GUOQUAN FOOD (SHANGHAI) CO., LTD.
鍋圈食品(上海)股份有限公司
(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 2517)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

HIGHLIGHTS OF INTERIM RESULTS FOR 2026

- The revenue for the six months ended 30 June 2026 was RMB3,946.9 million, representing an increase of 21.8% as compared to the first half of 2025.
- The gross profit for the six months ended 30 June 2026 was RMB848.6 million, representing an increase of 18.3% as compared to the first half of 2025. The gross profit margin for the six months ended 30 June 2026 was 21.5%, compared to 22.1% in the first half of 2025.
- The net profit for the six months ended 30 June 2026 was RMB213.2 million, representing an increase of 12.1% as compared to the first half of 2025.
- The core operating profit (Non-IFRS measure)[Note] for the six months ended 30 June 2026 was RMB225.0 million, representing an increase of 18.3% as compared to the first half of 2025.
- The basic and diluted earnings per share for the six months ended 30 June 2026 was RMB0.0807, representing an increase of 18.0% as compared to the first half of 2025.

Note:

Core operating profit is defined as net profit excluding items affecting comparability. Core operating profit is not an International Financial Reporting Standards measure. For details, please refer to the section headed "Management Discussion and Analysis – Non-IFRS Measures" in this announcement.

The Board of Directors (the "**Board**") of Guoquan Food (Shanghai) Co., Ltd. (the "**Company**") is pleased to announce the unaudited interim condensed consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2026 (the "**Reporting Period**") prepared in accordance with the International Accounting Standard 34 ("**IAS 34**") Interim Financial Reporting, together with the comparative figures for the corresponding period for the six months ended 30 June 2025. These results have been reviewed by the Audit and Risk Management Committee of the Board.

In this announcement, "we", "us" and "our" refer to the Company or the Group, as the context may require.

BUSINESS REVIEW AND OUTLOOK

OVERALL BUSINESS AND FINANCIAL PERFORMANCE

Omni-channel instant retail network

The Group has established a large-scale one-stop home meal products instant retail store network in China. The Group's extensive nationwide instant retail store network with wide geographic coverage contributed to enhancing brand awareness and was also conducive to generating consumer insights and thereby improving the Group's responses to the rapidly changing market trends across different regions. Supported by strong supply chain capabilities, the rapid expansion of instant retail store network has reached cities across all tiers, while higher store density has improved the efficiency of logistics and transportation. Moreover, the Group's instant retail stores provided consumers with both online and offline shopping options, achieving extensive consumer reach.

In the first half of 2026, adhering to the strategy of "community central kitchen", the Group successfully established a holistic and instant retail store network through a multi-channel, multi-scenario layout and the deep integration of online and offline operating models, providing consumers with the "Guoquan Instant Commerce" shopping experience. The Group closely aligned with the all-scenario dining concept of "One Home, Three Tables, Five Meals", deeply explored consumer demands across various scenarios, continuously developed and iterated a diverse product portfolio of set meal products, comprehensively advanced the adjustment, upgrade and refined operation management of its stores, and improved the development of its membership ecosystem, effectively enhancing store operational efficiency and market competitiveness. The number of stores increased from 10,400 as at 30 June 2025 to 12,198 as at 30 June 2026, covering 31 provinces, autonomous regions and municipalities in Chinese Mainland, as well as Hong Kong Special Administrative Region of the PRC. In the first half of 2026, the Group added 997 operating stores and reduced 365 operating stores. Based on an in-depth understanding of markets in lower-tier markets, the Group also achieved outstanding performance in the expansion of stores in township-level markets. There were 367 net new township-level stores in the first half of 2026. As of 30 June 2026, the number of stores in township-level market reached 3,377. The new township-level stores differ in product structure, store display and other aspects from the standard community stores, better meeting the needs of consumers from township-level markets. The Group continues to drive innovative store formats and expand its scenario boundaries. In addition to 24-hour unmanned retail stores, the Group completed the large-store format upgrades for 684 stores in the first half of 2026. Leveraging the presentation of an enriched product portfolio and the creation of all-day consumption scenarios, the upgraded stores effectively drove the growth of store sales. The Group also successfully opened 96 camping stores in the first half of 2026, covering emerging consumption scenarios such as outdoor gatherings and countryside leisure, which achieves full-dimensional coverage of family home scenarios and outdoor leisure scenarios.

The table below sets forth the total number of franchised stores and self-operated stores of the Group as of 30 June 2026.

	As of 30 June			
	2026		2025	
	Number of stores	**%**	Number of stores	%
Franchised stores	**12,190**	**99.9**	10,386	99.9
Self-operated stores	**8**	**0.1**	14	0.1
Total	**12,198**	**100.0**	10,400	100.0

The Group recorded a total revenue of RMB3,946.9 million in the first half of 2026, representing a year-on-year increase of 21.8%. The table below sets forth a breakdown of the Group's product sales revenue contributions by channel during the Reporting Period:

	For the six months ended 30 June			
	2026		2025	
	Amount	**%**	Amount	%
	(RMB in thousands, except for percentages)			
Sales of meal products and related products				
Sales to franchisees	**3,169,607**	**82.4**	2,595,034	82.2
Other sales channels [(1)]	**679,058**	**17.6**	560,365	17.8
Total	**3,848,665**	**100.0**	3,155,399	100.0

Note:

(1) Other sales channels primarily include (i) sales to enterprise customers, including food wholesalers, supermarkets, restaurants and other enterprises; and (ii) direct sales to end consumers.

Revenue from sales of products to existing franchised stores [(2)] was RMB2,581.5 million for the first half of 2026, compared to RMB2,404.4 million for the first half of 2025, representing a year-on-year increase of 7.4%.

Note:

(2) Existing franchised stores refer to franchised stores that opened before the first day of the prior period and remained open as of the last day of the Reporting Period.

The franchise business model contributed significantly to the growth of the Group's revenue, market share and brand recognition. The Group believes the effective and systematic management of our franchisees is critical to the success of our business. The Group considers each franchised store to be a conveyance of our business philosophy and brand image. Therefore, the Group values each of our franchisees beyond merely as a business partner, but also as a teammate who was committed to our business philosophy and motivated to grow our brand and store network with us. The Group strives to continuously support and empower our franchisees in store operations and business development and provides comprehensive training for franchisees and their employees to help our franchised stores succeed.

The franchised stores are managed by the Group's regional management teams. The regional management teams provide support and guidance for franchisees with respect to market development and store operating strategies, among others. With the support of the Group's headquarters and management by our regional teams, the Group is able to empower and serve franchisees more effectively to drive their sales growth and, in turn, our revenue.

To empower franchisees and facilitate their sales growth as well as further expand consumer reach and offer more flexible shopping experience, the Group has also developed multiple online sales networks, including the Group's Guoquan APP, WeChat mini-program, third-party food delivery platforms as well as on popular social commerce platforms such as Douyin to promote interplay between offline stores and online leads. In the first half year of 2026, the Group achieved over 6.97 billion impressions on platforms through its multi-level Douyin accounts matrix, representing a year-on-year increase of 117.8%. Stores generated GMV of RMB0.91 billion via the Douyin channel, representing a year-on-year increase of 97.2%. Through the spread of popular social media commerce platforms, the Group interacted more and had wider connection with consumers.

Membership management

The Group's membership program has built close online and offline connections and engagement with consumers and fostered consumer loyalty. In the first half of 2026, the number of the Group's registered members reached approximately 82.0 million, representing a year-on-year increase of 63.0%. Meanwhile, in the first half of 2026, the consumption amount of the members accounted for 73.2% of the Group's total sales, representing a year-on-year increase of 12 percentage points.

