Tenfu (Cayman) Holdings Company Limited
天福（開曼）控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6868)

ANNUAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2025

Financial Highlights

- Revenue for the year ended 31 December 2025 decreased by 15.1% from RMB1,562.6 million for 2024 to RMB1,327.3 million;
- Gross profit for the year ended 31 December 2025 decreased by 13.6% from RMB806.3 million for 2024 to RMB697.0 million, with an increase in gross profit margin from 51.6% for 2024 to 52.5% for the year ended 31 December 2025;
- Profit for the year ended 31 December 2025 decreased by 11.7% from RMB138.9 million for 2024 to RMB122.6 million, which corresponded to an increase in net profit margin from 8.9% for 2024 to 9.2% for the year ended 31 December 2025;
- Basic earnings per share for the year ended 31 December 2025 was RMB0.11, with a decrease of 15.4% compared with basic earnings per share of RMB0.13 for the year ended 31 December 2024; and
- The Board proposed a final dividend of HKD0.09 per share (equivalent to RMB0.08 per share), with an increase of 14.3% compared with the final dividend of RMB0.07 per share for the year ended 31 December 2024.

The board (the "**Board**") of directors (the "**Directors**") of Tenfu (Cayman) Holdings Company Limited (the "**Company**" or "**Tenfu**", together with its subsidiaries, the "**Group**") is pleased to announce the consolidated results of the Group for the year ended 31 December 2025, together with the comparative figures for the year ended 31 December 2024 as below.

FINANCIAL INFORMATION

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Note	Year ended 31 December 2025 *RMB'000*	 2024 *RMB'000*
Revenue	*3*	**1,327,251**	1,562,648
Cost of sales		**(630,261)**	(756,314)
Gross profit		**696,990**	806,334
Distribution costs		**(298,925)**	(343,147)
Administrative expenses		**(252,224)**	(280,535)
Net impairment (losses)/reversal on financial assets		**(970)**	1,399
Other income	*4*	**37,701**	35,761
Other losses – net	*5*	**(1,906)**	(426)
Operating profit		**180,666**	219,386
Finance income		**5,203**	4,830
Finance costs		**(19,565)**	(23,151)
Finance costs – net	*6*	**(14,362)**	(18,321)
Share of net profit of investments accounted for using the equity method		**2,774**	123
Profit before income tax		**169,078**	201,188
Income tax expense	*7*	**(46,510)**	(62,313)
Profit for the year, all attributable to the shareholders of the Company		**122,568**	138,875
Other comprehensive income for the year		**–**	–
Total comprehensive income for the year, all attributable to the shareholders of the Company		**122,568**	138,875
Earnings per share for profit attributable to the shareholders of the Company			
– Basic earnings per share	*8*	**RMB0.11**	RMB0.13
– Diluted earnings per share	*8*	**RMB0.11**	RMB0.13

CONSOLIDATED BALANCE SHEET
As at 31 December 2025

	Note	As at 31 December 2025 RMB'000	2024 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment		**610,550**	669,973
Right-of-use assets	*10*	**380,705**	404,001
Investment properties		**61,029**	66,404
Intangible assets		**3,039**	3,449
Investments accounted for using the equity method		**8,421**	7,957
Deferred income tax assets		**46,160**	43,304
Prepayments – non-current portion	*11(b)*	**7,905**	7,905
Long-term time deposits		**50,000**	88,000
		1,167,809	1,290,993
Current assets			
Inventories		**884,042**	960,195
Trade and other receivables	*11(a)*	**177,390**	245,488
Prepayments	*11(b)*	**97,721**	88,281
Financial assets at fair value through profit or loss		**4,099**	3,490
Time deposits		**73,000**	18,000
Restricted cash		**728**	26,680
Cash and cash equivalents		**510,835**	340,492
		1,747,815	1,682,626
Total assets		**2,915,624**	2,973,619

	Note	As at 31 December 2025 RMB'000	2024 RMB'000
EQUITY			
Capital and reserves attributable to the shareholders of the Company			
Share capital	*12*	**89,039**	89,176
Treasury shares	*12*	**(295)**	(3,028)
Other reserves	*13*	**16,552**	10,778
Retained earnings		**1,679,698**	1,668,500
Total equity		**1,784,994**	1,765,426
LIABILITIES			
Non-current liabilities			
Borrowings	*15*	**30,000**	–
Lease liabilities	*10*	**111,118**	120,800
Deferred income on government grants	*16*	**40,167**	42,336
Deferred income tax liabilities		**71,835**	65,271
Other payables		**6,000**	6,000
		259,120	234,407
Current liabilities			
Trade and other payables	*14*	**265,114**	250,467
Current income tax liabilities		**46,553**	42,223
Borrowings	*15*	**465,640**	571,380
Contract liabilities	*17*	**49,834**	67,837
Lease liabilities	*10*	**44,369**	41,879
		871,510	973,786
Total liabilities		**1,130,630**	1,208,193
Total equity and liabilities		**2,915,624**	2,973,619

NOTES TO THE FINANCIAL INFORMATION

1 GENERAL INFORMATION

Tenfu (Cayman) Holdings Company Limited (the "**Company**") and its subsidiaries (together, the "**Group**") are engaged in the classification, packaging and sales of tea leaves, manufacture and sales of tea snacks, sales of tea ware, catering management, beverage production and sales of pre-packaged food. The Group has manufacturing plants in Fujian Province, Sichuan Province, Guangxi Zhuang Autonomous Region, Guizhou Province and Zhejiang Province, the People's Republic of China (the "**PRC**") and sells mainly to customers located in the PRC.

The Company was incorporated in the Cayman Islands on 22 April 2010 as an exempted company with limited liability under the Companies Act, Cap 22 (Act 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Company's ordinary shares have been listed on the main board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") since 26 September 2011.

The financial information is presented in Renminbi ("**RMB**"), unless otherwise stated. The financial information has been approved for issue by the board of directors (the "**Board**") of the Company on 16 March 2026.

2 SUMMARY OF ACCOUNTING POLICIES

The financial information is extracted from the consolidated financial statements of the Company which have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("**HKFRSs**") and requirements of the Hong Kong Companies Ordinance Cap. 622 under the historical cost convention.

New and amended standards adopted by the Group

A number of new or amended standards and interpretations became applicable for the current reporting period. The adoption of these new standards and amendments did not have material impact on the Group's financial position or operating result and did not require retrospective adjustment.

		Effective for annual periods beginning on or after
HKAS 21 (Amendments)	Lack of Exchangeability	1 January 2025

New standards and interpretations not yet adopted

The following new accounting standards and amendments to accounting standards have been published that are not mandatory for 31 December 2025 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions, except for HKFRS 18 which will mainly impact the presentation of the consolidated statement of comprehensive income.

		Effective for annual periods beginning on or after
HKFRS 9 and HKFRS 7 (Amendments)	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
HKFRS 9 and HKFRS 7 (Amendments)	Amendments to Contracts Referencing Nature-dependent Electricity	1 January 2026
Annual Improvements to HKFRS Accounting Standards – Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
HKAS 21 (Amendments)	Amendments to translation to a Hyperinflationary Presentation Currency	1 January 2027
HKFRS 10 and HKAS 28 (Amendments)	Amendments to sale or Contribution of Assets Between an Investor and its Associate or Joint Venture	To be determined

3 REVENUE AND SEGMENT INFORMATION

The chief operating decision-maker has been identified as the Board. The Board reviews the Group's internal reporting in order to assess performance and allocate resources. The Board has determined the operating segments based on these reports.

The Board considers the business from a product perspective. The Board assesses the performance of the operating segments based on a measure of segment profit or loss.

The reportable operating segments derive their revenue primarily from the classification, packaging and sales of tea leaves, manufacture and sales of tea snacks, and sales of tea ware.

Others include revenue from restaurant, hotel, tourist, management services and catering management, beverage production and sales of pre-packaged food and liquor. These are not included within the reportable operating segments, as they are not presented separately in the reports provided to the Board.

No geographical segment information is presented as almost all the sales and operating profits of the Group are derived within the PRC and almost all the operating assets of the Group are located in the PRC, which is considered as one geographic location with similar risks and returns.

During 2025 and 2024, no revenue from transactions with a single external customer amounted to 10% or more of the Group's total revenue.

