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Sichuan Baicha Baidao Industrial Co., Ltd.
四川百茶百道實業股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 2555)

ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2025

The board of directors (the “**Board**”) of Sichuan Baicha Baidao Industrial Co., Ltd. (the “**Company**”) is pleased to announce the audited consolidated annual results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2025 (the “**Reporting Period**”), together with the comparative figures for the corresponding period in 2024 as follows:

SUMMARY OF FINANCIAL PERFORMANCE

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	5,395,068	4,917,997
Gross profit	1,753,839	1,534,679
Profit before taxation	997,318	621,835
Profit for the year	821,355	479,726
Profit for the year attributable to owners of the Company	804,897	472,184
Earnings per Share (in RMB)		
– Basic	0.547	0.336
– Diluted	0.545	0.335
Adjusted net profit (non-IFRS measure)	833,337	644,970

In this announcement, “we”, “us” and “our” refer to the Company and where the context requires, the Group. Unless otherwise defined herein, capitalized terms used in this announcement shall have the same meanings as those defined in the prospectus of the Company dated 15 April 2024 (the “**Prospectus**”).

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

In 2025, the Group recorded revenue of RMB5,395.1 million, representing an increase of 9.7% as compared with the corresponding period last year. Our revenue from our sale of goods and equipment increased by 10.1% as compared with the corresponding period last year. Revenue from royalty and franchising decreased by 10.2% as compared with the corresponding period last year. Other revenue increased by 58.3% as compared with the corresponding period last year. The following table sets out the breakdown of the Group's revenue by type and the percentage of our total revenue during the periods indicated:

	2025		Year ended 31 December 2024		Change	
	RMB	%	RMB	%	RMB	%
Sale of goods and equipment ⁽¹⁾	5,120,753	94.9	4,652,382	94.6	468,371	10.1
Royalty and franchising ⁽²⁾	191,651	3.6	213,404	4.3	(21,753)	(10.2)
Others ⁽³⁾	82,664	1.5	52,211	1.1	30,453	58.3
Total	<u>5,395,068</u>	<u>100</u>	<u>4,917,997</u>	<u>100</u>	<u>477,071</u>	<u>9.7</u>

Notes:

- (1) Sale of goods and equipment: where the Group sells to franchised stores materials and ingredients for the production of tea drinks, such as dairy products, tea leaves and fruits, as well as packaging materials and store equipment. The Group also sells packaging materials to third-party purchasers that are manufactured by Senmian New Materials, such as biodegradable straws and cups.
- (2) Royalty and franchising: including non-refundable upfront initial fees, royalty income and pre-opening training service fees paid by franchisees.
- (3) Others: mainly consisted of (i) income from our design services to franchised stores; (ii) income from our online operation and management services in relation to the online delivery platforms; and (iii) income from our self-operated ChaPanda stores.

During the Reporting Period, the Group continued to advance product development and innovation and the expansion of multiple product categories. Coupled with the optimization of store network quality, this drove an increase in user stickiness and transaction frequency, achieving growth in per-store sales and a steady expansion of the store network. Meanwhile, the Group further promoted the optimization of its supply chain system and store management support, continuously improving its operations and support mechanisms to solidify the foundation for the long-term deepening and expansion of its store network.

Store Network

Our ChaPanda store network in China comprises stores strategically dispersed across different tiers of cities. While continuously consolidating its market foundation in first-tier and new first-tier cities, enhancing brand awareness, and staying attuned to market trends, the Group regards lower-tier cities as important areas for store network expansion and consumption growth, continuously deepening penetration and expanding coverage. This arrangement helps us more effectively reach a broad customer base with long-term consumption potential and establish stable brand recognition across different city tiers, laying the foundation for the long-term development of our store network.

The following table sets forth a breakdown of the Group's store coverage by city tier in China as of 31 December 2025:

	As of 31 December			
	2025		2024	
	Number of stores	%	Number of stores	%
First-tier cities	779	9.0	790	9.4
New first-tier cities	2,163	25.1	2,141	25.5
Second-tier cities	1,701	19.7	1,696	20.2
Third-tier cities	1,682	19.5	1,623	19.3
Fourth-tier and below cities	2,296	26.7	2,145	25.6
Total	<u>8,621</u>	<u>100.0</u>	<u>8,395</u>	<u>100.0</u>

During the Reporting Period, we continued to optimize the operational quality of our store terminals. The number of our stores in China steadily increased from 8,395 as of 31 December 2024 to 8,621 as of 31 December 2025, representing a year-on-year increase of 2.7%. Among them, the store layout in lower-tier cities was further deepened, with the number of stores in fourth-tier and below cities increasing to 2,296, a 7.0% increase from 2,145 as of 31 December 2024.

We strategically maintained a limited number of self-operated stores in core cities to create an immersive consumer experience, serving as a platform for brand image presentation and innovative scenarios. As of 31 December 2025, we had thirteen self-operated stores, among which the Chengdu flagship store located in Kuanzhai Alley, which opened in May 2025, undertook spatial design incorporating local cultural characteristics and incorporated elements of handmade tea beverages experiences with scene presentation, and interacting with cultural tourism consumption scenarios, further enhancing the brand's cultural connotation and consumer experience.

We regard overseas businesses as a significant component of our long-term development, continuously advancing the store network expansion and refining the relevant operating systems in overseas market with consumption potential and brand suitability. As of 31 December 2025, the Group had a total of 38 overseas stores, with 18 stores in South Korea, 5 stores in Malaysia, 3 stores in Singapore, 3 stores in Thailand, 2 stores in Australia, 1 store in Hong Kong, China, 2 stores in Macau, China, 2 stores in France, 1 store in Spain, and 1 store in the United States. While advancing store expansion, the Group simultaneously improves supply chain support, localized product development, and brand promotion systems in overseas markets, continuously enhancing the operational alignment and implementation capabilities of its overseas business, laying the foundation for long-term development in international markets.

Our Franchise Model

During the Reporting Period, our ChaPanda store network primarily consisted of franchised stores. We maintain strong oversight of franchised stores, ensuring that every aspect of store operation is properly managed and optimized for success. Our involvement throughout the operations of the franchised stores encompasses participation in planning and location selection and provision of in-depth training to franchisees and in-store staff on various aspects such as procurement, staff recruitment, quality control and daily management. Additionally, we supply raw materials and equipment, and provide logistics, operation and marketing services to support our franchisees in their pursuit of success. Franchisees primarily focus on the day-to-day operation and maintenance of their stores, on-site staff management and customer service. By dividing responsibilities in this manner, we ensure that our franchisees receive the necessary support and guidance while maintaining their autonomy in managing their stores. This approach fosters a strong partnership between us and the franchisees, contributing to the overall success and growth of ChaPanda brand.

