,274	-	26,011
Balance at December 31, 2023	470,519	42,927	450,000	963,446

23 Cash and cash equivalents, term deposits, certificates of deposits and restricted cash, and other cash flow information (continued)

	Bank loans and other borrowing RMB'000 (note 27)	*Lease liabilities* RMB'000 (note 28)	*Bills payable* RMB'000 (note 24)	*Total* RMB'000
Balance at January 1, 2024	470,519	42,927	450,000	963,446
Changes from financing cash flows:				
Proceeds from bank loans	356,506	-	-	356,506
Repayment of bank loans	(465,361)	-	-	(465,361)
Lease payments	-	(26,379)	-	(26,379)
Interest paid	(21,818)	-	-	(21,818)
Proceeds from discount of bills receivable due from the Company by a subsidiary	-	-	1,486,477	1,486,477
Payment for expired bills payable due to a subsidiary from the Company	-	-	(1,350,000)	(1,350,000)
Total changes from financing cash flows	(130,673)	(26,379)	136,477	(20,575)
Other changes:				
Interests incurred during the year (note 8(a))	21,819	2,142	-	23,961
Increase in lease liabilities	-	24,649	-	24,649
Exchange adjustment	-	22	-	22
Total other changes	21,819	26,813	-	48,632
Balance at December 31, 2024	361,665	43,361	586,477	991,503

(f) Total cash outflow for leases

Amounts included in the consolidated cash flow statements for leases comprises the following, which are related to lease rentals paid:

	Year ended December 31,		
	2022 RMB'000	*2023* RMB'000	*2024* RMB'000
Within operating cash flows	2,226	1,781	4,823
Within financing cash flows	20,795	18,380	26,379
	23,021	20,161	31,202

24 Trade and bills payable

The Group:

	As at December 31,		
	2022	*2023*	*2024*
	RMB'000	RMB'000	RMB'000
Trade payables	1,300,262	1,403,495	1,360,098
- third parties (notes (ii))	1,124,517	1,269,873	1,224,340
- related parties	175,745	133,622	135,758
Bills payable	-	457,994	586,477
	1,300,262	1,861,489	1,946,575

The Company:

	As at December 31,		
	2022	*2023*	*2024*
	RMB'000	RMB'000	RMB'000
Trade payables	1,683	289	26,012
- third parties	1,671	-	89
- related parties	12	-	-
- subsidiaries	-	289	25,923
Bills payable	-	450,000	586,477
	1,683	450,289	612,489

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 settle 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 December 31, 2023, and 2024 amounted to RMB211,767,000 and RMB203,245,000 respectively. Trade payables that the Group settled with Haitian Factoring under above arrangement amounted to RMB2,370,155,000 and RMB2,863,186,000 in aggregate during the years ended December 31, 2023 and 2024.

24 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:

The Group:

	As at December 31,		
	2022	*2023*	*2024*
	RMB'000	RMB'000	RMB'000
Within 1 year	1,300,262	1,403,495	1,360,098
	1,300,262	1,403,495	1,360,098

The Company:

	As at December 31,		
	2022	*2023*	*2024*
	RMB'000	RMB'000	RMB'000
Within 1 year	1,683	289	26,012
	1,683	289	26,012

25 Other payables

The Group:

	As at December 31,		
	2022	*2023*	*2024*
	RMB'000	RMB'000	RMB'000
Other taxes payable	150,142	63,930	76,320
Payroll payables	669,279	593,659	664,673
Amounts due to related parties	3,087	4,815	3,858
Deposits due to suppliers	149,941	156,203	154,877
Accrual for marketing expenses	310,028	273,963	227,760
Accrual for transportation expenses	291,017	225,064	261,592
Payables for equipment and construction	201,447	148,837	157,538
Consideration for acquisition of a subsidiary	18,900	-	-
Others	70,445	38,721	56,389
	1,864,286	1,505,192	1,603,007

25 Other payables (continued)

The Company:

	As at December 31,		
	2022	*2023*	*2024*
	RMB'000	RMB'000	RMB'000
Other taxes payable	28,348	22,029	31,436
Payroll payables	459,333	386,398	421,842
Amounts due to subsidiaries	6,251,612	5,098,266	870,266
Deposits due to suppliers	4,628	7,087	7,084
Accrual for marketing expenses	72,189	53,786	69,252
Payables for equipment and construction	238	239	178
Others	3,638	14,839	7,809
	6,819,986	5,582,644	1,407,867

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

26 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.

The Group:

	As at December 31,		
	2022	*2023*	*2024*
	RMB'000	RMB'000	RMB'000
Receipts in advance	2,948,111	4,527,027	4,335,313

The Company:

	As at December 31,		
	2022	*2023*	*2024*
	RMB'000	RMB'000	RMB'000
Receipts in advance	2,659,323	4,113,858	4,002,681

26 Contract liabilities (continued)

Movement of contract liabilities are as follows:

The Group:

	As at December 31,		
	2022	*2023*	*2024*
	RMB'000	RMB'000	RMB'000
Balance at the beginning of the year	4,708,621	2,948,111	4,527,027
Decrease in contract liabilities as a result of recognizing revenue during the year that was included in the contract liabilities at the beginning of the year	(4,606,385)	(2,948,111)	(4,527,027)
Increase in contract liabilities as a result of billing in advance of sales activities	2,845,875	4,527,027	4,335,313
Balance at the end of the year	2,948,111	4,527,027	4,335,313

The Company:

	As at December 31,		
	2022	*2023*	*2024*
	RMB'000	RMB'000	RMB'000
Balance at the beginning of the year	4,435,222	2,659,323	4,113,858
Decrease in contract liabilities as a result of recognizing revenue during the year that was included in the contract liabilities at the beginning of the year	(4,435,222)	(2,659,323)	(4,113,858)
Increase in contract liabilities as a result of billing in advance of sales activities	2,659,323	4,113,858	4,002,681
Balance at the end of the year	2,659,323	4,113,858	4,002,681

27 Bank loans and other borrowing

(a) The Group's bank loans and other borrowing comprised:

	As at December 31,		
	2022	*2023*	*2024*
	RMB'000	RMB'000	RMB'000
Current			
Short-term bank loans	131,720	362,645	293,465
Current portion of long-term bank loans	4,978	18,604	16,000
	136,698	381,249	309,465
Non-current			
Long-term bank loans	93,653	70,270	33,200
Other borrowing	19,000	19,000	19,000
	112,653	89,270	52,200
	249,351	470,519	361,665

27 Bank loans and other borrowing (continued)

(b) The analysis of the repayment schedule of bank loans and other borrowing is as follows:

	As at December 31,		
	2022	*2023*	*2024*
	RMB'000	RMB'000	RMB'000
Within 1 year or on demand	136,698	381,249	309,465
After 1 year but within 2 years	8,897	24,172	52,200
After 2 years but within 5 years	103,756	65,098	-
	112,653	89,270	52,200
	249,351	470,519	361,665

(i) As at December 31, 2022, 2023 and 2024, all bank loans and other borrowing of the Group are unsecured and unguaranteed.

28 Lease liabilities

As at the end of each reporting period, the lease liabilities were repayable as follows:

The Group:

	As at December 31,		
	2022	*2023*	*2024*
	RMB'000	RMB'000	RMB'000
Within 1 year	15,287	12,741	14,770
After 1 year but within 2 years	8,021	5,727	5,024
After 2 years but within 5 years	2,600	5,455	4,906
After 5 years	19,125	19,004	18,661
	29,746	30,186	28,591
	45,033	42,927	43,361

The Company:

	As at December 31,		
	2022	*2023*	*2024*
	RMB'000	RMB'000	RMB'000
Within 1 year	14,350	7,570	7,584
After 1 year but within 2 years	7,570	263	321
After 2 years but within 5 years	830	869	942
After 5 years	8,733	8,401	7,982
	17,133	9,533	9,245
	31,483	17,103	16,829

29 Deferred income

The Group:

	As at December 31,		
	2022	*2023*	*2024*
	RMB'000	RMB'000	RMB'000
At the beginning of the year	292,356	279,166	303,224
Additions	52,041	71,138	124,235
Credited to profit or loss	(65,231)	(47,080)	(68,940)
At the end of the year	279,166	303,224	358,519

The Company:

	As at December 31,		
	2022	*2023*	*2024*
	RMB'000	RMB'000	RMB'000
At the beginning of the year	2,518	2,451	5,304
Additions	300	3,300	1,300
Credited to profit or loss	(367)	(447)	(1,510)
At the end of the year	2,451	5,304	5,094

As at December 31, 2022, December 31, 2023 and December 31, 2024, deferred income of the Group mainly represented various grants received from governments for construction of property, plant and equipment, and development of digital and intelligent transformation. Government grants relating to compensation of assets are recognized as other income on a straight-line basis over the expected useful life of the relevant assets.

30 Income tax in the statements of financial position

(a) Current taxation in the statements of financial position represents:

The Group:

	As at December 31,		
	2022	*2023*	*2024*
	RMB'000	RMB'000	RMB'000
At the beginning of the year	446,639	328,856	222,925
Provision for current year (note 9(a))	1,113,245	898,613	1,099,497
Under/(over)-provision in respect of prior years (note 9(a))	4,468	1,050	(6,548)
Income tax paid	(1,235,496)	(1,005,594)	(978,089)
At the end of the year	328,856	222,925	337,785

The Company:

	As at December 31,		
	2022	*2023*	*2024*
	RMB'000	RMB'000	RMB'000
At the beginning of the year	106,754	35,698	35,675
Provision for current year	114,350	85,571	148,951
(Over)/under-provision in respect of prior years	(1,870)	84	36
Income tax paid	(183,536)	(85,678)	(101,786)
At the end of the year	35,698	35,675	82,876

30 Income tax in the statements of financial position (continued)

(b) Deferred tax assets and liabilities recognized:

(i) Movement of each component of deferred tax assets and liabilities

The components of deferred tax (assets)/liabilities recognized in the statements of financial position and the movements during the year are as follows:

The Group:

	Employee benefits RMB'000	*Depreciation allowances difference* RMB'000	*Government grants* RMB'000	*Sales rebate* RMB'000	*Unused tax losses* RMB'000	*Lease liabilities* RMB'000	*Right-of-use assets* RMB'000	*Changes in fair value* RMB'000	*Business combinations* RMB'000	*Others* RMB'000	*Total* RMB'000
Balance at January 1, 2022	(81,457)	(20,872)	(61,103)	(533,256)	(12,699)	(18,846)	18,408	13,842	14,703	(2,365)	(683,645)
Charged/(credited) to profit or loss	18,890	(14,155)	2,450	49,152	2,784	6,541	(6,803)	(8,381)	(5,335)	(1,817)	43,326
Acquisition of subsidiaries	-	-	-	-	(3,195)	-	-	-	20,431	3,597	20,833
Balance at December 31, 2022, and January 1, 2023	(62,567)	(35,027)	(58,653)	(484,104)	(13,110)	(12,305)	11,605	5,461	29,799	(585)	(619,486)
Charged/(credited) to profit or loss	17,362	(15,068)	10,322	178,963	(6,841)	3,647	(3,462)	14,749	(2,751)	267	197,188
Balance at December 31, 2023, and January 1, 2024	(45,205)	(50,095)	(48,331)	(305,141)	(19,951)	(8,658)	8,143	20,210	27,048	(318)	(422,298)
Charged/(credited) to profit or loss	11,578	1,916	(10,524)	64,949	(5,918)	(1,448)	1,424	4,988	(2,600)	(93)	64,272
Balance at December 31, 2024	(33,627)	(48,179)	(58,855)	(240,192)	(25,869)	(10,106)	9,567	25,198	24,448	(411)	(358,026)

30 Income tax in the statements of financial position (continued)

The Company:

	Employee benefits RMB'000	*Government grants* RMB'000	*Sales rebate* RMB'000	*Changes in fair value* RMB'000	*Others* RMB'000	*Total* RMB'000
Balance at January 1, 2022	(65,874)	(629)	(533,256)	13,659	(2,165)	(588,265)
Charged/(credited) to profit or loss	19,297	17	60,083	(12,427)	(171)	66,799
Balance at December 31, 2022, and January 1, 2023	(46,577)	(612)	(473,173)	1,232	(2,336)	(521,466)
Charged/(credited) to profit or loss	15,483	(713)	176,946	14,148	116	205,980
Balance at December 31, 2023, and January 1, 2024	(31,094)	(1,325)	(296,227)	15,380	(2,220)	(315,486)
Charged/(credited) to profit or loss	8,251	(1,947)	68,329	3,973	(12)	78,594
Balance at December 31, 2024	(22,843)	(3,272)	(227,898)	19,353	(2,232)	(236,892)

30 Income tax in the statements of financial position (continued)

(ii) Reconciliation to the statements of financial position

The Group:

	As at December 31,		
	2022 RMB'000	*2023* RMB'000	*2024* RMB'000
Net deferred tax assets recognized in the consolidated statements of financial position	(653,326)	(453,922)	(389,416)
Net deferred tax liabilities recognized in the consolidated statements of financial position	33,840	31,624	31,390
	(619,486)	(422,298)	(358,026)

The Company:

	As at December 31,		
	2022 RMB'000	*2023* RMB'000	*2024* RMB'000
Net deferred tax assets recognized in the Company's statements of financial position	(521,466)	(315,486)	(236,892)
	(521,466)	(315,486)	(236,892)

As at December 31, 2022, December 31, 2023 and December 31, 2024, the Group and the Company have no significant unrecognized deferred tax assets or deferred tax liabilities.

31 Capital, reserves and dividends

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statements of changes in equity. Details of the changes in the Company's individual components of equity are set out below:

	Share capital RMB'000	*Treasury shares* RMB'000	*Capital reserve* RMB'000	*Statutory reserve* RMB'000	*Other reserve* RMB'000	*Retained profits* RMB'000	*Total* RMB'000
At January 1, 2022	4,212,576	-	141,864	2,106,288	36,957	7,118,706	13,616,391
Changes in equity for 2022:							
Profit and total comprehensive income for the year	-	-	-	-	-	7,138,829	7,138,829
Appropriation to statutory reserve	-	-	-	210,629	-	(210,629)	-
Dividends approved and paid in respect of the previous year	-	-	-	-	-	(3,201,558)	(3,201,558)
Bonus issue	421,258	-	-	-	-	(421,258)	-
At December 31, 2022, and January 1, 2023	4,633,834	-	141,864	2,316,917	36,957	10,424,090	17,553,662
Changes in equity for 2023:							
Profit and total comprehensive income for the year	-	-	-	-	-	5,900,246	5,900,246
Repurchase of own shares	-	(249,998)	-	-	-	-	(249,998)
Appropriation to statutory reserve	-	-	-	463,383	-	(463,383)	-
Dividends approved and paid in respect of the previous year	-	-	-	-	-	(3,243,683)	(3,243,683)
Bonus issue	926,767	-	-	-	-	(926,767)	-
At December 31, 2023, and January 1, 2024	5,560,601	(249,998)	141,864	2,780,300	36,957	11,690,503	19,960,227
Changes in equity for 2024:							
Profit and total comprehensive income for the year	-	-	-	-	-	3,482,886	3,482,886
Repurchase of own shares	-	(313,844)	-	-	-	-	(313,844)
Dividends approved and paid in respect of the previous year	-	-	-	-	-	(3,660,412)	(3,660,412)
At December 31, 2024	5,560,601	(563,842)	141,864	2,780,300	36,957	11,512,977	19,468,857

31 Capital, reserves and dividends (continued)

(b) Dividends

	Year ended December 31,		
	2022 RMB'000	*2023* RMB'000	*2024* RMB'000
Ordinary A shares			
Final dividends in respect of the previous year, declared and paid during the year (tax inclusive)	3,201,558	3,243,683	3,660,412
	3,201,558	3,243,683	3,660,412

The final dividends of RMB0.76, RMB0.70 and RMB0.66 per share (tax inclusive) in respect of the years ended December 31, 2021, 2022 and 2023 were approved by the Annual General Meeting of the Company.