The Board assesses the performance of the operating segments based on a measure of adjusted operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. The common administrative expenses, other gains or losses, other income, financing (including finance costs and interest income), share of results of investments accounted for using equity method and income taxes are managed on a group basis and are not allocated to operating segments.

Segment assets consist primarily of land use rights, property, plant and equipment, intangible assets, inventories, trade and other receivables, prepayments, as well as time deposits, cash and cash equivalents and restricted cash held by subsidiaries in Mainland China. They exclude investment properties, deferred income tax assets and prepaid tax, as well as time deposits, cash and cash equivalents and restricted cash held by the Company and overseas subsidiaries.

Segment liabilities comprise operating liabilities. They exclude borrowings, deferred income tax liabilities, current income tax liabilities, dividends payable and other payables due to related parties and directors' and senior management's emoluments payable.

Revenue

Revenue of the Group consists of the following revenues for the years ended 31 December 2025 and 2024. All revenues are derived from external customers.

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Sales of tea leaves	**912,155**	1,080,770
Sales of tea snacks	**201,324**	247,635
Sales of tea ware	**163,572**	179,471
Others	**50,200**	54,772
	1,327,251	1,562,648

The segment results for the year ended 31 December 2025:

	Tea leaves *RMB'000*	Tea snacks *RMB'000*	Tea ware *RMB'000*	All other segments *RMB'000*	Total *RMB'000*
Segment revenue	912,155	201,324	163,572	50,200	1,327,251
Segment cost of goods sold	(428,538)	(94,358)	(84,395)	(22,970)	(630,261)
Segment results	122,035	22,881	23,613	(1,038)	167,491
Unallocated administrative expenses					(22,620)
Other income					37,701
Other losses – net					(1,906)
Finance costs – net					(14,362)
Share of net profit of investments accounted for using the equity method					2,774
Profit before income tax					169,078
Income tax expense					(46,510)
Profit for the year					122,568

Other segment items included in the 2025 consolidated statement of comprehensive income:

	Tea leaves *RMB'000*	Tea snacks *RMB'000*	Tea ware *RMB'000*	All other segments *RMB'000*	Unallocated *RMB'000*	Total *RMB'000*
Depreciation of property, plant and equipment	43,761	13,230	6,573	3,904	9,887	77,355
Depreciation of investment properties	–	–	–	–	5,309	5,309
Depreciation and amortisation of right-of-use assets	50,713	10,231	8,148	1,227	–	70,319
Amortisation of intangible assets	24	3	3	–	379	409
Losses on disposal of property, plant and equipment, net	148	27	16	–	–	191

The segment assets and liabilities as at 31 December 2025 are as follows:

	Tea leaves *RMB'000*	Tea snacks *RMB'000*	Tea ware *RMB'000*	All other segments *RMB'000*	Unallocated *RMB'000*	Total *RMB'000*
Segment assets	1,826,360	269,747	327,591	203,576	288,350	2,915,624
Segment liabilities	582,087	107,860	83,236	7,729	349,718	1,130,630

The segment results for the year ended 31 December 2024:

	Tea leaves *RMB'000*	Tea snacks *RMB'000*	Tea ware *RMB'000*	All other segments *RMB'000*	Total *RMB'000*
Segment revenue	1,080,770	247,635	179,471	54,772	1,562,648
Segment cost of goods sold	(517,939)	(118,002)	(93,557)	(26,816)	(756,314)
Segment results	155,308	30,671	26,931	(5,399)	207,511
Unallocated administrative expenses					(23,460)
Other income					35,761
Other losses – net					(426)
Finance costs – net					(18,321)
Share of net profit of investments accounted for using the equity method					123
Profit before income tax					201,188
Income tax expense					(62,313)
Profit for the year					138,875

Other segment items included in the 2024 consolidated statement of comprehensive income:

	Tea leaves *RMB'000*	Tea snacks *RMB'000*	Tea ware *RMB'000*	All other segments *RMB'000*	Unallocated *RMB'000*	Total *RMB'000*
Depreciation of property, plant and equipment	44,741	13,900	7,451	4,236	9,885	80,213
Depreciation of investment properties	–	–	–	–	5,133	5,133
Depreciation and amortisation of right-of-use assets	53,928	12,256	8,721	1,252	–	76,157
Amortisation of intangible assets	133	21	29	7	851	1,041
Losses on disposal of property, plant and equipment, net	177	25	31	3	–	236

The segment assets and liabilities as at 31 December 2024 are as follows:

	Tea leaves *RMB'000*	Tea snacks *RMB'000*	Tea ware *RMB'000*	All other segments *RMB'000*	Unallocated *RMB'000*	Total *RMB'000*
Segment assets	1,885,257	287,708	347,787	206,879	245,988	2,973,619
Segment liabilities	600,657	102,253	80,267	10,625	414,391	1,208,193

4 OTHER INCOME

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Government grants	**6,033**	13,651
Income from investment properties	**11,004**	13,589
Amortisation of deferred income on government grants *(Note 16)*	**2,169**	1,655
Service fee from distributors	**8,908**	–
Others	**9,587**	6,866
	37,701	35,761

5 OTHER LOSSES – NET

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Losses on disposal of property, plant and equipment, net	**(191)**	(236)
Net foreign exchange losses	**(2,324)**	(356)
Net fair value gains on financial assets at fair value through profit or loss	**609**	166
	(1,906)	(426)

6 FINANCE COSTS – NET

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Finance income		
– Interest income on bank deposits and time deposits	**7,480**	4,550
– Net foreign exchange (losses)/gains	**(2,277)**	280
Total finance income	**5,203**	4,830
Finance costs		
– Interest expenses on bank borrowings	**(14,389)**	(16,245)
– Less: amounts capitalised in qualifying assets	**1,446**	1,295
– Interest expenses for lease liabilities	**(6,622)**	(8,201)
Total finance costs	**(19,565)**	(23,151)
Net finance costs	**(14,362)**	(18,321)

7 INCOME TAX EXPENSE

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Current income tax		
– PRC corporate income tax	**42,802**	49,998
Deferred income tax	**3,708**	12,315
Income tax expense	**46,510**	62,313

(i) Cayman Islands profits tax

The Company is not subject to any taxation in the Cayman Islands.

(ii) Hong Kong profits tax

Hong Kong profits tax has not been provided for subsidiaries incorporated or operated in Hong Kong as these subsidiaries did not have estimated assessable profit for the year.

(iii) PRC corporate income tax ("CIT")

The applicable corporate income tax rate for Mainland China subsidiaries is 25% except for subsidiaries which are qualified as small and micro enterprises and would be entitled to enjoy a beneficial tax rate of 5%.

(iv) PRC withholding income tax

According to the CIT Law, starting from 1 January 2008, a 10% withholding tax will be levied on the immediate holding companies established outside the PRC when their PRC subsidiaries declare dividends out of their profits earned after 1 January 2008. A lower withholding tax rate of 5% may be applied if there is a tax treaty arrangement between the PRC and the jurisdiction of the foreign immediate holding companies, including those incorporated in Hong Kong.

Such withholding tax is recorded under deferred income tax. For the year ended 31 December 2025, Tenfu (Hong Kong) Holdings Co., Ltd., a subsidiary of the Company, applied 5% withholding tax rate (the year ended 31 December 2024: 5%), on its estimate of deferred income tax. Ten Rui (Hong Kong) Sales Holdings Co., Ltd., a subsidiary of the Company, applied 5% withholding tax rate (the year ended 31 December 2024: 5%), on its estimate of deferred income tax.

8 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to the shareholders of the Company by the weighted average number of ordinary shares in issue during the year.

	Year ended 31 December	
	2025	2024
Profit attributable to the shareholders of the Company *(RMB'000)*	**122,568**	138,875
Weighted average number of ordinary shares in issue *('000)*	**1,083,062**	1,085,960
Basic earnings per share *(RMB)*	**0.11**	0.13

Diluted earnings per share for the year ended 31 December 2025 and 2024 were the same as the basic earnings per share as there were no dilutive instruments during the periods.