Meal products brand and product portfolio

The Group is committed to enhancing the efficiency of at-home food preparation, providing consumers with efficient solutions for at-home food. Our home meal products that are mainly ready-to-eat, ready-to-heat, ready-to-cook products or prepared ingredients provide consumers with an efficient and easy way to prepare a meal at home, regardless of their levels of cooking skills. Meal products offered by the Group aim to strike the balance of nutrition, taste, hygiene and efficiency. The Group's product offerings conveniently meet consumers' diverse dining demands in a one-stop shop manner, encompassing hotpot soup base, condiments, meatballs, shrimp paste, meat, vegetables, drinks and beverages, pots and grills, etc.

In the first half of 2026, the Group has continuously implemented the philosophy of providing consumers with "tasty, convenient and value-for-money" meal products. By firmly adhering to the strategy of community central kitchen, we launched new products and upgraded existing products from time to time. During the Reporting Period, we have introduced a total of 139 new SKUs of hot pot and barbecue products. To better satisfy changing demands and preferences of consumers, the Group constantly expanded and iterated its product portfolio, and successively launched or updated multiple set meals, such as "Barbecue Camping Container Set", "Chongqing Wanzhou Grilled Fish Pot", "Crayfish Freedom Bucket", etc. Moreover, the Group also elevated its drinks and beverage menu with a variety of NFC fruit juices, craft beer and flavored tea beverage, further enriching purchasing options for consumers. Our rich, extensive and cost-effective products and portfolio are well received by consumers.

Meanwhile, the Group also explored and stepped up its efforts in the Guoquan Farm business, continuously enriching its high-quality product matrix. It newly launched a variety of new SKUs such as Monthong durian pulp (金枕榴槤果肉), tiger skin durian mille-feuille cake (虎皮榴蓮千層蛋糕), Beihai Cooked Salted Sea Duck Eggs (北海熟海鴨鹹蛋) and crispy mini ice cream (脆皮小雪糕), further improving the all-scenario product layout. In the first half of 2026, through online channels such as Douyin livestreaming, Guoquan Farm achieved an omnichannel paid GMV of RMB240.0 million, representing a year-on-year increase of more than 600%.

Industrial cooperation layout

The Group continued to deepen its industrial layout and promote the integrated closed-loop construction of "production, supply and marketing". Adopting a "one-product-one-factory" model, the Group has established strategic food ingredient production capabilities to achieve stronger control over the production and supply of our staple products. As of 30 June 2026, the Group totally had seven food ingredient production plants, namely, Chengming Plant (澄明工廠), Guangyuan Chengming Plant (廣元澄明工廠) and Taijiang Plant (台江工廠) for the production of condiments products, Wanlai Wanqu Plant (丸來丸去工廠), Huanhuan Plant (歡歡工廠) and Daixiaji (逮蝦記) for the production of meatballs, paste and aquatic products, and Heyi Plant (和一工廠) for the production of our beef products, forming a comprehensive and well-defined production capacity matrix. In addition, the Group's food production base in Danzhou, Hainan Province, is commencing construction. The layout of the base will further expand its geographical coverage, optimize the supply chain's radiation radius, and provide solid production capacity support and logistics convenience for the Group's continuous business expansion. The Group has continuously enhanced its bargaining power in upstream procurement, increasingly realized economies of scale of production and continuously optimized production costs by development and deployment of industry.

Meanwhile, the Group has established long-term and stable partnerships with major upstream product suppliers, which is helpful to boost production efficiency of the product and quickly launch more product portfolio. The Group's generation of a large demand from consumers across China gave rise to large-scale procurement needs, which has given the Group the ability to negotiate with suppliers from a position of strength, allowing us to secure high quality, consistent products at competitive costs. The Group's long-term stable relationship with suppliers and control over the production of our staple products further ensured the supply of high-quality food which is tasty, convenient and value-for-money to consumers.

Digital and intelligent supply chain management

Leveraging on its simplified and efficient supply chain operation mode from factory to central warehouse and to retail stores, the Group eliminated redundant intermediate links in the supply chain, improving its cost control, thus providing franchisees and consumers with cost-effective products. The cooperation with warehousing and logistics suppliers made it possible for us to deliver most orders the next day from the central warehouse to retail stores. In particular, the digitalization of the Group's supply chain comprising all core segments such as production, procurement, warehousing, and logistics allowed us to monitor the supply and demand dynamics from procurement-end to store-end and closely monitor our inventory level, enabling the Group to realise highly efficient management of our entire supply chain. By tracking and processing orders received from stores across the country through our supply chain system empowered by digitalisation, the Group was able to communicate with our upstream suppliers in advance to ensure timely availability of products for all of our stores. As at 30 June 2026, the Group established cooperation with warehousing and logistics providers, plus our 21 digitalized central warehouses across China, achieving swift circulation of products through digital stock and barcode management.

BUSINESS OUTLOOK

Build a comprehensive channel ecosystem and fully expand the sales network

The Group will continue to build a multi-level offline sales network, improve the market penetration in the covered regions, and expand the store network to new regions. In terms of store layout, the Group will be firmly advancing the coordinated development strategy of four major store formats, namely large stores in townships, large community stores, Guoquan camping stores and Guoquan stir-fry stores, to solidify the development of its offline channel ecosystem and improve store quality. The Group will continue to deepen its presence in county and rural markets, promote the expansion of large stores in townships, and thoroughly practice the philosophy of "food equality" and rely on differentiated products and operational models to continuously unlock the incremental growth potential of lower-tier markets. The Group will also continue to promote the strategic upgrading of existing community stores into large-store models. Benefiting from a more abundant supply of SKUs, more comprehensive consumption scenarios, and a superior shopping experience, the upgraded large community stores have garnered widespread recognition and favor from consumers, serving as a key driver in enhancing store efficiency. Meanwhile, the Group will persistently explore innovative consumption scenarios and store layouts, steadily replicate and promote the Guoquan camping store format, and continuously iterate and optimize the Guoquan stir-fry store format and center on all time periods and diverse consumer demands to continuously extend its business value and consistently tap into new room for growth.

The Group also will continue to strengthen the development of its online channel ecosystem, driving deep synergy and conversion between online traffic and offline stores. Relying on the instant retail scenario of "Guoquan Instant Commerce" and the premium ingredient scenario of "Guoquan Farm", the Group will continuously enhance its capabilities in online content seeding, scenario-based marketing, and traffic generation. This effectively channels targeted customer groups into offline stores nationwide and drives consumers' in-store experience and consumption. Such efforts form a highly efficient comprehensive channel traffic closed loop of "online traffic generation and accumulation, offline conversion and repurchase," continuously amplifying the reach of individual stores and empowering store performance growth and channel efficiency improvement.

Deepen the strategy of community central kitchen to expand community consumption scenarios

The Group will continue to deepen the core strategy of "community central kitchen", closely aligning with the full-scenario dining concept of "One Home, Three Tables, Five Meals", to continuously provide consumers with "delicious, convenient and affordable" one-stop catering and retail solutions. Building on the enrichment of the core scenarios of hotpot and barbecue, the Group will continuously optimise and upgrade existing core products. In addition, the Group will focus on families' all time period consumption demands for multiple daily meals, and continuously expand into such diverse products as Chinese and western cuisine, breakfast pastries, bakery and fried foods, drinks and beverages, desserts and ice products and agricultural products. By continuously optimizing its full-matrix product offerings, the Group will drive the organic growth of its overall sales scale. In addition, based on deep insights into various regional markets, the Group will precisely address the consumption preferences and demand differences in different regions, implement differentiated product strategies, and continuously build a highly market-competitive product matrix to further consolidate its leading position and market advantages in the community home-dining retail sector.