The following table sets forth the movement of the number of our franchisees for the year indicated.

	Number of franchisees	
	Year ended 31 December	
	2025	2024
At the beginning of the period	5,742	5,538
Enrolled during the period	1,399	1,348
Terminated during the period	(1,218)	(1,144)
	<hr/>	<hr/>
At the end of the period	<u>5,923</u>	<u>5,742</u>

The following table sets forth the movement of the number of franchised stores for the period indicated.

	Number of franchised stores	
	Year ended 31 December	
	2025	2024
At the beginning of the period	8,382	7,795
Enrolled during the period	1,159	1,477
Terminated during the period	(933)	(890)
	<hr/>	<hr/>
At the end of the period	<u>8,608</u>	<u>8,382</u>

Notes:

- (1) The 1,218 franchisees with whom the collaboration was terminated as of 31 December 2025 include (i) 735 franchisees who departed through transfer of stores to other franchisees; (ii) 460 franchisees who terminated collaboration with us for their own reasons or did not renew collaboration with us upon agreement expiration; and (iii) 23 franchisees with whom the collaboration was terminated by us.
- (2) The number of franchisees with whom the collaboration was terminated as of 31 December 2025 is greater than the number of closed franchised stores during the same period, primarily because that for 735 franchisees with whom the collaboration was terminated as of 31 December 2025, their stores were taken up by other franchisees for continuous operation. With respect to the 933 closed franchised stores as of 31 December 2025, there were 467 closed franchised stores for which we also terminated relationships with the relevant franchisees, and there were 466 closed franchised stores for which we maintained relationships with the relevant franchisees as they have one or more stores under operation despite the store closure.

Product Development

Our product portfolio is centered around freshly-made tea drink, including a wide range of classic tea drinks, seasonal tea drinks and regional tea drinks. In ChaPanda stores, our classic tea drinks are typically available throughout the year, whereas seasonal tea drinks and regional tea drinks are only sold in limited time periods or certain regions, primarily depending on accessibility of relevant seasonal fruits or local specialty fruits, consumer acceptance and sales and marketing considerations.

The Group always maintains strict control over the quality of raw materials. While preserving heritage flavors, it balances product stability with product innovation, continuously deepening its understanding of consumer demands. During the Reporting Period, the Group launched 117 new tea beverage products for the domestic market, completed the upgrade and iteration of 25 products, and added 520 new product formulas to its library. During the period, the Group further focused on consumer demands and market trends, continuously expanding the product categories available in stores, such as launching the series represented by the Solid Mango Pomelo Sago (楊枝甘露) product. Simultaneously, during the Reporting Period, the Group initiated a freshly brewed coffee beverage business in some stores and launched 17 new coffee products for the domestic market, continuously advancing store coverage and product optimization in this area.

Supply Chain Management

During the Reporting Period, the Group continuously optimized the operation of its supply chain system, enhancing overall operational efficiency and optimizing the cost structure by focusing on core areas such as raw material procurement, warehousing and distribution coordination, and delivery management. As of 31 December 2025, the Group had established a total of 26 warehousing and distribution centers nationwide, with the addition of the Qingdao Warehousing and Distribution Center. This not only improved distribution coverage in the East China region but also further optimized the regional warehousing and distribution layout and resource allocation efficiency.

The warehouse and distribution centers in each region are responsible for serving the surrounding stores within an average distribution radius of 500 kilometers. Approximately 93.7% of stores can receive next day delivery after placing an order and approximately 94.3% of stores can receive delivery services twice or more times a week. The Group has also implemented overnight delivery service in Beijing, Shanghai, Chengdu and Chongqing, etc., covering over 500 stores, further enhancing the utilization efficiency of warehousing and distribution resources. Through a multi-temperature warehousing and distribution system and a regionalized layout, the Group continuously improves delivery efficiency and operational stability, ensuring the freshness and quality consistency of raw materials in stores.

As of 31 December 2025, the Group has achieved the store coverage of 80.4% for the centralized delivery of fruits to ChaPanda stores. By expanding origin procurement, and leveraging a coordinated model of trunk line transportation, urban distribution and express delivery, the Group continues to optimize the fruit supply chain. We have established a full-chain, high-frequency and cold-chain supply network, enabling efficient supply and rapid turnover of delicate fruits such as cherries, mulberries, bayberries and litchis from the production areas to the stores.

In terms of upstream raw materials layout, the Group's production base for whole leaf tea in Fuzhou, Fujian Province, and the production base for packaging materials in Chengdu, Sichuan Province, continued to carry out technological upgrading for production equipment, further improving the quality of raw materials, ensuring stable supply of tea leaves and packaging materials, and guaranteeing the quality of beverages in stores.

To meet the needs of the overseas business development of the Company, the Group proactively engaged in import and export matters in various countries and regions, improved delivery management and promoted the application of information systems to fully support the Company's overseas business development.

Branding and Marketing

The Group advances brand building with a product-centric approach, focusing on consumers' attention to product quality, taste performance, and consumption experience. It continuously improves the interaction mechanism between the brand and users, and enhances user stickiness through membership loyalty programs and incentivized referrals mechanisms, thereby optimizing the member experience and consolidating our core consumer base. As of 31 December 2025, the Group's registered members exceeded 182.7 million, with active members reaching 56.3 million.

During the Reporting Period, the Group leveraged key occasions such as new product launches, based on different consumption scenarios and user needs, to employ digital marketing and cross-industry collaborations. These efforts continuously enriched user interaction formats and brand touchpoints, driving the synergistic enhancement of product experience and brand recognition.

As of 31 December 2025, “ChaPanda” brand-related major topics were read/played 24.4 billion times on mainstream social media and public information platforms, such as Weibo, Douyin, Red Note, Kuaishou, etc., and 1.8 billion times via official matrix media on self-media platforms; and we received over 1.86 billion exposures through advertising and other means. Brand visibility and user interaction remained consistently active.

Digitalization

The Group continues to deepen its digital and intelligent marketing efforts, perfecting its omnichannel ecosystem layout. Focusing on platforms such as WeChat, Douyin, and Alipay, the Group strengthened the integration of platform capabilities and expanded transaction scenarios. This has optimized the online transaction experience and enhanced the ability to bridge public and private domain traffic. The membership marketing system was continuously optimized, and user tags were further enriched, providing data support for precision marketing. The Group persistently refined its user-friendly marketing tools, launching nine innovative interactive features and membership services for consumers. While continuing to provide marketing support to the headquarters, the Group enhanced the autonomous marketing capabilities of regional branches and stores by establishing regional marketing workstations and in-store marketing tool system.