The final dividends for 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 after the end of the reporting period and has not been recognized as a liability as at December 31, 2024.

(c) Share capital

(i) Issued share capital of the Company

	Number of shares ('000)	RMB'000
Ordinary shares, issued and fully paid:		
At January 1, 2022	4,212,576	4,212,576
Bonus issue	421,258	421,258
At December 31, 2022, and January 1, 2023	4,633,834	4,633,834
Bonus issue	926,767	926,767
At December 31, 2023, January 1, 2024, and December 31, 2024	5,560,601	5,560,601

The par value of ordinary shares of the Company is RMB1 each.

(ii) Bonus issue

On April 23, 2022, the Company made a bonus issue on the basis of 1 bonus share for every 10 existing shares held by shareholders. A total of 421,257,617 ordinary shares were issued pursuant to the bonus issue.

On May 16, 2023, the Company made a bonus issue on the basis of 2 bonus share for every 10 existing shares held by shareholders. A total of 926,766,757 ordinary shares were issued pursuant to the bonus issue.

31 Capital, reserves and dividends (continued)

(d) Treasury shares

During the years ended December 31, 2023 and 2024, the Company repurchased its own ordinary A shares as follows:

	As at December 31,	
	2023	*2024*
	RMB'000	RMB'000
At the beginning of the year	-	249,998
Repurchase of own shares	249,998	313,844
At the end of the year	249,998	563,842

During the years ended December 31, 2023 and 2024, the Company repurchased 6,757,692 and 8,531,799 shares in total, on the Shanghai Stock Exchange for an aggregate consideration of RMB249,998,000 and RMB313,844,000, respectively, the details of repurchase information are as follows. And the shares held as at December 31, 2024 including 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.

Year	*Number of shares repurchased*	*Highest price paid per share* RMB	*Lowest price paid per share* RMB	*Aggregate price paid* RMB
2023	6,757,692	39.13	34.01	249,998,000
2024	8,531,799	41.81	33.05	313,844,000
	15,289,491			563,842,000

31 Capital, reserves and dividends (continued)

(e) Nature and purpose of reserves

(i) Capital reserve

The capital reserve comprises the difference between the consideration and the par value of the issued and paid-up shares of the Company.

(ii) Statutory reserve

According to the PRC laws, the PRC subsidiaries of the Group and the Company are required to set up two statutory reserve funds, general reserve fund and staff general fund. General reserve fund was set up by appropriating at least 10% of the entity's annual profit after taxation, as determined under PRC regulations, until the balance of the fund equals to 50% of the entity's registered capital. This fund can be used to make up previous years' losses or to convert into paid-in capital. Transfer from retained profits to staff general fund is made at the discretion of the board of directors of the entities.

(iii) Other reserve

Other reserve of the Group mainly represented merger reserves resulted from business combination in prior years respectively involving entities under common control.

(iv) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of the Group's subsidiaries outside the mainland China which are dealt with in accordance with the accounting policies set out in note 2(u).

(f) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

32 Financial risk management and fair values

Exposure to credit, liquidity, interest rate and foreign currency risks arises in the normal course of the Group's business. The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade receivables. The Group's exposure to credit risk arising from cash and cash equivalents, term deposits, certificates of deposits and restricted cash and financial assets measured at fair value through profit or loss are limited because the counterparties are banks with sound credit ratings, for which the Group considers to have low credit risk.

The Group does not provide any guarantees which would expose the Group to credit risk.

Trade receivables

The Group has established a credit risk management policy under which individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Normally, the Group does not obtain collateral from customers.

As the Group's customer base is diversified, the Group has no significant concentration of credit risk in individual customers, or industries or countries in which the customers operate.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience indicates significantly different loss patterns for different customer segments, the loss allowance based on past due status is further distinguished between the Group's different customer bases.

32 Financial risk management and fair values (continued)

The expected credit loss as at December 31, 2022, 2023 and 2024 was determined as follows for each customers group of trade receivables due from sales of flavoring products and transportation services, respectively:

	As at December 31, 2022		
	Expected loss rates %	*Gross carrying amount* RMB'000	*Loss allowance* RMB'000
Trade receivables - sales of flavoring products			
Current (not past due)	5%	121,732	6,087
Less than 1 year past due	10%	13,960	1,396
More than 1 year past due	100%	3,204	3,204
		138,896	10,687
Trade receivables - transportation services			
Current (not past due)	1%	56,866	569
Less than 1 year past due	3%	4,009	120
		60,875	689
		199,771	11,376

	As at December 31, 2023		
	Expected loss rates %	*Gross carrying amount* RMB'000	*Loss allowance* RMB'000
Trade receivables - sales of flavoring products			
Current (not past due)	5%	168,382	8,419
Less than 1 year past due	10%	3,635	363
More than 1 year past due	100%	1,971	1,971
		173,988	10,753
Trade receivables - transportation services			
Current (not past due)	1%	60,365	604
Less than 1 year past due	3%	158	5
		60,523	609
		234,511	11,362

32 Financial risk management and fair values (continued)

	As at December 31, 2024		
	Expected loss rates %	*Gross carrying amount* RMB'000	*Loss allowance* RMB'000
Trade receivables - sales of flavoring product			
Current (not past due)	5%	159,718	7,986
Less than 1 year past due	10%	1,940	194
More than 1 year past due	100%	3,150	3,150
		164,808	11,330
Trade receivables - transportation services			
Current (not past due)	1%	88,743	887
Less than 1 year past due	3%	956	29
		89,699	916
		254,507	12,246

Expected loss rates are based on actual loss experience over the past three years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

The loss rates remained constant for the years ended December 31, 2022, 2023 and 2024, because the Group considers that there has been no significant change in the Group's customer base, the historical loss experience or the aging pattern of those financial assets for the years ended December 31, 2022, 2023 and 2024.