Deepen the digital and intelligent membership operation and convey the IP value proposition

The Group will continue to build and refine a comprehensive membership ecosystem, deeply empowering the refined membership operations through AI intelligent tools and digitalized systems. By leveraging the analysis of user consumption profiles and scenario preferences, the Group will achieve highly personalized precise content delivery and customized service reach, thereby deepening the tiered operation of its member base. The Group will deepen its presence on social e-commerce platforms (such as Douyin) and reach potential consumers across multiple dimensions through diversified methods, including scenario-based content seeding recommended and short-video matrix operations. This will enable the Group to continuously expand its brand reach and member scale, achieving the efficient accumulation and conversion of public and private domain traffic. Concurrently, the Group will continue to implement brand festival campaigns and in-depth community operations to deeply activate traffic at community stores and continuously unlock the consumption scenarios and consumption potential of its members. Furthermore, the Group will continue to improve its membership rights system and iteratively upgrade its membership points mall, thereby continuously strengthening user stickiness and brand recognition.

The operation of the Group's brand IP image "Guobao" is a key driver for its long-term brand building. The Group will continue to produce high-quality graphics and texts, short videos, and scenario-based content centered on the image "Guobao" that are engaging, lifestyle-oriented, and aligned with the brand tone, steadily advancing brand rejuvenation. Through these efforts, the Group seeks to continuously penetrate the user mindset, strengthen emotional resonance with consumers, and accurately convey its brand value philosophy. The Group intends to leverage the value of the IP to foster emotional connection with members and enhance their loyalty, thereby achieving mutual empowerment between brand influence and member operation effectiveness.

Promote industrial ecosystem synergy and empower supply chain management with AI

The Group will continue to uphold its "one-product-one-factory" strategy to achieve economies of scale and increase its cost advantage. The Group will fully activate existing industrial resources, leverage the deep synergies of its self-owned production facilities, achieve the interconnection and linkage between the supply chain and sales end, and enhance overall operational efficiency of the supply chain and industrial flexibility. The Group will continue to plan to expand its presence in the industry through investment or collaboration and further integrate its upstream resources and source quality food ingredients by joining hands with qualified domestic and overseas food suppliers who have market potential and can achieve synergy with the Group, developing a strong industrial supply chain. The Group will continue to advance the construction of the food production base in Danzhou, Hainan Province. Meanwhile, the Group will continue to deepen cooperation with upstream suppliers, enhance the diversity, stability and synergy of upstream production, and comprehensively enhance the Group's R&D and innovative capabilities.

The Group will continue to promote the digital and intelligent upgrade of its supply chain, deeply empowering the end-to-end process of production, dispatching, and fulfillment through AI technology and digital operations. Through digital and intelligent tools such as AI smart production scheduling, big data inventory monitoring, digitalized quality control management, and AI smart routing and order scheduling, the Group achieves the precise matching of production processes with market demand, the efficient allocation of inventory resources, and a rapid response in terminal fulfillment, thereby continuously improving production precision, resource utilization rate, and fulfillment efficiency.

Deepen the Construction of Organizational Capabilities and Empower Franchisee Management

The Group will continuously deepen the construction of its organizational capabilities, iteratively upgrade the franchisee management system, and further consolidate the two major organizations, namely the Franchisee Committee and Store Manager Hubs, to build a standardized, systematic and replicable organizational foundation for store operations. The Group will continuously optimize its internal training system and promote the efficient transmission and sharing of excellent operational methods and management experience, thereby continuously improving the overall operational efficiency of the stores. The Group will encourage existing high-quality franchisees to expand into more stores, strive to cultivate more career-oriented franchisees, promote the long-term sustainable development of their comprehensive regional businesses, and form a sound ecosystem of synergistic development and mutual benefit with the Group.

Develop overseas markets in phases to deliver the good taste of China

Leveraging its core competitiveness, the Group plans to steadily explore and establish a presence in overseas regional markets in a phased manner. With the core objectives of exporting high-quality products, replicating successful models, and sharing the tastes of China, the Group aims to gradually achieve overseas product sales, continuously enhance its global visibility and brand influence, and unlock long-term growth opportunities in international markets. The Group will focus on launching pilot store operations in Hong Kong Special Administrative Region, China and, through refining localized operations, accumulate and gather overseas operational experience, laying a solid foundation for the subsequent expansion into international regional markets and achieving a steady and orderly implementation of its overseas business.

2026 RESULTS OUTLOOK

The Group expects its total store count to exceed 13,100, representing a net addition of over 1,534 stores. The Group expects that the new stores in the second half of 2026 will predominantly adopt the large-store format, with an expected closure rate of below 4%. The Group anticipates store efficiency to achieve high single-digit growth. Registered members are expected to exceed 95 million. The Group forecasts that core operating profit for the year will achieve a stable growth.

MANAGEMENT DISCUSSION AND ANALYSIS

The following table sets out the unaudited interim condensed consolidated financial results of the Group for the six months ended 30 June 2026 and comparative figures for the six months ended 30 June 2025:

	Six months ended 30 June	
	2026	2025
	(unaudited)	(unaudited)
	RMB'000	*RMB'000*
Revenue	**3,946,859**	3,239,662
Cost of Sales	**(3,098,262)**	(2,522,262)
Gross Profit	**848,597**	717,400
Other income and gains, net	**80,688**	60,085
Selling and distribution expenses	**(383,703)**	(308,029)
Administrative expenses	**(245,686)**	(208,816)
Other expenses	**(13,174)**	(800)
Finance costs	**(5,208)**	(2,706)
Share of profits and losses of associates	**(467)**	(2,565)
Impairment losses on financial assets, net	**(849)**	(250)
Profit before tax	**280,198**	254,319
Income tax expense	**(67,014)**	(64,163)
Profit for the period	**213,184**	190,156
Profit attributable to:		
Owners of the parent	**211,246**	183,335
Non-controlling interests	**1,938**	6,821

Revenue

The following table sets forth a breakdown of the Group's revenue by nature and channel for the six months ended 30 June 2025 and 2026, in absolute dollars and as a percentage of total revenue:

	Six months ended 30 June			
	2026		2025	
	(unaudited)		(unaudited)	
	RMB'000	*%*	*RMB'000*	*%*
Sales of meal products and related products	**3,848,665**	**97.5**	3,155,399	97.4
Sales to franchisees	**3,169,607**	**80.3**	2,595,034	80.1
Other sales channels	**679,058**	**17.2**	560,365	17.3
Service income	**98,194**	**2.5**	84,263	2.6
Total	**3,946,859**	**100.0**	3,239,662	100.0

The total revenue of the Group increased by approximately 21.8% from RMB3,239.7 million for the six months ended 30 June 2025 to RMB3,946.9 million for the six months ended 30 June 2026.

Revenue from the sale of meal products and related products accounted for the majority of the Group's total revenue, representing 97.4% and 97.5% of the total revenue for the six months ended 30 June 2025 and for the six months ended 30 June 2026, respectively. Such revenue increased by approximately 22.0% from RMB3,155.4 million for the six months ended 30 June 2025 to RMB3,848.7 million for the six months ended 30 June 2026, mainly due to the fact that the Group adhered to the strategy of community central kitchen, which centered around all scenarios of dining at home to boost the growth of product sales revenue through multiple channels. Meanwhile, the Group explored the sales of non-traditional hotpot and barbecue products, such as "Golden Pillow Durian Pulp", through online channels such as Douyin livestreaming, which was widely popular among mass consumers, leading to an increase in sales to franchisees, coupled with an increase in sales to corporate customers. Service income increased by approximately 16.5% from RMB84.3 million for the six months ended 30 June 2025 to RMB98.2 million for the six months ended 30 June 2026, mainly because the number of franchised stores in 2026 was more than that in 2025.