Focusing on improving store operation quality and efficiency, the Group continuously introduced artificial intelligence technologies and integrated third-party capabilities. By enhancing the data service capabilities of our site selection system, the Group optimized the investment attraction system, providing richer customer profiling tags and data tools for store evaluations. With the store as the core operational priority, the Group provided operational management with tools including store profitability models, store evaluations and store health management systems, thereby enhancing the effectiveness of supervision and store management. Building on this foundation, the Group improved supervisory efficiency through an AI-driven automated inspection function. Simultaneously, the intelligent replenishment and smart preparation systems have been implemented in over 8,000 stores, mitigating the risk of stock-outs and reducing wastage, thereby further elevating the level of refined store operations.

OUTLOOK

In 2026, the Group will continue to advance its initiatives in line with its overall development strategy. With products serving as the core foundation of our business operations, we will persistently strengthen our product research and development capabilities, enrich our category matrix and consumption scenario coverage, and deepen interaction and connection with consumers. This will further enhance product appeal and brand competitiveness, drive steady improvement in store operating performance, and expand our store network. We aim to further penetrate the domestic market while prudently expanding into overseas markets, taking into account the characteristics of each regional market. In supporting store development, the Group will continuously enhance supply chain coordination and delivery capabilities, optimize procurement and logistics efficiency, and strengthen the support provided by our digital and operational systems. This will ensure stable, long-term support for store operations and network expansion. Facing changes in the competitive landscape and market uncertainties, the Group will proactively seize structural growth opportunities, continuously strengthen cost control and risk management, improve resource allocation efficiency and operational resilience, and prudently address various challenges to promote sustainable business development.

FINANCE REVIEW

Revenue and gross profit

During the Reporting Period, the Group recorded revenue of RMB5,395.1 million, representing an increase of 9.7% as compared to RMB4,918.0 million for the same period of last year; gross profit of RMB1,753.8 million, representing an increase of 14.3% as compared to RMB1,534.7 million for the same period of last year. During the Reporting Period, the Group's gross profit margin increased by 1.3 percentage points to 32.5% from 31.2% for the same period of last year, which was mainly attributable to the Group's enhanced cost control and improved warehouse logistics management.

Other income

During the Reporting Period, the Group's other income amounted to RMB97.1 million, representing a decrease of 20.0% as compared to RMB121.4 million for the same period of last year, mainly due to the reduction in government grants and bank interest income.

Gain on fair value change of financial assets at FVTPL

During the Reporting Period, the Group's gain on fair value change of financial assets at FVTPL amounted to RMB69.3 million, representing an increase of 98.6% from RMB34.9 million in the corresponding period of last year, primarily attributable to the increase in income from wealth management products subscribed by the Group during the Reporting Period.

Distribution and selling expenses

During the Reporting Period, the Group's distribution and selling expenses amounted to RMB365.4 million, representing a decrease of 7.5% as compared to RMB395.1 million for the same period of last year, mainly due to the optimisation of our expense control and management.

Administrative expenses

During the Reporting Period, the Group's administrative expenses amounted to RMB482.1 million, representing a decrease of 5.5% as compared to RMB510.2 million for the same period of last year, mainly due to the optimisation of our expense control and management.

Research and development expenses

During the Reporting Period, the Group's research and development expenses amounted to RMB31.6 million, representing a decrease of 6.5% as compared to RMB33.8 million for the same period of last year, mainly due to the optimisation of our expense control and management.

Other expenses

During the Reporting Period, the Group's other expenses amounted to RMB8.6 million, representing an increase of 168.8% as compared to RMB3.2 million for the same period of last year, mainly due to the donations to social welfare organizations.

Finance costs

During the Reporting Period, the Group's finance costs amounted to RMB3.6 million, representing a decrease of 16.3% as compared to RMB4.3 million for the same period of last year, mainly due to the reduction in the balance of lease liabilities, leading to a corresponding decline in capital occupation costs.

Income tax expense

During the Reporting Period, the Group's income tax expense amounted to RMB176.0 million, representing an increase of 23.9% as compared to RMB142.1 million for the same period of last year, mainly due to an increase in taxable income.

Profit for the year

As a result of the aforementioned changes, the Group's profit for the Reporting Period increased by 71.2% from RMB479.7 million in the same period of last year to RMB821.4 million.

Non-IFRS measures

To supplement our consolidated financial statements which are presented in accordance with IFRS, the Group also uses certain non-IFRS measures, namely, adjusted EBITDA, adjusted EBITDA margin, adjusted net profit and adjusted net profit margin, as additional financial metrics. These non-IFRS measures are not required by or presented in accordance with IFRS. The Group believes that non-IFRS measures facilitate comparisons of the Group's operating performance by eliminating potential impacts of certain items. The Group also believes that such non-IFRS measures present useful information in understanding and evaluating the Group's consolidated results of operations in the same manner as they help our management. However, the Group's presentation of such non-IFRS measures may not be comparable to similarly titled measures presented by other companies. The use of these non-IFRS measures has limitations as an analytical tool, and Shareholders and potential investors should not consider it in isolation from, or as a substitute for analysis of, the Group's results of operations or financial condition as reported under IFRS.

The following table reconciles the Group's EBITDA (non-IFRS measure), adjusted EBITDA (non-IFRS measure) and adjusted net profit (non-IFRS measure) to our profit for the year presented in accordance with IFRS, for the year indicated.

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Profit for the year	821,355	479,726
Add:		
Income tax expense	175,963	142,109
Depreciation and amortization	101,649	89,472
Finance costs	3,635	4,305
Interest income	(34,938)	(43,852)
	<hr/>	<hr/>
EBITDA (non-IFRS measure)	1,067,664	671,760
Add:		
Listing expenses charged in profit or loss ⁽¹⁾	–	7,197
Equity-settled share-based payment expenses ⁽²⁾	11,982	12,826
Loss on fair value change of redeemable shares with other preferential rights ⁽³⁾	–	145,221
	<hr/>	<hr/>
Adjusted EBITDA (non-IFRS measure)	1,079,646	837,004
	<hr/> <hr/>	<hr/> <hr/>
Adjusted EBITDA margin (non-IFRS measure)	20.0%	17.0%
	<hr/> <hr/>	<hr/> <hr/>
Profit for the year	821,355	479,726
Add:		
Listing expenses charged in profit or loss ⁽¹⁾	–	7,197
Equity-settled share-based payment expenses ⁽²⁾	11,982	12,826
Loss on fair value change of redeemable shares with other preferential rights ⁽³⁾	–	145,221
	<hr/>	<hr/>
Adjusted net profit (non-IFRS measure)	833,337	644,970
	<hr/> <hr/>	<hr/> <hr/>
Adjusted net profit margin (non-IFRS measure)	15.4%	13.1%
	<hr/> <hr/>	<hr/> <hr/>

Notes:

- (1) Listing expenses charged in profit or loss are related to the Global Offering.
- (2) Equity-settled share-based payment expenses represent the fair value of the shares granted at the date of grant taking into account the consideration for subscription of the equity interests. The item is adjusted as it is non-cash, and is not expected to result in our future cash payments.
- (3) Loss on fair value change of redeemable shares with other preferential rights represents the fair value change of redeemable shares with other preferential rights. The redeemable shares with other preferential rights were redesignated from liability to equity as a result of the termination of special rights upon listing of the Company. The item is adjusted as it is non-cash and is not expected to result in our future cash payments.