Movement in the loss allowance account in respect of trade receivables during the years ended December 31, 2022, 2023 and 2024 is as follows:

	As at December 31,		
	2022 RMB'000	*2023* RMB'000	*2024* RMB'000
At beginning of the year	3,857	11,376	11,362
Acquisition of subsidiaries	4,927	-	-
Loss allowance recognized	2,642	2,674	3,382
Loss allowance reversed	(50)	(2,471)	(2,341)
Amounts written off	-	(217)	(157)
At the end of the year	11,376	11,362	12,246

The directors of the Company consider the Group's exposure to credit risk arising from other receivables is not significant as the balances of other receivables as at December 31, 2022, 2023 and 2024 mainly are deposits or deductible input VAT and no significant actual losses were experienced historically by the Group.

32 Financial risk management and fair values (continued)

(b) Liquidity risk

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management of the Group to finance the operations and mitigate the effects of fluctuations of cash flows.

The following table details the remaining contractual maturities as at the end of the reporting periods of the Group's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting periods) and the earliest date the Group can be required to pay:

	As at December 31, 2022					
	Within 1 year or on demand RMB'000	*More than 1 year but within 2 years* RMB'000	*More than 2 years but within 5 years* RMB'000	*More than 5 years* RMB'000	*Total contractual undiscounted cash flow* RMB'000	*Carrying amount* RMB'000
Trade and bills payable	1,300,262	-	-	-	1,300,262	1,300,262
Other payables	1,044,865	-	-	-	1,044,865	1,044,865
Bank loans and other borrowing	140,293	13,802	110,484	-	264,579	249,351
Lease liabilities	21,156	9,234	5,622	26,267	62,279	45,033
	2,506,576	23,036	116,106	26,267	2,671,985	2,639,511

	As at December 31, 2023					
	Within 1 year or on demand RMB'000	*More than 1 year but within 2 years* RMB'000	*More than 2 years but within 5 years* RMB'000	*More than 5 years* RMB'000	*Total contractual undiscounted cash flow* RMB'000	*Carrying amount* RMB'000
Trade and bills payable	1,861,489	-	-	-	1,861,489	1,861,489
Other payables	847,603	-	-	-	847,603	847,603
Bank loans and other borrowing	388,342	27,785	68,372	-	484,499	470,519
Lease liabilities	15,909	5,942	7,845	24,322	54,018	42,927
	3,113,343	33,727	76,217	24,322	3,247,609	3,222,538

	As at December 31, 2024					
	Within 1 year or on demand RMB'000	*More than 1 year but within 2 years* RMB'000	*More than 2 years but within 5 years* RMB'000	*More than 5 years* RMB'000	*Total contractual undiscounted cash flow* RMB'000	*Carrying amount* RMB'000
Trade and bills payable	1,946,575	-	-	-	1,946,575	1,946,575
Other payables	862,015	-	-	-	862,015	862,015
Bank loans and other borrowing	312,738	53,461	-	-	366,199	361,665
Lease liabilities	17,529	6,201	7,847	23,073	54,650	43,361
	3,138,857	59,662	7,847	23,073	3,229,439	3,213,616

32 Financial risk management and fair values (continued)

(c) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk arises primarily from the Group's cash and cash equivalents, term deposits, certificates of deposits, restricted cash, bank loans and borrowing. The Group does not use financial derivatives to hedge against the interest rate risk. However, if interest rate fluctuates significantly, appropriate measures would be taken to manage interest risk exposure. The Group's interest rate profile as monitored by management is set out in (i) below.

(i) Interest rate profile

The following table, as reported to the management of the Group, details the interest rate profile of the Group's financial instruments at the end of the reporting periods.

	As at December 31, 2022		*As at December 31, 2023*		*As at December 31, 2024*	
	Effective interest rate	*Amount* RMB'000	*Effective interest rate*	*Amount* RMB'000	*Effective interest rate*	*Amount* RMB'000
Fixed rate instruments:						
Financial assets						
Term deposits and certificates of deposits	3.25% ~ 4.13%	8,736,050	3.00% ~ 3.99%	8,332,050	0.01% ~ 4.20%	9,647,747
Cash and cash equivalents	0.30% ~ 1.45%	5,700,000	0.30% ~ 3.50%	9,725,000	1.97% ~ 4.50%	7,190,722
		14,436,050		18,057,050		16,838,469
Financial liabilities						
Bank loans	3.15% ~ 3.50%	(131,720)	2.70% ~ 3.00%	(362,645)	2.30% ~ 2.90%	(293,465)
Other borrowing	6.00%	(19,000)	6.00%	(19,000)	6.00%	(19,000)
Lease liabilities	4.75% ~ 4.90%	(45,033)	4.75% ~ 4.90%	(42,927)	3.95% ~ 4.90%	(43,361)
		(195,753)		(424,572)		(355,826)
		14,240,297		17,632,478		16,482,643
Variable rate instruments:						
Financial assets						
Cash and cash equivalents	0.01% ~ 2.60%	3,451,988	0.01% ~ 2.40%	3,116,080	0.01% ~ 2.40%	4,716,109
Restricted cash	0.01% ~ 2.60%	31,163	0.01% ~ 2.40%	17,924	0.01% ~ 2.40%	8,393
		3,483,151		3,134,004		4,724,502
Financial liabilities						
Bank loans	4.10%	(98,631)	3.00% ~ 3.95%	(88,874)	2.80% ~ 2.85%	(49,200)
		(98,631)		(88,874)		(49,200)
		3,384,520		3,045,130		4,675,302