9 DIVIDENDS

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Interim dividend declared	**19,504**	29,326
Proposed final dividend	**90,807**	80,270
	110,311	109,596

At a meeting held on 16 March 2026, the Board proposed a final dividend for 2025 of HKD102,478,000 (equivalent to RMB90,807,000) (2024: HKD86,778,000 (equivalent to RMB80,270,000)), representing HKD9 cents (equivalent to RMB8 cents) (2024: HKD8 cents (equivalent to RMB7 cents)) per share, to be appropriated from retained earnings.

The proposed final dividend for 2025 is to be approved by the shareholders at the forthcoming Annual General Meeting. The proposed dividend is not reflected as a dividend payable in these consolidated financial statements, but will be reflected as an appropriation of retained earnings for the year ending 31 December 2026.

The interim dividend for 2025 of HKD2 cents (equivalent to RMB1.8 cents) (2024: HKD3 cents (equivalent to RMB2.7 cents)) per share was declared by the Board on 18 August 2025. This interim dividend, amounting to HKD21,671,000 (equivalent to RMB19,504,000) (2024: HKD32,584,000 (equivalent to RMB29,326,000)), has been reflected as an appropriation of retained earnings for the year ended 31 December 2025.

The dividends paid in 2025 amounted to RMB100,189,000 (2024: RMB150,522,000).

10 LEASES

(i) Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases:

	As at 31 December	
	2025	2024
	RMB'000	*RMB'000*
Right-of-use assets		
– Land use rights	**230,888**	245,306
– Retail shops	**149,817**	158,695
	380,705	404,001
Lease liabilities		
– Current	**44,369**	41,879
– Non-current	**111,118**	120,800
	155,487	162,679

(ii) Amounts recognised in the statement of comprehensive income

The statement of comprehensive income shows the following amounts relating to leases:

		2025			2024	
	Retail Shops	**Land use rights**	**Total**	Retail Shops	Land use rights	Total
	RMB'000	***RMB'000***	***RMB'000***	*RMB'000*	*RMB'000*	*RMB'000*
Depreciation and amortisation charge of right-of-use assets						
Distribution costs	**50,214**	**11,226**	**61,440**	55,523	11,661	67,184
Administrative expenses	**5,687**	**313**	**6,000**	5,781	313	6,094
Cost of sales	**–**	**2,879**	**2,879**	–	2,879	2,879
	55,901	**14,418**	**70,319**	61,304	14,853	76,157
Interest expense (including in finance cost) *(Note 6)*			**6,622**			8,201
Expense relating to short-term leases			**19,356**			19,591
Total charges to the statement of comprehensive income			**96,297**			103,949

The total cash outflow for leases in 2025 was RMB60,835,000 (2024: RMB72,485,000).

11 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

(a) Trade and other receivables

	As at 31 December	
	2025	2024
	RMB'000	*RMB'000*
Trade receivables from third parties	**154,035**	222,395
Trade receivables from related parties	**7,222**	9,548
Total trade receivables	**161,257**	231,943
Less: provision for impairment	**(2,527)**	(1,557)
Trade receivables, net	**158,730**	230,386
Interest receivable on time deposits	**6,749**	4,043
Dividend receivable from investment in associates	**1,257**	2,655
Others	**10,654**	8,404
	18,660	15,102
Total of trade and other receivables	**177,390**	245,488

Most of the Group's sales are settled in cash or in bills by its customers. Credit sales are made to selected customers with good credit history with a credit term of 140 days.

As at 31 December 2025 and 2024, the ageing analysis of the trade receivables of the Group based on invoice date is as follows:

	As at 31 December	
	2025	2024
	RMB'000	*RMB'000*
Up to 140 days	**143,699**	224,427
141 days to 6 months	**7,195**	1,629
6 months to 1 year	**6,503**	4,282
1 year to 2 years	**2,653**	704
2 years to 3 years	**1,207**	901
	161,257	231,943

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

	As at 31 December	
	2025	2024
	RMB'000	*RMB'000*
RMB	**154,444**	222,004
USD	**6,813**	9,939
	161,257	231,943

The maximum exposure to credit risk at the balance sheet date is the carrying value of each class of receivables mentioned above. The Group does not hold any collateral as security.

(b) Prepayments

	As at 31 December	
	2025	2024
	RMB'000	*RMB'000*
Non-current		
Prepayments for property, plant and equipment	**7,905**	7,905
Current		
Prepayments for lease of property and lease deposits	**16,151**	22,143
Prepayments to related parties	**10,497**	12,034
Prepaid taxes	**19,088**	19,266
Prepayments for raw materials and packaging materials	**51,985**	34,838
	97,721	88,281
	105,626	96,186

The carrying amounts of trade and other receivables and prepayments approximate their fair value as at the balance sheet date.

12 SHARE CAPITAL AND TREASURY SHARES

	Number of authorised shares *(thousands)*	Number of issued shares *(thousands)*	Ordinary shares (nominal value) *RMB'000*	Treasury Shares *RMB'000*	Total *RMB'000*
At 1 January 2024	8,000,000	1,088,377	89,474	(9,112)	80,362
Repurchase of shares	–	–	–	(8,630)	(8,630)
Cancellation of shares	–	(3,647)	(298)	14,714	14,416
At 31 December 2024	8,000,000	1,084,730	89,176	(3,028)	86,148
At 1 January 2025	**8,000,000**	**1,084,730**	**89,176**	**(3,028)**	**86,148**
Repurchase of shares	**–**	**–**	**–**	**(2,804)**	**(2,804)**
Cancellation of shares	**–**	**(1,668)**	**(137)**	**5,537**	**5,400**
At 31 December 2025	**8,000,000**	**1,083,062**	**89,039**	**(295)**	**88,744**

The Company repurchased 948,000 ordinary shares of its own through the Stock Exchange from 1 January 2025 to 31 December 2025. The total value of shares repurchased was approximately HKD3,053,000 and has been deducted from shareholders' equity. The payment made for the repurchase was RMB2,811,000 due to the directly attributable incremental costs for shares repurchased before the shares are cancelled.

As at 31 December 2025, the Company cancelled 1,668,000 shares. After the cancellation, the Company's ordinary shares in issue were reduced from 1,084,730,460 to 1,083,062,460. The amount of share capital was deducted accordingly.

The Company repurchased 2,447,000 ordinary shares of its own through the Stock Exchange from 1 January 2024 to 31 December 2024. The total value of shares repurchased was approximately HKD9,370,000 and has been deducted from shareholders' equity. The payment made for the repurchase was RMB8,639,000 due to the directly attributable incremental costs for shares repurchased before the shares are cancelled.

As at 31 December 2024, the Company cancelled 3,647,000 shares. After the cancellation, the Company's ordinary shares in issue were reduced from 1,088,377,460 to 1,084,730,460. The amount of share capital was deducted accordingly.

13 OTHER RESERVES

	Merger reserve *RMB'000*	Capital reserve *RMB'000*	Statutory reserves *RMB'000*	Other *RMB'000*	Total *RMB'000*
At 1 January 2024	278,811	231	342,056	(614,841)	6,257
Appropriation to statutory reserves	–	–	18,946	–	18,946
Cancellation of shares	–	–	–	(14,425)	(14,425)
At 31 December 2024	278,811	231	361,002	(629,266)	10,778
At 1 January 2025	**278,811**	**231**	**361,002**	**(629,266)**	**10,778**
Appropriation to statutory reserves	**–**	**–**	**11,181**	**–**	**11,181**
Cancellation of shares	**–**	**–**	**–**	**(5,407)**	**(5,407)**
At 31 December 2025	**278,811**	**231**	**372,183**	**(634,673)**	**16,552**

As at 31 December 2025, the Company cancelled 1,668,000 shares (2024: 3,647,000 shares) repurchased, resulted in a reduction to other reserve by RMB5,407,000 (2024: RMB14,425,000) including the expenses attributable to the cancellation.

14 TRADE AND OTHER PAYABLES

	As at 31 December	
	2025	2024
	RMB'000	*RMB'000*
Trade payables – due to third parties	**68,584**	69,017
Trade payables – due to related parties	**36,152**	15,026
Total trade payables	**104,736**	84,043
Payables for property, plant and equipment	**1,628**	4,508
Other taxes payable	**21,427**	23,782
Employee benefit payables	**30,645**	34,647
Others	**106,678**	103,487
	265,114	250,467

As at 31 December 2025 and 2024, the ageing analysis of the trade payables (including amounts due to related parties of trading in nature) based on invoice date is as follows:

	As at 31 December	
	2025	2024
	RMB'000	*RMB'000*
Up to 6 months	**93,596**	83,728
6 months to 1 year	**10,858**	32
1 year to 2 years	**25**	45
Over 2 years	**257**	238
	104,736	84,043

The carrying amounts of trade and other payables approximate their fair value as at the balance sheet date.