Cash and cash equivalents

As at 31 December 2025, the total balance of cash and cash equivalents of the Group was RMB3,071.4 million, representing a decrease of 13.7% as compared to RMB3,559.9 million as at 31 December 2024, mainly due to the payment of dividends to shareholders.

Inventories

As at 31 December 2025, the Group's total inventories were RMB223.3 million, representing an increase of 8.0% as compared to RMB206.8 million as at 31 December 2024. Inventories turnover days decreased from 22.1 days as of 31 December 2024 to 21.9 days as of 31 December 2025, which was basically flat.

Trade and other receivables, deposits and prepayments

The Group's trade and other receivables, deposits and prepayments decreased from RMB198.9 million as of 31 December 2024 to RMB174.1 million as of 31 December 2025. Trade receivables turnover days increased from 0.6 days as of 31 December 2024 to 1.9 days as of 31 December 2025, which was because the increase in installment payments for equipment.

Trade and other payables

The Group's trade and other payables decreased from RMB674.5 million as of 31 December 2024 to RMB551.6 million as of 31 December 2025. Trade payables turnover days decreased from 35.1 days as of 31 December 2024 to 27.7 days as of 31 December 2025, due to a reduction in payables for goods purchases from suppliers.

Bank borrowings

As of 31 December 2025, the Group did not have any bank borrowings.

Contract liabilities

The Group's contract liabilities decreased from RMB219.3 million as of 31 December 2024 to RMB135.9 million as of 31 December 2025, mainly due to the Group's enhanced support for franchisees through the introduction of an installment collection policy, which resulted in a reduction in advance payments received from franchisees.

Lease liabilities

The Group's lease liabilities decreased from RMB105.5 million as of 31 December 2024 to RMB81.0 million as of 31 December 2025, mainly due to the duly performance of lease payment obligations arising from the Company's ordinary course of operations.

Property, plant and equipment

The Group's carrying amounts of property, plant and equipment decreased from RMB216.5 million as of 31 December 2024 to RMB210.4 million as of 31 December 2025, mainly due to the normal depreciation of property, plant and equipment.

Liquidity and capital resources

The Group has adopted a prudential liquidity management policy. The Group attached great importance to the supply and acquisition of capital at any time and had sufficient stand-by banking facilities to support daily operations and meet funding needs for future development, so as to maintain stable liquidity. During the Reporting Period, the Group's business was mainly funded by cash generated from operating activities. As of 31 December 2024 and 31 December 2025, the Group's cash and cash equivalents amounted to RMB3,559.9 million and RMB3,071.4 million, respectively. The Group's cash is mainly used for the fulfillment of its business operation requirements. The Group's capital needs are satisfied by cash generated from operating activities and other future equity or debt financings.

Foreign exchange risk

The Group's principal place of business is in the PRC. The Group was mainly exposed to foreign exchange risk associated with proceeds from the Global Offering denominated in Hong Kong dollars and certain bank deposits denominated in U.S. dollars. During the Reporting Period, the Group did not conduct any foreign exchange hedging related activity. However, the Group's management, upon continuously supervising foreign exchange risk, will consider adopting appropriate hedging strategies when necessary.

Contingent liabilities

As of 31 December 2025, the Group had no significant contingent liabilities.

Capital commitments

As at 31 December 2025, the Group's capital commitments amounted to approximately RMB10.8 million, which mainly represents the capital expenditure in respect of the acquisition of property, plant and equipment and intangible assets contracted for but not provided in the historical financial information.

Pledge of assets

As at 31 December 2025, no assets of the Group were pledged by the Group.

Gearing ratio

As of 31 December 2025, the Group did not have any bank borrowings. Accordingly, no gearing ratio is presented herein.

Significant investments, material acquisitions and disposals

As of 31 December 2025, the Group neither had any significant investments (including any investments in an investee with a value of 5% or more of the Group's total assets as of 31 December 2025), nor material acquisitions or disposals in relation to subsidiaries, associates and joint ventures. We subscribed for wealth management products from financial institutions for cash management. During the Reporting Period and as at the date of this announcement, there was no information in respect of subscription for such wealth management products from a single financial institution required to be disclosed pursuant to Chapter 14, Chapter 14A or Appendix D2 of the Listing Rules. The subscription for such wealth management products did not utilize the Company's proceeds from Global Offering.

Future plans for material investments or capital assets

As at the date of this announcement, the Group does not have any future plans for material investments or capital assets other than the "Future Plans and Use of Proceeds" as disclosed in the Prospectus.

Employees and remuneration policies

As at 31 December 2025, the Group had 2,096 employees, and the total employee benefit expenses (including Directors' remuneration) during the Reporting Period was RMB469.4 million. The level of salaries and benefits was determined by the Group for its employees with reference to the market and their respective individual qualifications and abilities, and incentive mechanisms such as performance bonuses were established. The Group continued to improve employee promotion policy and career development channels, and provide staff with fair career development opportunities, to motivate internal driving force and accelerate talent growth.

The Company kept optimizing the talent development system, and adopted an online-offline combination mode, offering staff an online learning platform and rich, cutting-edge curriculum resources focusing on general, professional and talent development training topics, so as to meet the learning and development needs in different scenarios, thereby supporting staff career advancement.

For the purposes of rendering improvement to the Company's incentive mechanism, inspiring key employees to contribute their enthusiasm and creativity, facilitating sustainable growth of the Group's performance, and bringing value-added benefits to the eligible participants while enhancing the Group's value, so as to achieve the common development for both eligible participants and the Group. As considered and approved by the extraordinary general meeting of the Company held on 27 June 2023, the Company adopted the Pre-IPO Employee Incentive Scheme, and established Sichuan Tongchuang Gongjin Enterprise Management Partnership (Limited Partnership) (四川同創共進企業管理合夥企業(有限合夥)) ("Tongchuang Gongjin"), (serving as a Pre-IPO Employee Incentive Platform). 6,386,000 shares of the Company ("Share(s)") were subscribed for by Tongchuang Gongjin, representing approximately 0.4322% of the total issued Shares of the Company. The awards of underlying Shares were granted to eligible participants on 10 August 2023, and all contribution payments have been fully paid. There will be no further Shares granted by the Company after the listing pursuant to the Pre-IPO Employee Incentive Scheme. For more details of the Pre-IPO Employee Incentive Scheme, please refer to "Statutory and General Information – 5. Pre-IPO Employee Incentive Scheme" in Appendix VI to the Prospectus and the 2025 Annual Report expected to be published by the end of April 2026.