Cost of Sales

Cost of sales increased by approximately 22.8% from RMB2,522.3 million for the six months ended 30 June 2025 to RMB3,098.3 million for the six months ended 30 June 2026, mainly due to the increase in the cost of inventories sold as a result of the increase in product sales volume.

Gross Profit and Gross Profit Margin

Gross profit increased by 18.3% from RMB717.4 million for the six months ended 30 June 2025 to RMB848.6 million for the six months ended 30 June 2026, and gross profit margin slightly decreased from 22.1% for the six months ended 30 June 2025 to 21.5% for the six months ended 30 June 2026, mainly due to the fact that certain non-traditional hotpot and barbecue products introduced by the Group, such as "Golden Pillow Durian Pulp", lowered the Group's gross profit margin, coupled with an increase in the prices of certain raw materials for some products. This represented a slight increase as compared to the gross profit margin of 21.2% for the second half of 2025, primarily attributable to the improvement in the supply chain efficiency of the Group.

Other Income and Gains, Net

Other income and gains, net increased by 34.3% from RMB60.1 million for the six months ended 30 June 2025 to RMB80.7 million for the six months ended 30 June 2026, mainly due to an increase in government grants related to income.

Selling and Distribution Expenses

Selling and distribution expenses increased by 24.6% from RMB308.0 million for the six months ended 30 June 2025 to RMB383.7 million for the six months ended 30 June 2026. This was mainly due to the increased expenses of the Group such as warehousing costs and sales staff benefit expenses and travel expenses accompanied by the business expansion, as well as the newly incurred expenses of the Group in connection with matters relating to the adjustment and remodeling of franchisees' large stores.

Administrative Expenses

Administrative expenses increased by 17.7% from RMB208.8 million for the six months ended 30 June 2025 to RMB245.7 million for the six months ended 30 June 2026, mainly due to an increase in the Group's management employee benefit expenses accompanied by the business expansion.

Other Expenses

Other expenses increased from RMB0.8 million for the six months ended 30 June 2025 to RMB13.2 million for the six months ended 30 June 2026, mainly due to total expenses of RMB11.8 million incurred as a result of the Group losing a lawsuit in relation to a dispute with a supplier over import agency matters.

Profit Before Tax

As a result of the above, the Group recorded a profit before tax of RMB280.2 million for the six months ended 30 June 2026, representing an increase of approximately 10.2% as compared to RMB254.3 million for the six months ended 30 June 2025.

Income Tax Expense

Income tax expense increased by approximately 4.4% from RMB64.2 million for the six months ended 30 June 2025 to RMB67.0 million for the six months ended 30 June 2026, which was mainly due to the increase in the Group's taxable income.

Profit for the Period

As a result of the foregoing, the net profit of the Group increased by approximately 12.1% from RMB190.2 million for the six months ended 30 June 2025 to RMB213.2 million for the six months ended 30 June 2026. The net profit margin of the Group decreased from 5.9% for the six months ended 30 June 2025 to 5.4% for the six months ended 30 June 2026.

Non-IFRS Measures

To supplement the Group's consolidated financial information prepared and presented in accordance with International Financial Reporting Standards, the Group also uses core operating profit and core operating margin (each a non-IFRS measure) as additional financial measures to further exclude items affecting comparability. We consider both quantitative and qualitative factors when assessing whether to adjust for the impact of items that may be material or may affect the understanding of our ongoing financial and business performance or trends. Items that are affected by external factors and factors that are different from or unrelated to our core operations, such that they are considered to significantly affect the results for the current or comparable periods, are generally considered to be "items affecting comparability". Items affecting comparability include: litigation compensation. Core operating margin is calculated by dividing core operating profit for the Reporting Period by total revenue for the Reporting Period. We believe that the presentation of core operating profit and core operating margin provides additional information to further enhance the comparability of our historical results of operations with the trends in our underlying results of operations.

The Group uses unaudited non-IFRS measures as additional financial measures to supplement the consolidated financial information and to assess the Group's financial performance by eliminating the impact of certain non-recurring items that the Group considers to be non-indicators of the Group's business performance. Other companies in the industries in which the Group operates may have non-IFRS measures that are different from those of the Group. The use of non-IFRS measures poses limitations as an analysis tool, you should not regard such measures as being independent of, or a substitute for, the analysis of the Group's results of operations or financial position as presented in accordance with IFRSs. The Group's presentation of such non-IFRS items should not be regarded as an inference that the Group's future results will not be affected by unusual or non-recurring items.

The following table sets out a reconciliation of core operating profit and core operating margin (non-IFRS measures) for the Reporting Period indicated to the most directly comparable financial measures measured and reported under IFRSs, namely net profit for the Reporting Period and net profit margin for the Reporting Period:

	Six months ended 30 June	
	2026	2025
	(unaudited)	(unaudited)
	RMB'000	*RMB'000*
Net profit for the Reporting Period (as reported under IFRSs)	**213,184**	190,156
Adjusted for:		
Litigation compensation [1]	**11,798**	–
Core operating profit for the Reporting Period (non-IFRS measure)	**224,982**	190,156
Net profit margin (as reported under IFRSs)	**5.4%**	5.9%
Core operating margin (non-IFRS measure)	**5.7%**	5.9%

Note:

(1) The Group was involved in a dispute with a supplier over import agency matters which resulted in court litigation. The Group lost the lawsuit, incurring total expenses of RMB11.8 million.

Liquidity and Capital Resources

For the six months ended 30 June 2026, the Group used cash from operating activities of RMB102.4 million, as compared to the Group used cash from operating activities of RMB29.0 million for the six months ended 30 June 2025.

As at 31 December 2025, the Group's cash and bank deposits amounted to RMB1,349.1 million, as compared to RMB1,343.1 million as at 30 June 2026, comprising long-term bank deposits of RMB79.0 million, cash and bank balances of RMB1,151.6 million and restricted cash of RMB112.5 million. As at 30 June 2026, the Group's financial assets at fair value through profit or loss (wealth management products) amounted to RMB204.2 million.

As at 30 June 2026, the Group's interest-bearing bank and other borrowings amounted to RMB332.8 million, comprising non-current interest-bearing bank and other borrowings of RMB76.7 million and current interest-bearing bank and other borrowings of RMB256.1 million, representing an increase of 139.4% from RMB139.0 million as at 31 December 2025. All borrowings are denominated in RMB and bear interest at fixed rates. The Group has not implemented any interest rate hedging policy.

The Group adopts a prudent capital management policy and actively manages its liquidity position to meet its daily operation needs and capital requirements for future development. The principal sources of funding of the Group are cash from operations, proceeds from the Global Offering and bank and other borrowings.

The Group has sufficient liquidity to meet its daily liquidity management and capital expenditure requirements.

Capital Structure

As at 30 June 2026, the net asset value of the Group amounted to RMB3,086.0 million, as compared to RMB3,179.3 million as at 31 December 2025. The net asset value as at 30 June 2026 mainly comprised current assets of RMB3,000.1 million, non-current assets of RMB1,823.5 million, current liabilities of RMB1,561.6 million and non-current liabilities of RMB176.0 million.