15 BORROWINGS

	As at 31 December	
	2025	2024
	RMB'000	*RMB'000*
Long-term bank borrowings		
– Guaranteed and unsecured	**30,000**	59,760
Less: Long-term borrowings to be settled within one year	**–**	(59,760)
Total guaranteed and unsecured (i)	**30,000**	–
Short-term bank borrowings		
– Guaranteed and unsecured (ii)	**465,640**	486,620
Add: Long-term borrowings to be settled within one year	**–**	59,760
Total guaranteed and unsecured	**465,640**	546,380
– Unguaranteed and unsecured	**–**	25,000
Total short-term bank borrowings	**465,640**	571,380
Total borrowings	**495,640**	571,380

(i) As at 31 December 2025, long-term bank borrowings of RMB30,000,000 were guaranteed by Mr. Lee Rie-Ho, Mr. Lee Chia Ling, Mr. Lee Kuo-Lin, all of them are directors of the Company, and the subsidiaries of the Company, either separately or jointly. The borrowing bears interest at the rates quoted by People's Bank of China from time to time and requires one time repayment at 2027.

(ii) As at 31 December 2025, short-term bank borrowings of RMB465,640,000 (2024: RMB546,380,000) were guaranteed by Mr. Lee Rie-Ho, Mr. Lee Chia Ling, Mr. Lee Kuo-Lin, all of them are directors of the Company, a relative of Mr. Lee Rie-Ho and the subsidiaries of the Company, either separately or jointly.

The exposure of the Group's borrowings to interest rate changes and the contractual pricing dates as at the end of the year is as follows:

	As at 31 December	
	2025	2024
	RMB'000	*RMB'000*
Within 1 year	**465,640**	571,380
1 year to 5 years	**30,000**	–
	495,640	571,380

The carrying amounts of the Group's borrowings are denominated in the following currencies:

	As at 31 December	
	2025	2024
	RMB'000	*RMB'000*
RMB	**432,499**	571,380
JPY	**9,993**	–
USD	**53,148**	–
	495,640	571,380

The Group's weighted average effective interest rates on borrowings at the balance sheet date were as follows:

	As at 31 December	
	2025	2024
Long-term bank borrowings	**2.24%**	–
Short-term bank borrowings	**2.38%**	2.76%

The fair value of long-term and short-term bank borrowings of the Group approximate their carrying amounts as at the balance sheet date.

16 DEFERRED INCOME ON GOVERNMENT GRANTS

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
At beginning of the year	**42,336**	42,882
Granted during the year	**–**	1,109
Amortised as income	**(2,169)**	(1,655)
At end of the year	**40,167**	42,336

These represent government grants received from certain municipal governments of mainland China as an encouragement for the Group's construction of properties. Such government grants are being recognised as income on a straight line basis over the expected lives of the related properties.

17 CONTRACT LIABILITIES

	As at 31 December	
	2025	2024
	RMB'000	*RMB'000*
Advance receipts from customers	**39,764**	56,177
Deferred revenue: customer loyalty programme	**10,070**	11,660
	49,834	67,837

The Group operates a loyalty programme where customers accumulate points for purchases made which entitle them to redeem products of the Group in the future. Accordingly certain portion of the revenue from sale transaction is required to be deferred. Revenue from the reward points is recognised when the points are redeemed. Unused reward points will expire within one year.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review and Outlook

In 2025, the global economy still faced multiple risks such as slowing growth, persistent inflation, prolonged geopolitical conflicts and fragmented trade patterns. Amid the macroeconomic environment, the Chinese government continuously introduced a series of policies to expand domestic demand and boost consumption, focusing on unblocking the domestic circulation and unleashing the potential consumption ability of residents. The consumer market showed signs of structural recovery. Consumers' demands for health, quality, convenience and cost performance have further enhanced. Their consumption decisions became more rational and refined, prioritizing emotional value and experiential aspects of products while meeting basic needs. Despite the potential unfavorable business conditions in the retail market, the Group remained committed to adjusting its business strategy network, developing products tailored to diverse consumer groups, maintaining customer-oriented service, reducing operating costs and actively expanding its business.

In 2025, the Group achieved revenue of RMB1,327.3 million, down 15.1% from 2024, and recorded profit for the year of RMB122.6 million, down 11.7% from 2024. The decrease in the Group's revenue for the year was mainly due to the weak consumer market.

In 2025, the Group further enhanced its organizational coordination, utilized its advantages in supply chain, maximized its resources utilization efficiency and strengthened its market position. The following measures have been taken to promote the efficiency of its operations, including further expanding its network, actively promoting the customer loyalty programme, consolidating and developing customer base, increasing release of marketing program and education and training for the employees, improving employees' benefits, while controlling expenditures in various aspect.

1. **Leading brand position.** Zhangzhou Tianfu Tea Industry Co., Ltd.(漳州天福茶葉有限公司), a subsidiary of the Company, was honoured with the "2025 China Famous Consumer Products(2025年度中國消費名品)" award by the Ministry of Industry and Information Technology. In November 2025, it was included in the "Second Fujian Provincial Top 100 List of Leading Agricultural Industrialization Enterprises(福建省第二屆福建省農業産業化龍頭企業百強榜單)" published by the Fujian Association of Enterprises and Entrepreneurs and the Fujian Agricultural Industrialization Leading Enterprises Association. In April 2025, it was awarded the seventh batch of "Fujian Time-honored Brand(福建老字號)" by the Fujian Provincial Department of Commerce. Fujian Tian Fu Sales Co., Ltd.(福建天福茗茶銷售有限公司), a subsidiary of the Company, was also awarded the 27th "Outstanding Partner Contribution Award" by the Organizing Committee of the China International High-Tech Achievements Fair in 2025. The Company has been awarded the titles of "2024 China Tea Industry "Enterprise of the Year"(2024中國茶行業「年度企業」)" by Forbes and "2024 Top 10 Tea Enterprise Brands in China(2024中國茶企業品牌TOP10)" by Chinese Tea Brand Value Evaluation Task Force(中國茶品牌價值評價工作組). The Company has been awarded the title of "2024 Key Tea Enterprise (Formerly Top 100 Tea Industry Enterprise)(2024年度茶葉重點(原百強)企業)" and "China's Tea Industry Comprehensive Top 100 Enterprises(中國茶葉行業綜合百強企業)" by the China Tea Marketing Association from 2013 to 2024. The Company was listed in the list of each of "Evergreen Companies in the Tea Industry(茶業常青藤企業)", "2024 Top Enterprises with Comprehensive Competitiveness in the Tea Industry(2024年度茶葉綜合競爭強力企業)", "Benchmark Brands for Tea Industry Competitiveness 2022(2022年度茶業市場競爭力標桿品牌)", "Leading Tea

Enterprises for Comprehensive Strength 2023（2023年度綜合實力引領茶企業）” and “Key Tea Enterprises 2023（2023年度重點茶企）” by China Tea Marketing Association. Pursuant to the data from Chinese Enterprises Brands Research Centre（中國企業品牌研究中心）, Tenfu ranked first among 2019 China's chain stores of tea in terms of brand index, the “Tenfu”（天福）brand has one of the highest levels of brand awareness amongst tea product consumers in the PRC. The Company was also granted the award of “Zhangzhou Time-Honored Brand（漳州老字號）”, “Zhangzhou Municipal Pilot Unit for Quality Empowerment in Industrial and Supply Chains（漳州市產業鏈供應鏈質量賦能試點單位）”, “2nd Zhangzhou Municipal Government Quality（第二屆漳州市政府品質獎稱號）” by Zhangzhou municipal government and “Enterprise with Outstanding Economic Contribution 2022（2022年度突出經濟貢獻企業）” by Zhangpu county government, respectively. Mr. Lee Rie-Ho, the chairman of the Board, obtained the honorary title of Outstanding Chinese Tea People (Lifetime Achievement) in November 2020 and listed as one of the tea industry influencers in 2022 by Chinese Tea Association and China Tea Industry Alliance. The tea mooncakes of the Group have been awarded the honorable titles of Golden Mooncakes（金牌月餅）and China Mooncakes（中國名餅）for the five consecutive years from 2016 to 2020. The tea mooncakes of the Group also won the first prize for China Mooncake Quality（中華月餅品質一等獎）in 2019 and honorable titles of Golden Mooncakes（金牌月餅）and China Mooncakes（中國名餅）in the 28th China Mooncake Festival in 2022. With its high level of brand awareness and more than 25 years of presence in the market, the Group believes that it is in a strong position to continue to occupy a large market share of branded traditional Chinese tea leaves and wait for the market re-bounce.