32 Financial risk management and fair values (continued)

(ii) Sensitivity analysis

At December 31, 2022, 2023 and 2024, it is estimated that a general increase/decrease of 25 basis points in interest rates, with all other variables held constant, would have increased/decreased the Group's profit after tax and retained profits by approximately RMB6,605,000, RMB7,162,000 and RMB9,310,000 respectively.

The sensitivity analysis above indicates the instantaneous change in the Group's profit after tax (and retained profits) that would arise assuming that the change in interest rates had occurred at the end of the reporting period. In respect of the exposure to cash flow interest rate risk arising from floating rate nonderivative instruments held by the Group at the end of the reporting period, the impact on the Group's profit after tax (and retained profits) is estimated as an annualised impact on interest expense or income of such a change in interest rates. The analysis is performed on the same basis during the years ended December 31, 2022, 2023 and 2024.

(d) Foreign currency risk

The Group is exposed to foreign currency risk primarily through sales which give rise to cash balances and receivables that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which the transactions relate. The currencies giving rise to this risk are primarily United States dollars ("USD"), Euros ("EUR"), HKD and RMB. The Group manages this risk as follows:

(i) Exposure to currency risk

The following table details the Group's exposure at the end of the reporting period to currency risk arising from recognized assets denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in RMB, translated using the spot rate at the period end date.

	As at December 31,									
	2022	*2022*	*2022*	*2023*	*2023*	*2023*	*2024*	*2024*	*2024*	*2024*
	USD	*EUR*	*HKD*	*USD*	*EUR*	*HKD*	*USD*	*EUR*	*HKD*	*RMB*
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Cash and cash equivalents	10,701	27,698	128	20,745	11,200	205	23,537	2,567	168	1,413,168
Trade receivables	100	-	-	4,101	-	-	4,264	-	-	-
	10,801	27,698	128	24,846	11,200	205	27,801	2,567	168	1,413,168

(ii) Sensitivity analysis

The following table indicates the instantaneous change in the Group's profit after tax (and retained profits) that would arise if foreign exchange rates to which the Group has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant.

32 Financial risk management and fair values (continued)

	As at December 31,					
	2022		2023		2024	
	Increase/ (decrease) in foreign exchange rates	*Effect on profit after tax and retained profits* RMB'000	*Increase/ (decrease) in foreign exchange rates*	*Effect on profit after tax and retained profits* RMB'000	*Increase/ (decrease) in foreign exchange rates*	*Effect on profit after tax and retained profits* RMB'000
USD	9%	798	2%	330	1%	325
	(9%)	(798)	(2%)	(330)	(1%)	(325)
EUR	9%	2,155	2%	76	1%	35
	(9%)	(2,155)	(2%)	(76)	(1%)	(35)
HKD	9%	9	2%	3	1%	2
	(9%)	(9)	(2%)	(3)	(1%)	(2)
RMB	9%	-	2%	-	1%	17,607
	(9%)	-	(2%)	-	(1%)	(17,607)

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the Group entities' profit after tax and equity measured in the respective functional currencies, translated into RMB at the exchange rate ruling at the end of the reporting period for presentation purposes.

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of the reporting period. The analysis is performed on the same basis during the years ended December 31, 2022, 2023 and 2024.

(e) Fair value measurement

(i) 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

32 Financial risk management and fair values (continued)

Analysis on fair value measurement of financial instruments as at December 31, 2022, 2023 and 2024 are as follows:

	Fair value at December 31, 2022, RMB'000	*Fair value measurement at December 31, 2022, categorised into*		
		Level 1	*Level 2*	*Level 3*
Recurring fair value measurement				
Other financial assets at FVPL				
- Wealth management products	6,081,663	-	6,081,663	-
- Equity securities	100	-	100	-
	6,081,763	-	6,081,763	-

	Fair value at December 31, 2023, RMB'000	*Fair value measurement at December 31, 2023, categorised into*		
		Level 1	*Level 2*	*Level 3*
Recurring fair value measurement				
Other financial assets at FVPL				
- Wealth management products	5,841,005	-	5,841,005	-
- Equity securities	100	-	100	-
	5,841,105	-	5,841,105	-

	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 years ended December 31, 2022, 2023 and 2024, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. 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.

(ii) 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 December 31, 2022, 2023 and 2024.

33 Commitments

Capital commitments outstanding at the end of the reporting periods not provided for in the consolidated financial statements were as follows:

	As at December 31,		
	2022	*2023*	*2024*
	RMB'000	RMB'000	RMB'000
Contracted for purchase for property, plant and equipment	1,550,163	831,516	704,563

34 Material related party transactions

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors and supervisors as disclosed in note 10 and certain of the highest paid employees as disclosed in note 11, is as follows:

	Year ended December 31,		
	2022	*2023*	*2024*
	RMB'000	RMB'000	RMB'000
Short-term employee benefits	34,068	32,840	43,603
Post-employment benefits	417	394	432
	34,485	33,234	44,035

Total remuneration is included in "staff costs" (see note 8(b)).