As at 30 June 2026, the Group's cash and cash equivalents were mainly denominated in RMB and Hong Kong dollars. As at 31 December 2025, the Group's cash and cash equivalents were mainly denominated in RMB.

The Group's gearing ratio (gearing ratio equals total interest-bearing borrowings and lease liabilities divided by total interest-bearing borrowings, lease liabilities and total equity attributable to owners of the parent at the end of the relevant period, multiplied by 100%) increased from 6.7% as at 31 December 2025 to 12.0% as at 30 June 2026, primarily due to an increase in the Group's interest-bearing bank borrowings as at the end of the period.

Financial Risks

The Group is not subject to significant credit risk and liquidity risk. The Group is exposed to interest rate risk in relation to cash and bank balances, bank borrowings. The Group considers that the overall interest rate risk is insignificant. The Group has cash at bank in foreign currencies which expose the Group to foreign exchange risk. The Group does not use any derivative contracts to hedge its foreign exchange risk. The Group manages its foreign exchange risk by closely monitoring the fluctuations in foreign currency exchange rates and will take prudent measures to minimize the currency translation risk.

Use of Proceeds from Global Offering

From 2 November 2023 on which the Company's shares were listed (i.e. the Listing Date) to 30 June 2026, the Group has gradually used the proceeds from the initial public offering for the intended purposes set out in the Prospectus. The aggregate net proceeds from the Global Offering, after deduction of the underwriting fees and other related expenses, amounted to approximately HK$448.7 million.

As at 30 June 2026, the Group has utilized approximately HK$155.4 million of the proceeds in aggregate for the intended purposes set out in the Prospectus, accounting for 34.6% of the aggregate net proceeds from the Global Offering, and the remaining unutilized proceeds are approximately HK$293.3 million. The balance of the proceeds from the listing will continue to be utilized in accordance with the purposes and proportions disclosed in the Prospectus. For details, please see the following table:

	% of total net proceeds	Net proceeds from the Global Offering *(HK$ million)*	Unutilized amount as at 31 December 2025 *(HK$ million)*	Actual amount utilized during the Reporting Period *(HK$ million)*	Unutilized amount as at 30 June 2026 *(HK$ million)*	Expected timeline for fully utilizing unutilized amount
Construction, investment or acquisition of plants	25%	112.1	2.2	–	2.2	On or before 31 December 2027
Upgrading and expansion of existing plants and production lines	15%	67.3	67.3	–	67.3	On or before 31 December 2027
Opening and operation of self-operated stores	40%	179.5	179.5	–	179.5	On or before 31 December 2027
Building of product R&D centers as well as upgrade and purchase related equipment	10%	44.9	44.3	–	44.3	On or before 31 December 2027
Working capital and general corporate uses	10%	44.9	–	–	–	Fully utilized
Total		**448.7**	**293.3**	–	**293.3**	

Save as disclosed above, the Company has not conducted any other equity fund raising activities during the Reporting Period and up to the date of this announcement.

Inventories

The inventories of the Group decreased by 9.5% from RMB803.2 million as at 31 December 2025 to RMB726.7 million as at 30 June 2026. Inventory turnover days slightly increased from 44.6 days in 2025 to 45.1 days for the six months ended 30 June 2026.

Trade Receivables

The trade receivables of the Group decreased from RMB424.7 million as at 31 December 2025 to RMB291.9 million as at 30 June 2026 mainly due to the recovery of receivables. The trade receivables turnover days increased from 15.4 days in 2025 to 16.6 days for the six months ended 30 June 2026, mainly due to the increase in the collection periods of some corporate customers.

Financial Assets at Fair Value through Profit or Loss

As at 31 December 2025, the Group's financial assets at fair value through profit or loss amounted to RMB654.1 million, including RMB36.0 million of financial assets at fair value through profit or loss recorded as the non-current assets, representing investments in industrial funds as a limited partner, and RMB618.1 million of financial assets at fair value through profit or loss recorded as the current assets, representing a series of wealth management products purchased from certain banks in the Chinese mainland. As at 30 June 2026, the Group's financial assets at fair value through profit or loss amounted to RMB240.2 million, including RMB36.0 million of financial assets at fair value through profit or loss recorded as the non-current assets, representing investments in industrial funds as a limited partner, and RMB204.2 million of financial assets at fair value through profit or loss recorded as the current assets, representing a series of wealth management products purchased from certain banks in the Chinese mainland.

Trade Payables

The trade payables of the Group decreased from RMB897.3 million as at 31 December 2025 to RMB535.2 million as at 30 June 2026, primarily due to the purchase volume during the mid-year slack season being lower than that during the year-end peak season. The trade payables turnover days decreased slightly from 46.0 days in 2025 to 42.2 days for the six months ended 30 June 2026.

Pledged Assets

As at 30 June 2026, the Group had pledged property, plant and equipment amounting to RMB59.3 million and right-of-use assets amounting to RMB81.7 million for its interest-bearing bank and other borrowings.

Capital Management

Our primary objectives for capital management are to safeguard our ability to continue as a going concern and to maintain healthy capital ratios in order to support our business and maximize equity holders' value.

We manage and adjust our capital structure to take into account changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, we may adjust dividends paid to equity holders, return capital to equity holders or issue new shares. We are not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the Reporting Period.

Capital Commitments

As at 30 June 2026, the Group's capital commitments amounted to approximately RMB201.8 million, which was mainly used for purchase of property, plant and equipment.

Contingent Liabilities

As at 30 June 2026, the Group did not have any material contingent liabilities.

Significant Investments, Material Acquisitions and Disposals

As at 30 June 2026, the Group did not have any material investments, material acquisitions or disposals of subsidiaries, associates and joint ventures.

Future Plans for Material Investments and Investments in Capital Assets

As at 30 June 2026, save as disclosed herein and in the Prospectus, the Group did not have plans for material investments and capital assets.

Employees and Employee Benefit Expenses

As at 30 June 2026, the Group had a total of 2,648 employees. During the Reporting Period, the Group incurred total employee benefit expenses of RMB366.2 million.

The Group recruits employees mainly through headhunting, referrals, on-campus recruiting programs and recruitment websites. The Group recognizes the importance of training its employees to enhance their technical skills and overall capabilities. The Group provides a comprehensive training system to enhance the technical skills and management skills of its employees in practical areas.

The Group is dedicated to providing fair and equal opportunities to its employees, and has formulated detailed career development and promotion plans covering all levels of employees, and conducts regular performance assessments. The salary and benefit levels of the Group's employees are determined with reference to the market and the individual's qualifications and competence, and performance bonuses and other incentive systems are established, which are paid based on the performance of individual employees and the overall performance of the Group's business, to recognize and encourage employees who have made outstanding contributions to the Group's business, and remuneration policy is generally competitive.

Environmental, Social and Governance

We recognize that environmental, social and governance ("**ESG**") matters are critical to our continued growth. We are committed to integrating ESG standards into our day-to-day business activities. We have been and will continue to be committed to sustainable business development with a focus on product quality and safety, consumer services, employment compliance, environmental protection and social responsibility. On 7 April 2026, we published our 2025 ESG Report.

Share Scheme

As at 30 June 2026, the Company has not adopted any employee share schemes, share option schemes or restricted share unit schemes.