2. **Adjusting sales network.** While the whole consumption declines under the current economic conditions in the PRC, the Group has increased the proportion of wholesale sales and distributors' stores in the PRC. As of 31 December 2025, the Group had a total of 1,318 self-owned and third-party owned retail outlets and retail points, compared with a total of 1,349 as of 31 December 2024.

3. **Adjustment in each tea product category and development of diversified product lines.** For the year ended 31 December 2025, the Group adjusted its tea product categories, and increase the proportion of products with high cost performance. The Group also established a food research and development department to develop diversified traditional food, and timely develop and launch new tea-based food products.

4. **Keeping legal compliance.** The tea leaves and tea snacks industries are heavily regulated in the PRC, operation of which includes product approvals, product processing, formulation, manufacturing, packaging, labelling, distribution and sale and maintenance of manufacturing facilities, and the Group kept in compliance with the relevant laws and regulations applicable to the Group, including Food Safety Law, Regulations on Food Production Permits, Regulations on Sale of Food Permits, Product Quality Law, Consumer Protection Law, Trademark Law, Patent Law, Labour Contract Law of the PRC, etc. The Group is also subject to the PRC laws and regulations concerning the discharge of waste water and solid waste during manufacturing processes, which require the Group to obtain certain clearances and authorisations from government authorities for the treatment and disposal of such discharge. The PRC Government may take steps towards the adoption of more stringent environmental regulations, the Group may need to invest more for future environmental expenditures to install, replace, upgrade or supplement pollution control equipment or make operational changes to limit any adverse impact or potential adverse impact on the environment in order to comply with the new environmental regulations.

5. **Guarantee of food safety.** The Group paid high attention on food safety and conducted various quality inspection and testing procedures during the Group's production process, to ensure compliance with applicable quality requirements promulgated by the relevant authorities. In October 2015, the Group got the qualification certification for its egg roll and candy production line and related auxiliary areas, reaching the consolidated standards for prerequisite and food safety programs of American Institute of Baking. Meanwhile, the Company also implemented one product, one bar-code anti-counterfeiting traceability system at all factories. Longjing tea products of the Group was regarded as the raw materials of Longjing tea sensory grading standard samples developed according to GB/T18650-2008 geographical indication product Longjing tea. The Company was also granted the award of Exemplary Enterprise of Integrity in Product and Service Quality（全國產品和服務質量誠信示範企業）and National Consumer Quality and Reputation Guarantee Products（全國消費者質量信譽保障產品）by China Association for Quality Inspection（中國質量檢驗協會）.

6. **Relationships with customers and suppliers.** The Group always maintains good relationship with customers and suppliers. For the year ended 31 December 2025, the aggregate percentage of purchases attributable to the Group's five largest suppliers accounted for approximately 17.8% of the Group's total purchase. The Group selects suppliers carefully to ensure the quality of raw materials and packaging materials through maintaining appraisal records for suppliers and grading them on a declining scale according to the quality of material supplied, price, ability to meet demand and punctuality of delivery time. The percentage of revenue attributable to the Group's five largest customers accounted for approximately 1.5% of the Group's total revenue. The credit terms granted to the top five customers are in line with those granted to other customers. The top five customers made subsequent settlement of trade receivables within the credit term. The Group has historically depended on sales to the third-party retailers, and third-party retailers are expected to remain important in sales network. If the third-party retailers are not able to operate successfully or the Group fails to maintain good relationships with such parties, the business, financial condition and results of operations of the Group could be materially and adversely affected. Since 2008, the Group has acquired a number of retail outlets and retail points from third-party retailers and operated the self-owned retail outlets and retail points. In order to keep good customer services, the Group maintains a customer service hotline to handle general service inquiries and ensure a timely response to all customer concerns. The Group's internal policy requires that all complaints be reported and resolved promptly. If a complaint is not resolved during the call, the customer service representative is required to timely report such complaint to the local sales office which covers the region where the complaining customer is located. For the year ended 31 December 2025, the Group did not incur any material costs in relation to these complaints and there had not been any material product recall.

7. **Environmental, social and governance ("ESG") endeavours.** The Company obtained the best practice awards of Wind ESG in the fast consumer goods industry for Hong Kong listing companies in 2022（2022年度Wind ESG港股日常消費行業最佳實踐獎）. The Company ranked no. 4 for Wind ESG Rating Distribution (Beverage) in 2023. The Company ranked A for Wind ESG Comprehensive Score Industry Ranking (Beverage) in 2024.

In 2026, the Group plans to continue to adjust and optimise its network of self-owned retail outlets and retail points, including both self-owned and third-party owned retail outlets and retail points, tap the profitability of existing self-owned retail outlets and retail points and maximize the enthusiasm of the third-party retailers.

In particular, the Group plans to:

1. **Continue to adjust and optimise retail sales network.** The Group will further adjust retail outlets and retail points, including both self-owned and third-party owned retail outlets and retail points, according to the economic development of the PRC. As part of this goal, the Group plans to identify, establish and keep new retail outlets on high-traffic streets in the central business districts of selected cities, as well as retail points in popular shopping malls, actively expand networks in third-tier and fourth-tier and small cities, enhance customers' experience of the offline store's "second living room" and develop quality distributors to increase sales of its tea products. To capture more customers who prefer to buy their tea products on-line, the Group continues to promote internet sales through its subsidiary, namely, Xiamen Tianyu Commerce and Trading Co., Limited(廈門天鈺商貿有限公司). The Group will continue to monitor other opportunities for multi-channel sales and distribution network, which enables the Group to access a broad market audience and penetrate into different regions in the PRC, and continue to rapidly expand their sales. There has been a significant increase in customer stickiness to online consumption. The accelerated development of digital economy continued to drive the upgrading of online consumption and the online and offline integration speeded up, accelerating the development of emerging consumption models such as food delivery, live commerce and delivery-to-home services. Consumer demands showed a trend of diversified, personalised and rational development. Consumption appeared more polarized, with high-end and affordable products each having their own market. The Group upholds a value-based marketing strategy, continues to cultivate both offline and online diversified channels, develop products with ingenuity and insist on innovation to satisfy consumers' demands.

2. **Continue to enhance brand reputation and consumer awareness.** The Group plans to maintain and promote its high level of brand awareness through targeted marketing and promotional activities. As part of these promotional activities, the Group plans to make further efforts to promote its products and brands during traditional Chinese festivals, and actively hold tea ware exhibition, pu'er tea expo, new tea tasting events and tea art education activities for enhancement of communications and interactions with customers in order to maintain and promote the well-known "Tenfu"(天福)brand. The Group also plans to continue the promotion of an enhanced rewards program for its customers in order to encourage repeating business and increase customer loyalty.

3. **Continue to develop new concepts for tea-related products.** The Group believes that a broad portfolio of products will help it to maintain its leading brand position and keep pace with constantly changing consumer preferences and trends. To this end, the Group will continue the development of tea and tea-related products to meet market requirements, as well as creating the trend and leading the trend. The Group offers the tea drink (including milk tea) with the trademark of "放牛斑". The Group will further monitor the opportunity and expand its market share in other tea products once available.

4. **Enhance processing and distribution efficiency and effectiveness.** The Group currently has two packaging facilities in Fujian province and one packaging facility in each of Sichuan province, Zhejiang province, Guangxi Zhuang Autonomous Region and Guizhou province for tea leaves and two production facilities in Fujian province and one production facility in Sichuan province for tea snacks. The Group has implemented a fully-integrated ERP (Enterprise Resource Planning) system since 2012 so as to collect real-time sales and inventory data from retail outlets. The Group intends to continue proper implementation and usage of the ERP system, aiming to streamline its distribution operation and improve collection of information, so that the Group can plan its processing schedules, manage resources and monitor sales and inventory information more efficiently and effectively.