34 Material related party transactions (continued)

(b) Names and relationships with related parties

In addition to the related party information disclosed in note 24 of these consolidated financial statements, the Group entered into the following material related party transactions during the years ended December 31, 2022, 2023 and 2024.

Name of related party	*Relationship with the Group*
Guangdong Haitian Group Co., Ltd. ("Guangdong Haitian") 广东海天集团股份有限公司	The immediate parent company of the Group
Foshan Tianbo Packaging Co., Ltd. 佛山天玻包装有限公司	Entity controlled by Guangdong Haitian
Foshan Tianyuan Real Estate Co., Ltd. 佛山市天原房地产有限公司	Entity controlled by Guangdong Haitian
Foshan Tiande Technology Co., Ltd. 佛山市天德科技有限公司	Entity controlled by Guangdong Haitian
Foshan Haiye Investment Development Co., Ltd. 佛山市海业投资发展有限公司	Entity controlled by Guangdong Haitian
Foshan Yuebo Industrial Co., Ltd. 佛山市粤玻实业有限公司	Entity over which Guangdong Haitian has significant influence
Foshan Haipeng Trade Development Co., Ltd. 佛山市海鹏贸易发展有限公司	Entity controlled by Guangdong Haitian
Nanning Yuebo Glass Industrial Co., Ltd. 南宁粤玻实业有限公司	Entity over which Guangdong Haitian has significant influence
Jiaxing Haitian Small Loan Co., Ltd. 嘉兴海天小额贷款有限公司	Entity controlled by Guangdong Haitian
Tiandian (Guangdong) Biotechnology Co., Ltd. 天典 (广东)生物科技有限公司	Entity controlled by Guangdong Haitian
Tianye (Nanning) Biotechnology Co., Ltd. 天叶 (南宁) 生物科技有限公司	Entity controlled by Guangdong Haitian
Tiankang Logistics (Foshan) Co., Ltd. 天康物流 (佛山) 有限公司	Entity controlled by Guangdong Haitian
Tianbo Packaging Group Co., Ltd. 天玻包装集团有限公司	Entity controlled by Guangdong Haitian
Tianyan (Tianjin) High tech Co., Ltd. 天眼 (天津)高新科技有限公司	Entity controlled by Guangdong Haitian
Tiannuobo (Guangdong) Intelligent Equipment Co., Ltd. 天诺博 (广东) 智能装备有限公司	Entity controlled by Guangdong Haitian
Taibao (Guangdong) Animal Nutrition Technology Co., Ltd. 它宝 (广东) 动物营养科技有限公司	Entity controlled by Guangdong Haitian
Anhui Tianzhuang International Trade Co., Ltd. 安徽天庄国际贸易有限公司	Entity controlled by Guangdong Haitian
Guangdong Tianqi Biotechnology Co., Ltd. 广东天企生物科技有限公司	Entity controlled by Guangdong Haitian
Guangdong Tiankang Logistics Co., Ltd. 广东天康物流有限公司	Entity controlled by Guangdong Haitian
Guangdong Tianniang Intelligent Equipment Co., Ltd. 广东天酿智能装备有限公司	Entity controlled by Guangdong Haitian

34 Material related party transactions (continued)

Name of related party	*Relationship with the Group*
Guangdong Yami Intelligent Information Technology Co., Ltd. 广东娅米智能信息科技有限公司	Entity controlled by Guangdong Haitian
Guangdong Haitian Cloud Computing Co., Ltd. 广东海天云计算有限公司	Entity controlled by Guangdong Haitian
Guangdong Haitian Innovation Technology Co., Ltd. 广东海天创新技术有限公司	Entity controlled by Guangdong Haitian
Guangdong Haitian Yami Education Technology Co., Ltd. 广东海天娅米教育科技有限公司	Entity controlled by Guangdong Haitian
Guangdong Haifuda Investment Development Co., Ltd. 广东海富达投资发展有限公司	Entity controlled by Guangdong Haitian
Guangdong Guanzheng Quality Inspection Co., Ltd. 广东规正质量检测有限公司	Entity controlled by Guangdong Haitian
It is a Health Technology Co., Ltd. 是一健康科技有限公司	Entity controlled by Guangdong Haitian
Jiangsu Tianjiang Biotechnology Co., Ltd. 江苏天将生物科技有限公司	Entity controlled by Guangdong Haitian
Jiangsu Tianbo Packaging Limited Company. 江苏天玻包装有限公司	Entity controlled by Guangdong Haitian
Jiangsu Tianlong Renewable Resources Co., Ltd. 江苏天隆再生资源有限公司	Entity controlled by Guangdong Haitian
Jiangmen Yuebo Industrial Co., Ltd. 江门粤玻实业有限公司	Entity over which Guangdong Haitian has significant influence
Guangdong Haitian Commercial Factoring Co., Ltd. 广东海天商业保理有限公司	Entity controlled by Guangdong Haitian
Haitian Group (Foshan) Investment Development Co., Ltd. 海天集团 (佛山) 投资发展有限公司	Entity controlled by Guangdong Haitian
Haiju (Nanning) Energy and Environmental Protection Technology Co., Ltd. 海炬 (南宁) 能源环保科技有限公司	Entity controlled by Guangdong Haitian
Haiju (Jiangsu) Energy and Environmental Protection Technology Co., Ltd. 海炬 (江苏) 能源环保科技有限公司	Entity controlled by Guangdong Haitian
Haiju Energy Environmental Protection Technology Co., Ltd. 海炬能源环保科技有限公司	Entity controlled by Guangdong Haitian
Hubei Yuebo Industrial Co., Ltd. (note (i)) 湖北粤玻实业有限公司	Entity over which Guangdong Haitian has significant influence
Yangjiang Yuebo Industrial Co., Ltd. (note (i)) 阳江粤玻实业有限公司	Entity over which Guangdong Haitian has significant influence
Xianzhiran (Tianjin) Biotechnology Co., Ltd. 鲜之然 (天津) 生物技术有限公司	Entity controlled by Guangdong Haitian
Xianzhiran (Guangdong) Biotechnology Co., Ltd. 鲜之然 (广东) 生物技术有限公司	Entity controlled by Guangdong Haitian
Xianzhiran Biotechnology Group Co., Ltd. 鲜之然生物科技集团有限公司	Entity controlled by Guangdong Haitian