SIGNIFICANT EVENT AFTER THE REPORTING PERIOD

Save as disclosed in this announcement, since 31 December 2025 and up to the date of this announcement, the Group did not have any material events.

USE OF PROCEEDS FROM THE LISTING

The Company was listed on the Main Board of the Stock Exchange on 23 April 2024 (the “**Listing Date**”) and 147,763,400 new H Shares were issued at an offer price of HK\$17.50 per Share. After deducting underwriting commissions, fees and other expenses in relation to the Global Offering, the net proceeds from the listing amounted to approximately HK\$2,463.3 million. The proceeds from the listing were and will be utilized according to the plans disclosed in the section headed “Future Plans and Use of Proceeds” in the Prospectus, with details as follows:

Item	Percentage	Proceeds allocated for related purpose from the Listing (HK\$ million)	Utilized proceeds during the Reporting Period (HK\$ million)	Unutilized proceeds as of the end of the Reporting Period (HK\$ million)	Expected timetable for the fully utilizing of unutilized proceeds
Improve our overall operation capabilities and strengthen our supply chain	51%	1,256.3	313.7	677.4	June 2027
Develop our digitalization capabilities, and engage and train professional talents	20%	492.7	158.3	241.3	June 2027
Branding and promoting activities	12%	295.6	7.2	–	–
Promote our self-operated coffee brand and develop the coffee shop network across China	5%	123.1	24.2	97.5	June 2027
Product development and innovation, including recruiting, training and retaining in-house research and development personnel and building a research and development center at our headquarters equipped with advanced software and hardware to streamline and enhance our product development endeavors	2%	49.3	12.3	30.4	June 2027
Working capital and general corporate purposes	10%	246.3	118.1	–	–
Total	100%	2,463.3	633.8	1,046.6	

We have placed the unutilized net proceeds in interest-bearing accounts of licensed commercial banks or financial institutions in China or Hong Kong. We will comply with the PRC laws and regulations in relation to foreign exchange registration and remittance of the proceeds.

FINAL DIVIDENDS

Pursuant to the Company's profit distribution policy, it is proposed by the Board that a cash dividend of RMB0.18 (before tax) per Share for the 2025 final dividend to all Shareholders of the Company based on the total share capital of 1,477,634,250 Shares of the Company as at the date of this announcement, of which H Shareholders holding the Company's H Shares pursuant to the H Share Full Circulation carried out by the Company shall be paid in RMB; other H Shareholders shall be paid in Hong Kong dollars. The exchange rate of HK\$ will be calculated based on the average benchmark exchange rate of RMB to HK\$ as announced by the People's Bank of China for three business days before and including the date on which the 2025 annual general meeting is held. The Company will distribute a total cash dividend of RMB265,974,165.00, representing 33.04% of the profit attributable to owners of the Company for the year. The 2025 final dividend will be financed by the Company's own funds other than proceeds from the listing.

The proposed final dividend is subject to Shareholders' approval at the 2025 annual general meeting to be held on Thursday, 21 May 2026, and is anticipated to be paid on or around Tuesday, 30 June 2026.

ANNUAL GENERAL MEETING

The 2025 annual general meeting will be held on Thursday, 21 May 2026. A notice convening the 2025 annual general meeting will be published in due course.

CLOSURE OF REGISTER OF MEMBERS

Annual General Meeting

For the purpose of determining the Shareholders' rights to attend and vote at the 2025 annual general meeting, the record date will be fixed at Thursday, 21 May 2026, and the register of members of the Company will be closed from Monday, 18 May 2026 to Thursday, 21 May 2026 (both days inclusive), during which period no transfer of H Shares will be registered.

In order to be eligible to attend and vote at the 2025 annual general meeting, holders of H Shares shall lodge transfer documents with the Company's H Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on Friday, 15 May 2026.

2025 Final Dividend

For the purpose of determining the entitlement to the proposed 2025 final dividend, the record date will be fixed at Monday, 1 June 2026, and the register of members of the Company will be closed from Thursday, 28 May 2026 to Monday, 1 June 2026 (both days inclusive), during which period no transfer of H Shares will be registered.

In order to be entitled to the proposed 2025 final dividend (subject to the approval by the Shareholders at the 2025 annual general meeting), holders of H Shares of the Company shall lodge transfer documents with the Company's H Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 27 May 2026.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of Shareholders and to enhance corporate value and accountability. The Company has adopted the corporate governance code set out in Appendix C1 to the Listing Rules (the “**Corporate Governance Code**”) as its own code of corporate governance. During the year ended 31 December 2025, to the best knowledge of the Directors, the Company has complied with all applicable code provisions in Part 2 of the Corporate Governance Code. The Board will continue to review and monitor the corporate governance practices of the Company with the aim of maintaining a high standard of corporate governance.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 of the Listing Rules (the “**Model Code**”) as the code of conduct for securities transactions by Directors and Supervisors. During the year ended 31 December 2025, having made specific enquiry of all Directors and Supervisors, each of the Directors and Supervisors acknowledged that he/she had complied with the Model Code during the Reporting Period.

PURCHASE, SALE AND REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company (including sale of treasury shares (as defined under the Listing Rules)). As at 31 December 2025, the Company did not hold any treasury shares.

REVIEW OF THE ANNUAL RESULTS BY AUDIT COMMITTEE

The Audit Committee of the Board comprises Dr. Chen Da as a non-executive Director and Mr. Yeung Chi Tat and Ms. Cheng Li as independent non-executive Directors, and Mr. Yeung Chi Tat is the chairman of the Audit Committee. The Audit Committee has reviewed the accounting principles and practices adopted by the Group and discussed financial reporting matters with the management of the Company, and has also reviewed the Group’s audited consolidated annual results for the year ended 31 December 2025.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in the preliminary announcement have been agreed by the Group’s auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board of Directors on 27 March 2026. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND THE 2025 ANNUAL REPORT

This annual results announcement is published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.chabaidao.com). The Company will release its 2025 annual report and publish it on the websites of the Stock Exchange and the Company in due course.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