5. **Expand production capacity through the increase of the number of processing facilities.** The Group acquired land in Xiapu county, Ningde, Fujian Province, and completed construction of a packaging facility of white tea in 2025. The Group plans to cater for future growth and anticipated increases in the demand for tea and tea-related products by expanding production capacity when further suitable acquisition opportunities arise or suitable construction sites can be acquired. The Group has production facilities strategically located in different parts of the PRC, which would achieve optimisation in procurement costs.

In 2025, coping with the external and internal uncertainties and changes, the Group gained valuable experience, and also strengthened the planning, management and operation abilities of the Board, the management, and the staff. Such experience will help the Group to face and overcome challenges of the future. The Company's sustainable development depends on the supports and efforts of all the parties involved, including the customers, the suppliers, the business partners and the shareholders, and in particular the efforts and contributions and dedication of all staff of the Group.

Looking forward, the Group's primary goal is to continue growing its business and increasing its market share by leveraging its strong market position and sales network and the anticipated economic growth in the PRC tea market. The current global geopolitical situation is complex and volatile, and the Group is closely monitoring its potential impact on the commodities market. Based on the current assessment, the direct impact of relevant international developments on the Group is limited, mainly due to the Group's well-established domestic procurement system and diversified supply chain layout. On one hand, the Group's primary raw material (tea leaves) production areas and procurement channels are highly concentrated in the PRC domestically, and thus less affected by international logistics and commodity speculation markets. On the other hand, the Group's energy expenses account for a relatively small proportion of total costs, and the Group has continuously optimized cost control in recent years, providing a certain resilience against raw material price fluctuations. Therefore, we expect the Group's operating costs to remain stable in the coming period, with gross profit margins staying within a controllable and steady range.

Financial Review

Revenue

During the year ended 31 December 2025, the Group engaged in the sales and marketing of a comprehensive range of tea products and the development of product concepts, tastes and packaging designs. The Group has manufacturing plants in Fujian province, Sichuan province, Zhejiang province, Guangxi Zhuang Autonomous Region and Guizhou province, the PRC. The Group's key products are tea leaves, tea snacks and tea ware, which it sells through a nationwide network of self-owned and third-party owned retail outlets and retail points. The Group has started the sales of tea drink (including milk tea) with the trademark of "放牛斑".

During the year ended 31 December 2025, the Group derived substantially all of its revenue from the sales of tea leaves, tea snacks and tea ware. The revenue of the Group decreased by 15.1% from RMB1,562.6 million for the year ended 31 December 2024 to RMB1,327.3 million for the year ended 31 December 2025. The following table sets forth a breakdown of revenue by product category for the years indicated:

	Year ended 31 December			
	2025		2024	
	RMB'000	*%*	*RMB'000*	*%*
Revenue contributed from:				
Sales of tea leaves	**912,155**	**68.7**	1,080,770	69.2
Sales of tea snacks	**201,324**	**15.2**	247,635	15.8
Sales of tea ware	**163,572**	**12.3**	179,471	11.5
Others[(1)]	**50,200**	**3.8**	54,772	3.5
Total	**1,327,251**	**100.0**	1,562,648	100.0

Notes:

(1) "Others" include revenue from restaurant, hotel, tourist, management service and catering management, beverage production and sales of pre-packaged food and liquor. The Group derived its revenue from these operations through the provision of accommodation, food and beverages and other ancillary services and ticket sales from its tea museums.

(2) Each of the figures is rounded up to one decimal place and may not add up due to rounding.

Revenue from sales of the Group's tea leaves decreased by 15.6% from RMB1,080.8 million for the year ended 31 December 2024 to RMB912.2 million for the year ended 31 December 2025. Revenue from sales of the Group's tea snacks decreased by 18.7% from RMB247.6 million for the year ended 31 December 2024 to RMB201.3 million for the year ended 31 December 2025. Revenue from sales of the Group's tea ware decreased by 8.9% from RMB179.5 million for the year ended 31 December 2024 to RMB163.6 million for the year ended 31 December 2025. The revenue decreased from sales of the Group's tea leaves, tea snacks and tea ware was primarily due to the weak consumer market.

As of 31 December 2025, the Group had approximately 145 self-owned retail outlets and approximately 1,173 distributors' stores throughout Mainland China accounted for approximately 33.5% and 62.7% of total revenue respectively, compared with approximately 157 self-owned retail outlets and approximately 1,192 distributors' stores as of 31 December 2024.

Cost of sales

Cost of sales of the Group primarily comprises costs of inventories (mainly including costs of raw materials) and labour costs. Cost of sales of the Group decreased by 16.7% from RMB756.3 million for the year ended 31 December 2024 to RMB630.3 million for the year ended 31 December 2025, primarily due to the decrease in sales.

Gross profit and gross profit margin

As a result of the foregoing factors, gross profit of the Group decreased by 13.6% from RMB806.3 million for the year ended 31 December 2024 to RMB697.0 million for the year ended 31 December 2025, with gross profit margin increased by 0.9% from 51.6% for the year ended 31 December 2024 to 52.5% for the year ended 31 December 2025, primarily due to the cost control measures on raw materials and labour cost.

Distribution costs

The distribution costs of the Group decreased by 12.9% from RMB343.1 million for the year ended 31 December 2024 to RMB298.9 million for the year ended 31 December 2025. The decrease of distribution costs was primarily due to a decrease of self-owned retail outlets and the cost control measures of the Group to reduce costs and increase efficiency.

Administrative expenses

Administrative expenses for the Group decreased by 10.1% from RMB280.5 million for the year ended 31 December 2024 to RMB252.2 million for the year ended 31 December 2025. The decrease in administrative expenses was primarily due to further cost control measures on various aspects, including labour cost by effective use of human resources.

Other income

Other income of the Group increased by 5.3% from RMB35.8 million for the year ended 31 December 2024 to RMB37.7 million for the year ended 31 December 2025. The increase in other income was primarily due to an increase in service fee charged to distributors starting from the half of 2025.

Other losses – net

Other losses of the Group amounted to RMB1.9 million for the year ended 31 December 2025 primarily due to foreign exchange losses and losses on disposal of property, plant and equipment and net fair value gains of financial assets at fair value through profit or loss. Other losses of the Group amounted to RMB0.4 million for the year ended 31 December 2024 primarily due to foreign exchange losses and losses on disposal of property, plant and equipment and net fair value gains of financial assets at fair value through profit or loss.

Finance income

Finance income of the Group increased by 8.3% from RMB4.8 million for the year ended 31 December 2024 to RMB5.2 million for the year ended 31 December 2025. The increase in finance income was primarily due to an increase in interest income on bank deposits and time deposits.

Finance costs

Finance costs of the Group decreased by 15.5% from RMB23.2 million for the year ended 31 December 2024 to RMB19.6 million for the year ended 31 December 2025, reflecting a decrease in interest expenses on the Group's bank borrowings and interest expenses for lease liabilities.

Share of net profit of investments accounted for using the equity method

Share of net profit of investments accounted for using the equity method of the Group was a net gain amounting to RMB2.8 million and RMB0.1 million for the years ended 31 December 2025 and 2024, respectively. The increase was primarily due to an increase in the profits gain from invested business.

Income tax expense

Income tax expense of the Group decreased by 25.4% from RMB62.3 million for the year ended 31 December 2024 to RMB46.5 million for the year ended 31 December 2025, primarily due to a decrease in the Group's profit before tax of the subsidiaries located in Mainland China for the year ended 31 December 2025 as compared with the year ended 31 December 2024.

Profit for the year

As a result of the foregoing factors and primarily due to optimisation of the proportion of wholesale sales, product structure adjustment and cost control, profit of the Group, all of which was attributable to the shareholders of the Company, decreased by RMB16.3 million, or 11.7%, to RMB122.6 million for the year ended 31 December 2025 as compared to RMB138.9 million for the year ended 31 December 2024. Net profit margin of the Group increased from 8.9% for the year ended 31 December 2024 to 9.2% for the year ended 31 December 2025, primarily due to a decrease in cost of sale, distribution costs and administrative expenses.