Events after the Reporting Period

Proposed Adoption of the 2026 H Share Equity Incentive Scheme

On 13 July 2026, the Board approved the proposed adoption by the Company of the 2026 H Share Equity Incentive Scheme (the "**2026 H Share Equity Incentive Scheme**"), which aims to: (a) attract and retain Eligible Participants who have made significant contributions to the long-term growth and success of the Group, and recognize and reward the Eligible Participants for their past contributions to the Group; (b) encourage the Eligible Participants to make further contributions to the Company, and strive to enhance the value of the Company and its Shares, for the benefit of the Company and its Shareholders as a whole; (c) strengthen the Company's long-term remuneration incentive strategy; and (d) align the interests of the Eligible Participants with those of the Company and the Shareholders, so as to drive the long-term performance of the Company in financial, business and operational aspects. The 2026 H Share Equity Incentive Scheme shall be conditional upon the passing of an ordinary resolution by the Shareholders at the general meeting of the Company to approve and adopt the 2026 H Share Equity Incentive Scheme, and to authorize the Board to grant incentive shares to selected participants and to deal with the shares of the Company (including treasury shares) in relation to the share incentives granted under the 2026 H Share Equity Incentive Scheme. For details, please refer to the announcement of the Company dated 13 July 2026.

Save as disclosed above, after the Reporting Period and up to the date of this announcement, there was no significant subsequent event which may affect the Group occurred.

Interim Dividend

The Board recommended the distribution of an interim dividend of RMB0.0503 (tax inclusive) per ordinary share, equivalent to an aggregate amount of RMB127.7 million(1), for the six months ended 30 June 2026. However, as the Shares will be repurchased and held as treasury shares or for cancellation by the Company from time to time, the actual aggregate amount of the interim cash dividend to be paid will be based on the total number of Shares (excluding the treasury shares and repurchased shares pending cancellation) on the record date for the payment of the interim dividend, which will be announced by the Company separately then. The proposed interim dividend shall be declared in RMB and paid in Hong Kong dollars to the H Shareholders. The interim dividend payable in Hong Kong dollars will be converted from RMB at the average exchange rate of RMB to Hong Kong dollars as published by the People's Bank of China for the five business days prior to the extraordinary general meeting held for consideration and approval of distribution of the interim dividend. If such profit distribution plan is approved by the shareholders of the Company (the "**Shareholders**") at the extraordinary general meeting, the interim dividend will be paid no later than Wednesday, 28 October 2026, to the Shareholders whose names are listed on the register of members of the Company on Monday, 21 September 2026. All treasury shares and repurchased shares pending cancellation held by the Company are not entitled to the interim dividend.

Note:

(1) The accounting basis is founded on the total number of Shares (excluding the treasury shares and repurchased shares intended to be cancelled but not yet cancelled as at 17 August 2026) of 2,538,284,400 Shares of the Company as of 17 August 2026.

The Company will not be liable for any claim arising from any delay in, or inaccurate determination of the status of the Shareholders or any dispute over the withholding mechanism.

The Board is not aware of any Shareholders who have waived or agreed to waive any dividend.

Closure of Register of Members

For the purpose of determining the entitlement to the proposed interim dividend, subject to the approval of the Shareholders at the extraordinary general meeting, the register of members of the Company will be closed from Wednesday, 16 September 2026 to Monday, 21 September 2026, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed interim dividend, all share transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's H share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not later than 4:30 p.m. on Tuesday, 15 September 2026.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2026

	Notes	**2026 (unaudited) *RMB'000***	2025 (unaudited) *RMB'000*
REVENUE	*4*	**3,946,859**	3,239,662
Cost of sales		**(3,098,262)**	(2,522,262)
Gross profit		**848,597**	717,400
Other income and gains, net	*5*	**80,688**	60,085
Selling and distribution expenses		**(383,703)**	(308,029)
Administrative expenses		**(245,686)**	(208,816)
Other expenses		**(13,174)**	(800)
Finance costs	*7*	**(5,208)**	(2,706)
Share of profits and losses of associates		**(467)**	(2,565)
Impairment losses on financial assets, net	*6*	**(849)**	(250)
PROFIT BEFORE TAX	*6*	**280,198**	254,319
Income tax expense	*8*	**(67,014)**	(64,163)
PROFIT FOR THE PERIOD		**213,184**	190,156
Profit attributable to:			
Owners of the parent		**211,246**	183,335
Non-controlling interests		**1,938**	6,821
		213,184	190,156
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic			
– For profit for the period (RMB cents)	*10*	**8.07**	6.84
Diluted			
– For profit for the period (RMB cents)	*10*	**8.07**	6.84

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2026

	2026	2025
	(unaudited)	(unaudited)
	RMB'000	*RMB'000*
PROFIT FOR THE PERIOD	**213,184**	190,156
OTHER COMPREHENSIVE INCOME		
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**(1,846)**	(1,125)
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods	**(1,846)**	(1,125)
Other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods:		
Equity investments designated at fair value through other comprehensive income:		
Changes in fair value	**(32,755)**	21,895
Income tax effect	**8,189**	(5,474)
Net other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods	**(24,566)**	16,421
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD, NET OF TAX	**(26,412)**	15,296
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**186,772**	205,452
Total comprehensive income attributable to:		
Owners of the parent	**184,834**	198,631
Non-controlling interests	**1,938**	6,821
	186,772	205,452

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
30 June 2026

	Notes	**30 June 2026 (unaudited)** ***RMB'000***	31 December 2025 (audited) *RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**685,781**	578,253
Right-of-use assets		**257,245**	234,129
Goodwill		**138,010**	138,010
Other intangible assets		**49,900**	53,520
Investments in associates		**330,608**	331,974
Equity investments designated at fair value through other comprehensive income		**152,088**	184,843
Other non-current assets		**19,955**	17,019
Financial assets at fair value through profit or loss		**36,000**	36,000
Long-term bank deposits		**78,954**	118,750
Deferred tax assets		**74,969**	73,411
Total non-current assets		**1,823,510**	1,765,909
CURRENT ASSETS			
Inventories		**726,727**	803,183
Trade receivables	*11*	**291,944**	424,733
Prepayments, other receivables and other assets		**513,054**	396,189
Restricted cash		**112,525**	109,110
Financial assets at fair value through profit or loss		**204,236**	618,144
Cash and bank balances		**1,151,614**	1,121,150
Total current assets		**3,000,100**	3,472,509
CURRENT LIABILITIES			
Trade payables	*12*	**535,239**	897,303
Other payables and accruals		**731,311**	821,519
Interest-bearing bank and other borrowings		**256,050**	129,543
Lease liabilities		**33,578**	28,599
Tax payables		**5,423**	58,828
Total current liabilities		**1,561,601**	1,935,792
NET CURRENT ASSETS		**1,438,499**	1,536,717
TOTAL ASSETS LESS CURRENT LIABILITIES		**3,262,009**	3,302,626

	Notes	30 June 2026 (unaudited) *RMB'000*	31 December 2025 (audited) *RMB'000*
NON-CURRENT LIABILITIES			
Deferred income		**29,933**	31,724
Interest-bearing bank and other borrowings		**76,664**	9,500
Lease liabilities		**36,226**	48,892
Deferred tax liabilities		**33,203**	33,168
Total non-current liabilities		**176,026**	123,284
Net assets		**3,085,983**	3,179,342
EQUITY			
Share capital		**2,747,360**	2,747,360
Treasury shares		**(425,116)**	(257,228)
Reserves		**626,147**	546,709
		2,948,391	3,036,841
Non-controlling interests		**137,592**	142,501
Total equity		**3,085,983**	3,179,342

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
30 June 2026

1. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2026 has been prepared in accordance with IAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2025.

The interim condensed consolidated financial information has been prepared under the historical cost convention, except for financial assets at fair value through profit or loss and equity investments designated at fair value through other comprehensive income ("**OCI**") which have been measured at fair value. The interim condensed consolidated financial information is presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

2. CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of the following amended IFRS Accounting Standards for the first time for the current period's financial information.

Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*
Amendments to IFRS 9 and IFRS 7	*Contracts Referencing Nature-dependent Electricity*
Annual Improvements to IFRS Accounting Standards – Volume 11	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7

The application of the amended IFRS Accounting Standards in the Reporting Period has had no material impact on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these interim condensed consolidated financial statements.

3. OPERATING SEGMENT INFORMATION

The Group manages its businesses as a whole by the most senior executive management for the purposes of resource allocation and performance assessment. The Group's chief operating decision maker is the chief executive officer of the Group who reviews the Group's consolidated results of operations for the purpose of making decisions about resource allocation and performance assessment. Accordingly, no reportable segment information is presented.

Geographical information

Since almost all of the Group's revenue are derived from customers based in Chinese mainland during the reporting period and almost all of the Group's non-current assets are located in Chinese mainland, no further geographical information in accordance with IFRS 8 *Operating Segments* is presented.

Information about major customers

No sales to a single customer accounted for 10% or more of the Group's revenue during the reporting period.

4. REVENUE

An analysis of revenue is as follows:

	Six months ended 30 June	
	2026	2025
	(unaudited)	(unaudited)
	RMB'000	*RMB'000*
Revenue from contracts with customers		
Sale of meal products and related products	**3,848,665**	3,155,399
Operational support services	**98,194**	84,263
Total revenue from contracts with customers	**3,946,859**	3,239,662
Timing of revenue recognition		
Goods transferred at a point in time	**3,848,665**	3,155,399
Services transferred over time	**98,194**	84,263
Total revenue from contracts with customers	**3,946,859**	3,239,662

Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of meal products and related products

The performance obligation is satisfied upon delivery of the meal products and related products and payment in advance is normally required, except for customers with credit terms, where payment is generally due within 30 days to 180 days from delivery. Some contracts provide customers with a right of return which gives rise to variable consideration.

Operational support services

The performance obligation is satisfied over time as services are rendered and short-term advances are normally required before rendering the services. The franchisees are required to pay the Group a fixed sum of yearly operational support service fee for each franchised store at the beginning of each franchise period.

5. OTHER INCOME AND GAINS, NET

	Six months ended 30 June	
	2026	2025
	(unaudited)	(unaudited)
	RMB'000	*RMB'000*
Other income		
Government grants related to		
– income (i)	**60,688**	39,924
– assets (ii)	**1,791**	1,286
Interest income	**5,075**	9,477
Others	**10,519**	5,608
Total other income	**78,073**	56,295
Gains, net		
Foreign exchange differences, net	**703**	(1,370)
Realised fair value gains from financial assets at fair value through profit or loss	**943**	2,888
Unrealised fair value changes on financial assets at fair value through profit or loss		
– Wealth management products	**236**	1,579
Dividend income from equity investments designated at fair value through other comprehensive income	**750**	750
Gain on early termination of leases	**32**	52
Loss on disposal of items of property, plant and equipment, net	**(49)**	(109)
Total gains	**2,615**	3,790
Total other income and gains	**80,688**	60,085

(i) The government grants related to income have been received to reward for the Group's contribution to the local economic growth. These grants related to income are recognised in the interim condensed consolidated statement of profit or loss upon receipt of these rewards and the related conditions associated with the rewards, if any, are met. There are no unfulfilled conditions or other contingencies attaching to these grants.

(ii) The Group has received certain government grants related to the investments in production plants. The grants related to assets were recognised in the interim condensed consolidated statement of profit or loss over the useful lives of relevant assets.

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Notes	**Six months ended 30 June 2026 (unaudited)** *RMB'000*	**Six months ended 30 June** 2025 (unaudited) *RMB'000*
Cost of inventories sold*		**2,976,585**	2,423,216
Depreciation of property, plant and equipment		**39,266**	29,181
Depreciation of right-of-use assets		**18,993**	14,944
Expenses relating to short-term leases		**3,605**	3,639
Amortisation of other intangible assets**		**3,620**	3,715
Employee benefit expense (including directors', chief executive's and supervisors' remuneration):			
Wages and salaries		**304,268**	240,309
Pension scheme contributions, social welfare and other welfare***		**48,320**	31,019
Other employee benefits		**13,639**	6,680
Research and development cost****		**6,592**	5,992
Impairment losses on financial assets, net		**849**	250
Impairment of inventories, net of reversal		**22**	(139)
Auditor's remuneration		**500**	500
Loss on disposal of items of property, plant and equipment, net	*5*	**49**	109
Government grants	*5*	**(62,479)**	(41,210)
Foreign exchange differences, net	*5*	**(703)**	1,370
Interest income	*5*	**(5,075)**	(9,477)
Finance costs	*7*	**5,208**	2,706

* Cost of inventories sold include expenses relating to depreciation of property, plant and equipment, depreciation of right-of-use assets and staff costs, which are also included in the respective total amounts disclosed separately above for each of these types of expenses.

** The amortisation of other intangible assets is included in administrative expenses and selling and distribution expenses in the interim condensed consolidated statement of profit or loss.

*** There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

**** Research and development cost include expenses relating to depreciation of property, plant and equipment, depreciation of right-of-use assets and staff costs, which are also included in the respective total amounts disclosed separately above for each of these types of expenses.

7. FINANCE COSTS

An analysis of finance costs is as follows:

	Six months ended 30 June	
	2026	2025
	(unaudited)	(unaudited)
	RMB'000	*RMB'000*
Interest on bank and other borrowings	**3,560**	1,381
Interest on lease liabilities	**1,856**	1,325
Total interest expense on financial liabilities	**5,416**	2,706
Less: Interest capitalised	**(208)**	–
Total	**5,208**	2,706

8. INCOME TAX

	Six months ended 30 June	
	2026	2025
	(unaudited)	(unaudited)
	RMB'000	*RMB'000*
Current – PRC		
Charge for the period	**60,028**	62,223
Under provision in prior years	**320**	746
Deferred income tax	**6,666**	1,194
Total	**67,014**	64,163

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

PRC corporate income tax

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the EIT rate of the Group's PRC subsidiaries is 25% unless subject to tax exemption.

Pursuant to "The Announcement on Relevant Tax Policies for Further Supporting the Development of Small-scaled Minimal Profit Enterprise and Individual Industrial and Commercial Households" (Announcement [2023] No. 12) issued by the MOF and the National Tax Bureau on 2 August 2023, for a small-scaled minimal profit enterprise with an annual taxable profit below RMB3,000,000 (RMB3,000,000 included), on top of the tax relief policies stipulated under "The Announcement of Implementation on Inclusive Tax Relief Policy of Small-scaled minimal profit enterprise"(Cai shui [2019] No. 13) and "The Announcement on the Further Implementation of Preferential Income Tax Policies for Small-scaled Minimal Profit Enterprise" (Cai shui [2022] No. 13) issued by the MOF and the National Tax Bureau, for a small-scaled minimal profit enterprise whose annual taxable income does not exceed RMB3,000,000, the taxable income is reduced by 25% and the enterprise income tax shall be paid at a rate of 20% from 1 January 2023 to 31 December 2027.

Hong Kong profits tax

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the reporting period, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK$2,000,000 of assessable profits of this subsidiary are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

9. DIVIDENDS

	Six months ended 30 June	
	2026	2025
	(unaudited)	(unaudited)
	RMB'000	*RMB'000*
Final dividend declared	**100,173**	198,030

On 29 April 2026, the Company's shareholders approved 2025 final dividend of RMB0.0381 per ordinary share, amounting to a total of approximately RMB100,173,000.