	NOTE	2025 RMB'000	2024 RMB'000
Revenue	3	5,395,068	4,917,997
Cost of sales		<u>(3,641,229)</u>	<u>(3,383,318)</u>
Gross profit		1,753,839	1,534,679
Other income	4a	97,074	121,424
Loss on fair value change of redeemable shares with other preferential rights		–	(145,221)
Other gains and losses, net	4b	52,845	82,404
Distribution and selling expenses		(365,398)	(395,139)
Administrative expenses		(482,132)	(510,245)
Research and development expenses		(31,570)	(33,764)
Other expenses		(8,610)	(3,210)
Listing expenses		–	(7,197)
Share of results of an associate and a joint venture		(15,095)	(17,591)
Finance costs		<u>(3,635)</u>	<u>(4,305)</u>
Profit before taxation		997,318	621,835
Income tax expense	5	(175,963)	(142,109)
Profit for the year	6	<u>821,355</u>	<u>479,726</u>
Other comprehensive expense			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Fair value loss on investments in equity instruments at fair value through other comprehensive income (“FVTOCI”)		(192,020)	(376,584)
Income tax relating to item that will not be reclassified subsequently to profit or loss		<u>8,813</u>	<u>59,927</u>
		<u>(183,207)</u>	<u>(316,657)</u>
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		<u>(5,656)</u>	<u>6,628</u>
Other comprehensive expense for the year, net of income tax		<u>(188,863)</u>	<u>(310,029)</u>
Total comprehensive income for the year		<u><u>632,492</u></u>	<u><u>169,697</u></u>

	<i>NOTE</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Profit for the year attributable to:			
– Owners of the Company		804,897	472,184
– Non-controlling interests		16,458	7,542
		821,355	479,726
Total comprehensive income for the year Attributable to:			
– Owners of the Company		616,034	162,155
– Non-controlling interests		16,458	7,542
		632,492	169,697
Earnings per share (in RMB)			
Basic	8	0.547	0.336
Diluted		0.545	0.335

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025

	<i>NOTE</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Non-current assets			
Property, plant and equipment		210,426	216,485
Right-of-use assets		117,048	139,954
Intangible assets		109,252	98,833
Investments in an associate and a joint venture		19,111	36,909
Equity instruments at FVTOCI	<i>9</i>	276,564	466,978
Financial assets at fair value through profit or loss ("FVTPL")	<i>11</i>	407,279	217,000
Other receivables and prepayments	<i>10</i>	32,420	29,579
Deferred tax assets		159,391	150,533
		<u>1,331,491</u>	<u>1,356,271</u>
Current assets			
Inventories		223,346	206,824
Trade and other receivables, deposits and prepayments	<i>10</i>	174,074	198,893
Amounts due from related parties		607	607
Financial assets at FVTPL	<i>11</i>	28,634	171,465
Cash and cash equivalents		3,071,435	3,559,917
		<u>3,498,096</u>	<u>4,137,706</u>
Current liabilities			
Trade and other payables	<i>12</i>	551,562	674,522
Contract liabilities		93,610	136,886
Income tax payables		29,667	27,124
Lease liabilities		39,628	40,743
Dividend payable	<i>7</i>	–	531,948
		<u>714,467</u>	<u>1,411,223</u>
Net current assets		<u>2,783,629</u>	<u>2,726,483</u>
Total assets less current liabilities		<u>4,115,120</u>	<u>4,082,754</u>

	<i>NOTE</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Non-current liabilities			
Contract liabilities		42,282	82,423
Lease liabilities		41,412	64,766
Deferred tax liabilities		12,602	1,872
		<u>96,296</u>	<u>149,061</u>
Net assets		<u>4,018,824</u>	<u>3,933,693</u>
Capital and reserves			
Share capital	<i>13</i>	147,763	147,763
Reserves		3,827,933	3,761,418
		<u>3,975,696</u>	<u>3,909,181</u>
Equity attributable to owners of the Company		43,128	24,512
Non-controlling interests		<u>4,018,824</u>	<u>3,933,693</u>
Total Equity		<u>4,018,824</u>	<u>3,933,693</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

1. GENERAL INFORMATION

四川百茶百道實業股份有限公司(Sichuan Baicha Baidao Industrial Co., Ltd.) (the “Company”) was incorporated in the PRC on 31 December 2020 as a joint stock company under the Company Law of the PRC. Its parent is 四川恒盛合瑞實業集團有限公司(Sichuan Hengsheng Herui Industrial Group Co., Ltd.*) (“Hengsheng Herui”) (established in the PRC) and its ultimate parent is 成都錦柏森企業管理有限公司(Chengdu Jinboson Enterprise Management Co., Ltd.*) (“Chengdu Jinboson”) (established in the PRC). Its ultimate controlling parties are Mr. Wang Xiaokun (王霄錕) and his spouse Ms. Liu Weihong (劉洧宏) (collectively the “Controlling Shareholders”), and Mr. Wang Xiaokun is also the chairman and an executive director of the Company. The shares of the Company had been listed on the Main Board of the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 23 April 2024 (the “Listing”).

The Company acts as an investment holding company and its subsidiaries are engaged in the business of sales of equipment and goods to franchisees, as well as provision of royalty and franchising services to franchisees. The principal operations and geographic markets of the Company and its subsidiaries (the “Group”) are in the PRC.

The consolidated financial statements are presented in Renminbi (“RMB”), which is also the functional currency of the Company.

* *English name is for identification purpose only.*

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

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

In the current year, the Group has applied the following amendments to IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”) for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2025 for the preparation of the consolidated financial statements:

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

New and amendments to IFRS Accounting Standards in issue but not yet effective

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

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

¹ Effective for annual periods beginning on or after a date to be determined

² Effective for annual periods beginning on or after 1 January 2026

³ Effective for annual periods beginning on or after 1 January 2027

Except for the new IFRS Accounting Standard mentioned below, these new and amendments to IFRS Accounting Standards are not expected to have a material impact on consolidated financial statements in the foreseeable future.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 *Presentation of Financial Statements*. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss, provides disclosures on management-defined performance measures in the notes to the financial statements and improves aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, and IFRS 7 *Financial Instruments: Disclosures*. Minor amendments to IAS 7 *Statements of Cash Flows* and IAS 33 *Earnings per Share* are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of IFRS 18 on the Group's consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

The Group's revenue is primarily derived from the sales of goods and equipment to franchisees and royalty and franchising income from franchisees in the PRC. The franchisees of the Group would usually settle by prepayments, except for the certain sales of equipment and royalty income which is usually granted a credit period of 30 days in accordance with the terms of the contract.