Liquidity and capital resources

Cash position

The operations of the Group are capital intensive, and its liquidity requirements arise principally from the need of working capital to finance its operations and expansions. The Group has historically met its working capital and other capital requirements principally from cash generated from its operations, bank borrowings and capital contributions by its shareholders.

The Group's cash and cash equivalents increased by RMB170.3 million, or 50.0%, from RMB340.5 million as of 31 December 2024 to RMB510.8 million as of 31 December 2025.

The Group had net cash inflow from operating activities of RMB416.2 million, net cash outflow from investing activities of RMB30.0 million and net cash outflow from financing activities of RMB213.6 million for the year ended 31 December 2025.

Bank borrowings and gearing ratio

The Group had total bank borrowings of RMB495.6 million as of 31 December 2025, compared to RMB571.4 million as of 31 December 2024. As of 31 December 2025, the weighted average effective interest rate of the Group's borrowings was 2.38%. Bank borrowings as at 31 December 2025 and those in corresponding period last year were charged at variable interest rate.

As of 31 December 2025, bank borrowings of RMB495,640,000 (2024: RMB546,380,000) were guaranteed by Mr. Lee Rie-Ho, Mr. Lee Chia Ling and Mr. Lee Kuo-Lin, all of them are Directors of the Company, a relative of Mr. Lee Rie-Ho and the subsidiaries of the Company, either separately or jointly.

The Directors are of the view that the guarantee of bank borrowings of RMB495,640,000 as at 31 December 2025 by Mr. Lee Rie-Ho, Mr. Lee Chia Ling and Mr. Lee Kuo-Lin, being a form of financial assistance (as defined in the Rules Governing the Listing of Securities (the "**Listing Rules**") on the Stock Exchange) for the benefit of the Group, was on normal commercial terms where no security over the assets of the Group was granted in respect of such financial assistance provided by Mr. Lee Rie-Ho, Mr. Lee Chia Ling and Mr. Lee Kuo-Lin. Accordingly, such guarantee is exempt from all reporting, announcement and independent shareholders' approval requirements pursuant to Rule 14A.90 of the Listing Rules.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities as of the dates indicated, based on undiscounted contractual payments:

As at 31 December 2025	**Less than 1 year** *RMB'000*	**Between 1 and 2 years** *RMB'000*	**Between 2 and 5 years** *RMB'000*	**Over 5 years** *RMB'000*	**Total** *RMB'000*
Borrowings	**465,640**	**30,000**	**–**	**–**	**495,640**
Interest payments on borrowings *(Note)*	**5,708**	**672**	**–**	**–**	**6,380**
Lease liabilities	**45,475**	**42,358**	**44,385**	**30,737**	**162,955**
Trade and other payables	**213,042**	**–**	**–**	**–**	**213,042**
Other payables	**–**	**–**	**–**	**6,000**	**6,000**
	729,865	**73,030**	**44,385**	**36,737**	**884,017**

As at 31 December 2024	Less than 1 year *RMB'000*	Between 1 and 2 years *RMB'000*	Between 2 and 5 years *RMB'000*	Over 5 years *RMB'000*	Total *RMB'000*
Borrowings	571,380	–	–	–	571,380
Interest payments on borrowings *(Note)*	9,995	–	–	–	9,995
Lease liabilities	42,803	42,992	48,741	35,558	170,094
Trade and other payables	192,038	–	–	–	192,038
Other payables	–	–	–	6,000	6,000
	816,216	42,992	48,741	41,558	949,507

Note: The interest payments on borrowings are calculated based on borrowings held as at 31 December 2025 and 2024, respectively (excluding the accrued interest payable balance already in trade and other payables) without taking into account future borrowings.

The Group regularly monitors its gearing ratio, which represents net debt as a percentage of total equity. Net debt is calculated as total borrowings (including current and non-current borrowings) add lease liabilities less cash and cash equivalents. As of 31 December 2025, the gearing ratio of the Group was 7.9%, as compared to 22.3% as of 31 December 2024. The decrease in the gearing ratio during 2025 was primarily due to decrease of net debt.

Capital and other commitments

As of 31 December 2025, the Group had total investment, capital and operating lease commitments of RMB42.7 million, as compared to RMB42.6 million as of 31 December 2024. The Group plans to fund these commitments primarily with available cash.

The Group's investment commitments comprise commitments to inject registered capital into joint ventures of the Group. The table below sets forth the investment commitments of the Group as of the dates indicated:

	As of 31 December	
	2025	2024
	RMB'000	*RMB'000*
Investments in joint ventures and associate	**4,467**	4,717

The Group's capital commitments comprise unpaid amounts under executed agreements for purchasing property, plant and equipment and intangible assets, primarily in relation to the construction of plants. The table below sets forth capital expenditure contracted for but not yet incurred as of the dates indicated:

	As of 31 December	
	2025	2024
	RMB'000	*RMB'000*
Property, plant and equipment	**33,277**	32,075

The Group leases various retail outlets, offices and warehouses under non-cancellable operating lease agreements. The lease terms are between one to ten years, and the majority of the Group's lease agreements are renewable at the end of the lease period at market rate. From 1 January 2019, the Group has recognised right-of-use assets for these leases, except for short-term and low-value leases.

	As of 31 December	
	2025	2024
	RMB'000	*RMB'000*
No later than 1 year	**4,922**	5,805

Working capital

	As of 31 December	
	2025	2024
	RMB'000	*RMB'000*
Trade and other receivables	**177,390**	245,488
Trade and other payables	**265,114**	250,467
Inventories	**884,042**	960,195
Trade receivables turnover days(1)	**78**	80
Trade payables turnover days(2)	**54**	48
Inventories turnover days(3)	**527**	470

Notes:

(1) Trade receivables turnover days = the average of the beginning and ending trade receivables balances for the year, divided by revenue from wholesales to third-party retailers plus sales from the Group's self-owned retail points located in hypermarkets and department stores and sales through other sales channel mainly representing wholesales to other end customers for the year, multiplied by the number of days in the year.

(2) Trade payables turnover days = the average of the beginning and ending trade payables balances for the year, divided by cost of sales for the year, multiplied by the number of days in the year.

(3) Inventories turnover days = the average of the beginning and ending inventory balances for the year, divided by the cost of sales for the year, multiplied by the number of days in the year.

The Group's trade and other receivables represent primarily the balances due from third-party retailers. The Group's trade and other receivables decreased by RMB68.1 million from RMB245.5 million as of 31 December 2024 to RMB177.4 million as of 31 December 2025, primarily due to a decrease of sales.

The Group's trade and other payables principally comprise payables to its raw material suppliers, employee benefit payables, other taxes payable, accrued operating expenses and advances from customers. The Group's trade and other payables increased by RMB14.6 million from RMB250.5 million as of 31 December 2024 to RMB265.1 million as of 31 December 2025, primarily due to an increase in trade payables due to related parties.

The Group's inventories comprise raw materials (including packaging materials), work-in-progress and finished products. The Group's inventories decreased by RMB76.2 million from RMB960.2 million as of 31 December 2024 to RMB884.0 million as of 31 December 2025, primarily reflecting a decrease in purchase volume.

As of 31 December 2025, the Group has sufficient working capital and financial resources to support its regular operations.

Foreign exchange risk

The Group's normal operating activities are principally conducted in RMB, since all of its operating subsidiaries are based in the PRC. As of 31 December 2025, most of the operating entities' revenue, expenses, assets and liabilities were denominated in RMB. The Group's foreign exchange risk mainly arises from the financing activities denominated in HKD. The Directors are of the view that the Group does not have significant foreign currency risk.

Any future change of RMB will not adversely affect the value of any dividends the Group pays to its shareholders. There are limited hedging instruments available in the PRC to reduce our exposure to exchange rate fluctuations between RMB and other currencies. The Group currently does not engage in hedging activities designed or intended to manage such exchange rate risk.

Contingent liabilities

The Group had no material contingent liabilities as of 31 December 2025.