* The official names of the above entities are in Chinese. The English translation are for identification only.

34 Material related party transactions (continued)

Note (i): Guangdong Haitian fully disposed of its interests over these entities in August 2023 and these entities were no longer related parties of the Group since the date of disposal.

(c) Transactions with related parties

Apart from disclosures made in note 24 of the consolidated financial statements, the Group entered into the following material related party transactions during the years ended December 31, 2022, 2023 and 2024.

	Year ended December 31,		
	2022 RMB'000	*2023* RMB'000	*2024* RMB'000
Purchases of goods and services			
Guangdong Haitian and entities controlled by Guangdong Haitian	839,407	921,210	911,168
Entities over which Guangdong Haitian has significant influence	510,612	410,278	413,203
	1,350,019	1,331,488	1,324,371
Sales of goods and rendering of services			
Guangdong Haitian and entities controlled by Guangdong Haitian	25,571	35,945	71,673
Entities over which Guangdong Haitian has significant influence	-	-	106
	25,571	35,945	71,779
Expense relating to short-term leases			
Guangdong Haitian and entities controlled by Guangdong Haitian	-	-	2,925
Provision of rental services			
Guangdong Haitian and entities controlled by Guangdong Haitian	3,875	3,407	2,628
Purchases of property, plant and equipment			
Guangdong Haitian and entities controlled by Guangdong Haitian	122,491	139,551	142,179
Sales of property, plant and equipment			
Guangdong Haitian and entities controlled by Guangdong Haitian	4,225	3,235	44

34 Material related party transactions (continued)

(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 years ended December 31, 2022, 2023 and 2024, the Group settled the lease payments with amounts of RMB18,029,000, RMB17,373,000 and RMB19,740,000 for the above rental services, and interests generated from these leasing arrangements are RMB2,202,000, RMB1,229,000 and RMB4,310,000, respectively.

During the years ended December 31, 2023 and 2024, the Group entered into new lease agreements with Guangdong Haitian and entities controlled by Guangdong Haitian for use of premises, machinery and equipment and therefore recognised right-of-use assets and lease liabilities of RMB13,103,000 and RMB14,472,000 respectively, while no new lease arrangements conducted during the year ended December 31, 2022.

(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 year ended December 31, 2024, the total amount received by the Group from Jiaxing Haitian, as the distributors' prepayments, are RMB325,939,000 in aggregate. The Group does not provide any guarantee over Jiaxing Haitian's loans to distributors.

(d) Balances with related parties

The Group:

	As at December 31,		
	2022	*2023*	*2024*
	RMB'000	RMB'000	RMB'000
Trade related:			
Other receivables			
Guangdong Haitian and entities controlled by Guangdong Haitian	2,190	3,559	3,282
Entities over which Guangdong Haitian has significant influence	-	-	43
	2,190	3,559	3,325
Trade payables			
Guangdong Haitian and entities controlled by Guangdong Haitian	102,902	63,044	56,938
Entities over which Guangdong Haitian has significant influence	72,843	70,578	78,820
	175,745	133,622	135,758
Other payables			
Guangdong Haitian and entities controlled by Guangdong Haitian	1,437	3,465	2,508
Entities over which Guangdong Haitian has significant influence	1,650	1,350	1,350
	3,087	4,815	3,858

35 Immediate and ultimate controlling party

The directors of the Company consider the immediate holding party of the Company as at December 31, 2022, 2023 and 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.

36 Possible impact of amendments, new standards and interpretations issued but not yet effective for the accounting period beginning on January 1, 2024

Up to the date of issue of the consolidated financial statements, the IASB has issued a number of new or amended standards, which are not yet effective for the accounting period beginning on January 1, 2024 and which have not been adopted in the consolidated financial statements.

	Effective for accounting periods beginning on or after
Amendments to IAS 21, *Lack of Exchangeability*	January 1, 2025
Amendments to IFRS 9 and IFRS 7, *Amendments to the Classification and Measurement of Financial Instruments*	January 1, 2026
Annual Improvements to IFRS Accounting Standards – Volume 11	January 1, 2026
IFRS 18, *Presentation and Disclosure in Financial Statements*	January 1, 2027
IFRS 19, *Subsidiaries without Public Accountability: Disclosures*	January 1, 2027
Amendments to IFRS 10 and IAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	To be determined

The Group is in the process of making an assessment of what the impact of these developments are expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Group's financial performance and financial position.

37 Significant non-adjusting events

Subsequent to the end of the reporting period, 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.