(i) Disaggregation of revenue from contracts with customers

Types of goods or service

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Sale of goods and equipment:		
– Goods	4,970,974	4,450,249
– Equipment	149,779	202,133
	<u>5,120,753</u>	<u>4,652,382</u>
Royalty and franchising income:		
– Non-refundable upfront initial fee	83,718	107,558
– Royalty income	94,310	92,279
– Pre-opening training services	13,623	13,567
	<u>191,651</u>	<u>213,404</u>
Others	<u>82,664</u>	<u>52,211</u>
Total	<u><u>5,395,068</u></u>	<u><u>4,917,997</u></u>

Timing of revenue recognition

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Timing:		
– A point in time	5,188,647	4,686,952
– Over time	206,421	231,045
	<u>5,395,068</u>	<u>4,917,997</u>
Total	<u><u>5,395,068</u></u>	<u><u>4,917,997</u></u>

(ii) Segment information

Information is reported to Mr. Wang Xiaokun, who is one of the Controlling Shareholders and also chairman of the board of directors of the Company, being the chief operating decision maker (“CODM”) of the Group, for the purposes of resource allocation and performance assessment. No other analysis of the Group's results nor assets and liabilities is regularly provided to the CODM for review and the CODM reviews the overall results and financial position of the Group as a whole. Accordingly, the CODM has identified one operating segment and only entity-wide disclosures on revenue, major customers and geographical information are presented in accordance with IFRS 8 Operating Segments.

4a. OTHER INCOME

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Government grant	57,870	71,999
Interest income on:		
– bank deposits and certificate of deposit	34,938	43,852
Compensations received	3,222	4,248
Others	1,044	1,325
	<u>97,074</u>	<u>121,424</u>

4b. OTHER GAINS AND LOSSES, NET

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Loss on disposal of property, plant and equipment	(145)	(387)
Gain on fair value change of financial assets at FVTPL	69,283	34,901
Net foreign exchange (loss)/gain	(15,206)	48,332
Others	(1,087)	(442)
	<u>52,845</u>	<u>82,404</u>

5. INCOME TAX EXPENSE

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current tax:		
PRC Enterprise Income Tax (“EIT”)	165,278	148,769
Deferred tax:		
Current year	10,685	(6,660)
	<u>175,963</u>	<u>142,109</u>

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and implementation regulations of the EIT Law, the statutory EIT rate of the subsidiaries of the Company operating in the PRC is 25% for both years, unless otherwise specified above.

6. PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Auditor's remuneration	3,522	2,530
Directors', supervisors' and chief executive's remuneration	11,456	16,536
Other staff costs		
– Salaries and other allowances	414,866	373,761
– Retirement benefit scheme contributions	34,767	32,965
– Equity-settled share-based expense	8,277	8,860
	<hr/>	<hr/>
Total staff costs	469,366	432,122
	<hr/>	<hr/>
Cost of inventories recognised as expenses	3,369,596	3,109,473
Depreciation of property, plant and equipment	25,268	21,237
Depreciation of right-of-use assets	46,729	48,458
Amortisation of intangible assets	29,652	19,777
	<hr/>	<hr/>
Total depreciation and amortisation	101,649	89,472
	<hr/> <hr/>	<hr/> <hr/>

7. DIVIDENDS

	2025 RMB'000	2024 <i>RMB'000</i>
Dividends for equity shareholders of the Company recognised as distribution during the year	<u>561,501</u>	<u>531,948</u>

Subsequent to the end of the Reporting Period, a final dividend in respect of the year ended 31 December 2025 of RMB0.18 (2024: RMB0.20) (before tax) per ordinary share, in an aggregate amount of RMB265,974,000 (2024: RMB295,527,000), has been proposed by the directors of the Company and is subject to approval by the shareholders at the forthcoming annual general meeting.

Year ended 31 December 2025

On 28 March 2025, the board of directors of the Company proposed 2024 annual dividend distribution of RMB295,527,000, representing HK\$0.22 (equivalent to approximately RMB0.20) per share, which was approved by the shareholders of the Company on 21 May 2025. The amount of RMB295,527,000 was paid to shareholders during the current period.

On 29 August 2025, the board of directors of the Company proposed 2025 interim dividend distribution of RMB265,974,000, representing HK\$0.20 (equivalent to approximately RMB0.18) per share, which was approved by the shareholders of the Company on 23 September 2025. The amount of RMB265,974,000 was paid to shareholders during the current period.

8. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

Earnings:

	2025 RMB'000	2024 <i>RMB'000</i>
Earnings for the purpose of calculating basic and diluted earnings per share:		
Profit for the year attributable to owners of the Company	<u>804,897</u>	<u>472,184</u>

Number of shares:

	Number of ordinary shares	
	2025	2024
Weighted average number of ordinary shares for the purpose of basic earnings per share (<i>Note (i)</i>)	1,471,643,250	1,403,529,370
Effect of dilutive potential ordinary shares:		
Dilutive effect of shares issued for Pre-IPO Employee Incentive Scheme	<u>5,307,600</u>	<u>4,002,699</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share (<i>Note (ii)</i>)	<u>1,476,950,850</u>	<u>1,407,532,069</u>

Notes:

- (i) For the year ended 31 December 2024, the weighted average number of ordinary shares for the purpose of basic earnings per share is determined on the assumption that the Share Subdivision as described in Note 13 had been effective at the beginning of the year.
- (ii) The computation of diluted earnings per share for the year ended 31 December 2024 does not assume the removal of other preferential rights attached on the Company's shares granted to the Pre-IPO Investors (the "Removal") and the exercise of over-allotment options as the Removal would result in an increase in earnings per share and the exercise price of those options was higher than the average market price of the shares over the over-allotment period.

9. EQUITY INSTRUMENTS AT FVTOCI

During the year ended 31 December 2024, the Group purchased equity instruments in certain listed entities through wholly-owned funds at cash consideration of RMB511,700,000 and directly purchased equity instruments in certain listed entities at cash consideration of RMB331,862,000. These investments are not held for trading, instead, they are held for long-term strategic purposes. The directors of the Company have elected to designate these investments in equity instruments at FVTOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential.

During the year ended 31 December 2025, due to the liquidation of a wholly owned fund, the underlying equity investments originally managed by the fund have been fully disposed and been repurchased through another investment platform within a short period of time. As a result, there is no substantial change to the holding of these equity investments by the Group.

As at 31 December 2025, the carrying amount of equity instruments at FVTOCI is RMB276,564,000 (2024: RMB466,978,000), net of fair value loss recognised in the other comprehensive expense of RMB389,473,000 (2024: RMB376,584,000).

10. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current		
Trade receivables (<i>Note (i)</i>)	45,674	9,274
Other receivables	7,127	10,555
Value-added tax recoverable	30,686	21,508
Lease deposits	3,210	1,182
Advances to staff	3,239	1,422
Prepayments to third parties		
– raw materials and others	40,926	31,129
– advertising services (<i>Note (ii)</i>)	43,212	123,823
	<u>174,074</u>	<u>198,893</u>
Non-current		
Lease deposits	7,293	6,047
Prepayments for construction in progress	–	1,111
Prepayments for advertising services (<i>Note (ii)</i>)	25,127	22,421
	<u>32,420</u>	<u>29,579</u>
Total	<u><u>206,494</u></u>	<u><u>228,472</u></u>

Notes:

- (i) The Group's trade receivables are mainly generated from certain royalty and franchising business and sales of equipment. These primarily relate to a large number of independent shops for whom there is no significant financial difficulty and based on past experience and management's assessment, the overdue amounts can be recovered. The Group does not hold any collateral or other credit enhancements over its trade receivable balances.
- (ii) The amounts represent certain agreements entered between the Group and various third parties for future advertising services, of which amount of RMB25,127,000 (2024: RMB22,421,000) are not expected to be utilized within twelve months from the end of the Reporting Period. Therefore, the corresponding portion of prepayments are classified as non-current assets.