Employee and Remuneration Policy

As of 31 December 2025, the Group had a total of 3,019 employees, with 3,014 employees based in the PRC and 5 employees based in Hong Kong. For the year ended 31 December 2025, the staff cost of the Group was RMB279.8 million, compared to RMB319.6 million for the year ended 31 December 2024.

The Group's employee remuneration policy is determined by reference to factors such as remuneration in respect of the local market, the overall remuneration standard in the industry, inflation level, corporate operating efficiency and employee performance. The Group conducts performance appraisals once every year for its employees, the results of which are applied in annual salary review and promotion assessment. The Group's employees are considered for annual bonuses according to certain performance criteria and appraisal results. Social insurance contributions are made by the Group for its PRC employees in accordance with the relevant PRC regulations.

The Group also provides continuous learning and training programs to its employees to enhance their skills and knowledge, so as to maintain their competitiveness and improve customer services. The Group did not experience any major difficulties in recruitment, nor did it experience any material loss in manpower or any material labour dispute during the year ended 31 December 2025.

OTHER INFORMATION

Final Dividend

At the Board meeting held on 16 March 2026 (Monday), it was proposed that a final dividend of HK$0.09 per ordinary share (equivalent to RMB0.08 per ordinary share) be paid on or after 26 May 2026 to the shareholders of the Company whose names appear on the Company's register of members on 20 May 2026 (Wednesday). The proposed final dividend is subject to approval by the shareholders at the annual general meeting of the Company (the "**Annual General Meeting**") to be held on 11 May 2026 (Monday).

There is no arrangement that a shareholder of the Company has waived or agreed to waive any dividends.

As at the date of this announcement, there are no treasury Shares held by the Company (whether held or deposited in the Central Clearing and Settlement System, or otherwise).

Annual General Meeting

The Annual General Meeting will be held on 11 May 2026 (Monday). A notice convening the Annual General Meeting will be published in the manner required by the Listing Rules in due course.

Closure of Register of Members

For determining the entitlement to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from 6 May 2026 (Wednesday) to 11 May 2026 (Monday), both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the Annual General Meeting, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Hong Kong branch share registrar of the Company, Computershare Hong Kong Investor Services Limited, located at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on 5 May 2026 (Tuesday). The record date for determining the entitlement to attend and vote at the Annual General Meeting is 11 May 2026 (Monday).

For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from 15 May 2026 (Friday) to 20 May 2026 (Wednesday), during which no transfer of shares will be registered. In order to qualify for receiving the proposed final dividend, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Hong Kong branch share registrar of the Company, Computershare Hong Kong Investor Services Limited, located at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on 14 May 2026 (Thursday). The record date for determining the entitlement to the proposed final dividend is 20 May 2026 (Wednesday).

Corporate Governance

The Company is committed to the establishment of stringent corporate governance practices and procedures with a view to enhancing investor confidence and the Company's accountability and transparency. The Company strives to maintain a high standard of corporate governance. For the year ended 31 December 2025, the Company has complied with the code provisions included in the Corporate Governance Code as set out in Appendix C1 to the Listing Rules (the "**CG Code**") and there has been no deviation from the code provisions as set forth under the CG Code for the year ended 31 December 2025. Further information of the corporate governance practice of the Company will be set out in the Corporate Governance Report in the annual report of the Company for the year ended 31 December 2025.

Purchase, Sale and Redemption of Shares

The Directors have been granted by the shareholders of the Company at the annual general meeting of the Company held on 9 May 2025 (the "**2025 AGM**") the general mandate to repurchase up to 108,375,546 shares, being 10% of the total number of the issued shares of the Company as at the date of the 2025 AGM, on the Stock Exchange. During the year ended 31 December 2025, the Company had repurchased a total of 948,000 ordinary shares of the Company of HK$0.1 each in compliance with the memorandum and articles of association of the Company, the Listing Rules, the Codes on Takeovers and Mergers and Share Buy-backs, the Companies Act of the Cayman Islands and all applicable laws and regulations to which the Company is subject to. During the year ended 31 December 2025, the aggregate consideration of HK$3,039,620 was paid for the share repurchase. The Company confirms that the shares repurchase has not resulted in the number of the shares held by the public falling below the relevant minimum percentage prescribed by the Listing Rules.

The table below set out the numbers of shares repurchased and the respective cancellation dates during the year ended 31 December 2025 and before the date of this announcement:

The number of shares repurchased	Cancellation dates	Disclosure dates of the respective next day disclosure return
869,000	21 January 2025	21 January 2025
106,000	9 April 2025	10 April 2025
223,000	26 May 2025	26 May 2025
251,000	9 July 2025	9 July 2025
53,000	24 July 2025	24 July 2025
166,000	24 October 2025	24 October 2025
108,000	5 January 2026	5 January 2026

There are no treasury Shares held by the Company as at 31 December 2025 and the date of this announcement.

There were 114,000 shares outstanding (repurchased but not yet cancelled) as at 31 December 2025. Subsequently in January 2026, the Company had repurchased a total of 56,000 shares in the aggregate consideration of HK$144,970. There were 62,000 shares repurchased but not yet cancelled as at the date of this announcement. Details of the repurchases during the year ended 31 December 2025 under review are as follows:

Month of shares repurchase	**Total number of shares repurchased**	**Highest price paid per share** *(HK$)*	**Lowest price paid per share** *(HK$)*	**Aggregate consideration** *(HK$)*
January 2025	35,000	3.96	3.67	132,430
March 2025	61,000	3.50	3.37	208,810
April 2025	167,000	3.46	3.30	564,390
May 2025	221,000	3.39	3.12	718,470
June 2025	119,000	3.31	3.12	382,420
July 2025	65,000	3.24	3.15	207,630
August 2025	34,000	3.20	3.00	104,490
September 2025	102,000	3.10	2.96	308,330
October 2025	43,000	3.10	2.95	130,010
November 2025	60,000	3.10	2.65	171,580
December 2025	41,000	2.75	2.67	111,060

The Board considers that the current trading price of the shares does not reflect their intrinsic value. The Board believes that the share repurchases reflected the Company's confidence in its long-term business prospects and would ultimately benefit the Company and create value for its shareholders. The Board also believes that the Company's stable financial position will enable it to conduct the share repurchases while maintaining a solid financial position for the continuation of the Company's business and growth in the current financial year.

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company (including sale of treasury shares) during the year ended 31 December 2025.

Events after the Reporting Period

The Group has no significant events after 31 December 2025 and up to the date of this announcement.

Model Code for Securities Transactions by Directors

The Board has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as the code for the dealings in securities transactions by the Directors. The Company has made specific enquiries with all Directors and the Directors have confirmed their compliance with the required standard set out in the Model Code throughout the year ended 31 December 2025.

Audit Committee

The audit committee of the Company (the "**Audit Committee**") consists of Mr. Lo Wah Wai, Dr. Huang Wei and Mr. Lee Kwan Hung, Eddie, all of whom are the independent non-executive Directors, and Mr. Tseng Ming-Sung, the non-executive Director. The chairman of the Audit Committee is Mr. Lo Wah Wai.

The annual results of the Company for the year ended 31 December 2025 have been reviewed by the Audit Committee and agreed with the auditor of the Company, namely PricewaterhouseCoopers.

Auditor

The Company appointed PricewaterhouseCoopers as the auditor of the Company for the year ended 31 December 2025. The Company will submit a resolution in the Annual General Meeting to re-appoint PricewaterhouseCoopers as the auditor of the Company.

Publication of Annual Report

This annual results announcement is published on the websites of the Stock Exchange (http://www.hkexnews.hk) and the Company (http://www.tenfu.com). The annual report of the Company for the year ended 31 December 2025 containing all the information required by the Listing Rules will be made available for review on the aforesaid websites in due course.

By order of the Board
Tenfu (Cayman) Holdings Company Limited
Lee Chia Ling
Director

Hong Kong, 16 March 2026

As at the date of this announcement, the Board comprises nine members, of which Mr. Lee Rie-Ho, Mr. Lee Chia Ling, Mr. Lee Kuo-Lin, Dr. Fan Ren Da, Anthony and Mr. Zhang Honghai are the executive Directors; Mr. Tseng Ming-Sung is the non-executive Director; and Mr. Lo Wah Wai, Mr. Lee Kwan Hung, Eddie and Dr. Huang Wei are the independent non-executive Directors.