On 27 June 2025, the Company's shareholders approved 2024 final dividend of RMB0.0746 per ordinary share, amounting to a total of approximately RMB198,030,000.

The proposed 2026 interim dividend for the period of RMB0.0503 per ordinary share is subject to the approval of the Company's shareholders at the forthcoming extraordinary general meeting, amounting to a total of approximately RMB127,676,000 (30 June 2025: RMB190,066,000).

10. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the period attributable to owners of the parent, and the weighted average number of ordinary shares of 2,618,573,700 (30 June 2025: 2,678,770,300) in issue during the period.

	Six months ended 30 June	
	(unaudited)	(unaudited)
	2026	2025
Profit attributable to owners of the parent (RMB'000)	**211,246**	183,335
Weighted average number of ordinary shares used in the basic earnings per share calculation	**2,618,573,700**	2,678,770,300
Basic earnings per share (RMB cents)	**8.07**	6.84

There were no dilutive potential ordinary shares in issue during both current and prior periods.

11. TRADE RECEIVABLES

	30 June 2026 (unaudited) ***RMB'000***	31 December 2025 (audited) *RMB'000*
Trade receivables	**299,363**	431,373
Impairment	**(7,419)**	(6,640)
Net carrying amount	**291,944**	424,733

The amounts due from a related party included in the Group's trade receivables are RMB25,671,000 as at 30 June 2026 (31 December 2025: RMB87,258,000).

Advance payment is normally required for the sale to franchisees in Chinese mainland except for direct sales customers where credits are granted. The credit period is generally one month, extending up to six months for major direct sales customers. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to various diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. The balances of trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	30 June 2026 (unaudited) ***RMB'000***	31 December 2025 (audited) *RMB'000*
Within 1 month	**81,739**	110,767
1 to 3 months	**129,609**	205,288
3 to 6 months	**65,345**	91,591
6 to 12 months	**8,668**	17,087
1 to 2 years	**6,583**	–
Total	**291,944**	424,733

The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected credit loss provision for all trade receivables. The Group overall considers the characteristics of the shared credit risk and the days past due of the trade receivables to measure the expected credit losses. Majority of the receivables were neither past due nor impaired and relate to diversified customers for whom there was no recent history of default and in general, trade receivables are written off if past due for more than one year and are not subject to enforcement activity.

12. TRADE PAYABLES

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

	30 June 2026 (unaudited) *RMB'000*	31 December 2025 (audited) *RMB'000*
Within 1 month	**473,604**	497,473
1 to 3 months	**46,763**	377,348
3 to 6 months	**4,683**	7,636
6 months to 1 year	**2,156**	5,825
Over 1 year	**8,033**	9,021
	535,239	897,303

Trade payables are non-interest-bearing and normally settled within 30 days.

The amounts due to related parties included in the Group's trade payables are RMB9,244,000 (31 December 2025: RMB28,355,000).

CORPORATE GOVERNANCE AND OTHER INFORMATION

Compliance with the Corporate Governance Code

The Group is committed to maintaining a high standard of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. During the Reporting Period, the Company has complied with all applicable code provisions of the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 of the Listing Rules, except for the deviation from code provision C.2.1 in part 2 of the CG Code as disclosed below.

Under the code provision C.2.1 in part 2 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing. During the Reporting Period, the chairperson of the Board and chief executive officer of the Company were assumed by one person, Mr. Yang Mingchao, who was mainly responsible for the strategic decisions of the Company. The Board believes that, in view of his experience, personal profile and his roles in the Company as mentioned above, Mr. Yang is the Director best suited to identify strategic opportunities and focus of the Board due to his extensive understanding of our business as our chief executive officer. The Board also believes that vesting the roles of both chairperson and chief executive officer in the same person has the benefit of (i) ensuring consistent leadership within the Group, (ii) enabling more effective and efficient overall strategic planning and execution of strategic initiatives of the Board, and (iii) facilitating the flow of information between the management and the Board for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of chairperson of the Board and the chief executive officer of the Company at a time when it is appropriate by taking into account the circumstances of the Group as a whole.

Model Code for Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix C3 to the Listing Rules as its own code of conduct regarding dealings in securities of the Company by Directors and relevant employees of the Company (i.e. employees who may have inside information of the Company).

The Company has made specific enquiry of all Directors and they have confirmed that they have fully complied with the required standard of dealings set out in the Model Code throughout the Reporting Period.

During the Reporting Period, no incident of non-compliance with the Model Code by relevant employees of the Company has been identified.

Compliance with Laws and Regulations

During the six months ended 30 June 2026, to the best knowledge of the Board, the Group has complied in all material respects with the relevant PRC laws and regulations which may have a significant impact on the Group.

Purchase, Sale or Redemption of the Company's Listed Securities

During the Reporting Period, the Company repurchased a total of 82,201,200 H Shares on the Stock Exchange at a total consideration of approximately HK$192.10 million (before expenses), of which 59,148,400 H Shares were held as treasury shares and 23,052,800 H Shares are intended to be cancelled. As of 30 June 2026, the Company had not sold any treasury shares and held a total of 176,101,200 treasury shares, which will be used in share schemes or cancelled to the extent permitted by applicable laws and regulations, depending on the specific circumstances. For details of the use of the repurchased shares by the Company, please refer to the announcement of the Company dated 26 June 2026. The repurchases were made for the benefit of the Company and to create value for the Shareholders. Details of the repurchases are set out below:

For the six months ended 30 June 2026	Number of shares purchased	Purchase consideration per share Highest price paid *HK$*	 Lowest price paid *HK$*	Aggregate consideration paid *HK$*
January	1,198,000	4.22	4.1	4,994,856
February	–	–	–	–
March	–	–	–	–
April	4,768,800	3.21	3.11	15,076,324
May	28,170,400	3.37	2.47	79,646,156
June	48,064,000	2.27	1.72	92,384,596
Total:	**82,201,200**			**192,101,932**

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities or sold any treasury shares of the Company, or repurchased any shares pending cancellation during the Reporting Period.

Audit and Risk Management Committee

The Audit and Risk Management Committee has reviewed the unaudited interim condensed consolidated results of the Group for the six months ended 30 June 2026, and concluded that they have complied with applicable accounting principles, standards and regulations, and adequate disclosures have been made. The interim results for the six months ended 30 June 2026 are unaudited but have been reviewed by the Company's independent auditor, Ernst & Young, in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

PUBLICATION OF 2026 INTERIM RESULTS AND 2026 INTERIM REPORT

This announcement is published on the website of the Stock Exchange (www.hkexnews.hk) and the Company's website (https://ir.zzgqsh.com). The interim report of the Company for the six months ended 30 June 2026 will also be available on the above websites and dispatched to the Shareholders who requested the printed copy in due course.

By order of the Board
Guoquan Food (Shanghai) Co., Ltd.
鍋圈食品(上海)股份有限公司
Mr. Yang Mingchao
Chairperson of the Board, Executive Director and Chief Executive Officer

Hong Kong, 17 August 2026

As at the date of this announcement, the Board of the Company comprises Mr. Yang Mingchao, Mr. Meng Xianjin, Mr. An Haolei, Ms. Luo Na and Ms. Yang Tongyu as executive directors; Mr. Liu Zhengzheng as a non-executive director; Mr. Zeng Xiaosong, Ms. Yu Fang Jing, Mr. Li Jianfeng and Mr. Shi Kangping as independent non-executive directors; and Ms. Zheng Min as an employee director.