As at 1 January 2024, trade receivables amounted to RMB7,191,000.

10. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS - continued

The following is an aged analysis of trade receivables, presented based on the dates of delivery of goods and equipment/rendering of franchising service at the end of the year.

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 90 days	40,439	9,274
91 to 180 days	3,903	–
181 to 365 days	700	–
Over 365 days	632	–
	<u>45,674</u>	<u>9,274</u>

The management of the Group closely monitors the credit quality of trade and other receivables and considers whether the debts are of a good credit quality.

The Group allows a credit period of 30 days to its franchisees for the royalty and franchising business and sales of equipment.

11. FINANCIAL ASSETS AT FVTPL

Financial assets mandatorily measured at FVTPL:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current		
Unlisted funds (<i>Note (i)</i>)	<u>28,634</u>	<u>171,465</u>
Non-current		
Investment in ordinary shares with other preferential rights	224,000	217,000
Unlisted funds	<u>183,279</u>	<u>–</u>
	<u>407,279</u>	<u>217,000</u>
Total	<u><u>435,913</u></u>	<u><u>388,465</u></u>

Note:

- (i) Unlisted funds are classified as current as the management expects to realize these financial assets within twelve months after the Reporting Period.

12. TRADE AND OTHER PAYABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade payables (<i>Note (i)</i>)	249,095	295,017
Deposits (<i>Note (ii)</i>)	119,678	116,337
Operational support service fees (<i>Note (iii)</i>)	24,049	22,792
Other payables	69,141	115,654
Payroll payable	58,282	86,548
Other tax payable	31,317	38,174
	<u>551,562</u>	<u>674,522</u>

Notes:

- (i) The outstanding payables mainly represent the amounts payable to suppliers of the finished goods and equipment as at 31 December 2025 and 2024.
- (ii) These amounts represent deposits received from franchisees which will be refunded at the end of their respective franchise periods unless renewals were made.
- (iii) The amounts mainly represent service fees payable to regional agents for assisting the Group to provide operational support services mainly in relation to the franchise network in new regions and also managing and maintaining those corresponding franchisees based on the regional agency contracts.

The credit period of trade payables is generally from 30 to 90 days from the invoice date.

The following is an aged analysis of trade payables presented based on the invoice date at the end of each Reporting Period.

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 90 days	244,722	275,361
91 to 365 days	4,042	19,373
Over 365 days	331	283
	<u>249,095</u>	<u>295,017</u>

13. SHARE CAPITAL

	Number of shares	Amount RMB'000
Ordinary shares of RMB1 each (before Share Subdivision) and RMB0.1 each (after Share Subdivision) (<i>Note (i)</i>)		
Authorised:		
At 1 January 2024	132,987,085	132,987
Increase on Share Subdivision (<i>Note (i)</i>)	1,196,883,765	–
Increase on issuance of new shares upon the IPO (<i>Note (ii)</i>)	147,763,400	14,776
At 31 December 2024 and 31 December 2025	1,477,634,250	147,763
Issued and fully paid:		
At 1 January 2024	125,638,600	125,639
Conversion of redeemable shares with other preferential rights upon the IPO (<i>Note (iii)</i>)	7,348,485	7,348
Share Subdivision (<i>Note (i)</i>)	1,196,883,765	–
Increase on issuance of new shares upon the IPO (<i>Note (ii)</i>)	147,763,400	14,776
At 31 December 2024 and 31 December 2025	1,477,634,250	147,763

Notes:

- (i) Pursuant to the resolution of the shareholders dated 10 August 2023, the shares are split on a one-for-ten basis immediately prior to the Listing, and the nominal value of the shares is changed from RMB1.0 each to RMB0.1 each (the “Share Subdivision”). Immediately after the Share Subdivision, the authorised share capital of the Company is RMB132,987,000 with 1,329,870,850 shares in a nominal value of RMB0.1 each.
- (ii) On 24 April 2024, the Company was successfully listed on the Main Board of the Stock Exchange following the completion of issuance of 147,763,400 new shares of RMB0.1 each issued at an offer price of HK\$17.50 (equivalent to approximately RMB15.87) per share and the total proceed was HK\$2,585,860,000 (equivalent to approximately RMB2,345,038,000).
- (iii) Pursuant to the capital increase and shareholders agreements entered into on 22 May 2023 and 19 June 2023 (the “Agreements”), respectively, the Company issued 7,348,485 shares of the Company attached with certain special rights to Tower Quality Limited, 上海檀英投資合夥企業(有限合夥) (Shanghai Tanying Investment Partnership (Limited Partnership)*), 蘇州悅享股權投資合夥企業(有限合夥) (Suzhou Yuexiang Equity Investment Partnership (Limited Partnership)*), 成都新津昇望交子新消費股權投資基金合夥企業(有限合夥) (Chengdu Xinjin Shengwang Jiaozi New Consumer Equity Investment Fund Partnership (Limited Partnership)*), 南京黃番茄股權投資合夥企業(有限合夥) (Nanjing Yellow Tomato Equity Investment Partnership (Limited Partnership)*) and 中金同富(泉州)消費產業創業投資基金合夥企業(有限合夥) (CICC Tongfu (Quanzhou) Consumer Industry Venture Capital Fund Partnership (Limited Partnership)*) (the “Pre-IPO Investors”). The aforesaid transaction (“Pre-IPO Investments”) was completed on 27 June 2023.

Upon the Listing on 24 April 2024, certain redemption and other preferential rights originally granted to the Pre-IPO Investors were terminated, and 7,348,485 shares of redeemable shares with other preferential rights were converted into ordinary shares of the Company.

* *English name is for identification purpose only.*

By order of the Board
Sichuan Baicha Baidao Industrial Co., Ltd.
Mr. WANG Xiaokun
Executive Director and Chairman of the Board

Chengdu, the PRC, 27 March 2026

As at the date of this announcement, the Board comprises Mr. Wang Xiaokun, Mr. Wang Hongxue, Ms. Dai Li and Mr. Chen Keyuan as executive directors; Dr. Chen Da as non-executive director; and Mr. Yeung Chi Tat, Dr. Tang Yong and Ms. Cheng Li as independent non-executive directors.