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ZJLD

ZJLD Group Inc

珍酒李渡集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 6979)

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

The Board is pleased to announce the unaudited consolidated financial results of the Group for the six months ended June 30, 2026, together with the comparative figures for the six months ended June 30, 2025 as below.

FINANCIAL HIGHLIGHTS

The following table sets forth our key financial data for the six months ended June 30, 2026, together with the comparative figures for the corresponding period in 2025 and the change (expressed in percentages).

	For the six months ended June 30,		
	2026	**2025**	**Change**
	(unaudited)	*(unaudited)*	*(%)*
	(RMB'000)	*(RMB'000)*	
Revenue	**2,546,069**	2,497,106	2.0
Gross profit	**1,520,856**	1,474,284	3.2
Profit attributable to equity shareholders of the Company for the period	**580,717**	574,771	1.0
Adjusted net profit (non-IFRS measure)(1)	**626,064**	613,202	2.1
Net cash used in operating activities	**(234,035)**	(322,274)	27.4
Earnings per Share			
– Basic earnings per share (RMB)(2)	**0.176**	0.174	1.1
– Diluted earnings per share (RMB)(3)	**0.176**	0.174	1.1
Non-IFRS adjusted earnings per Share			
– Basic (RMB)(4)	**0.190**	0.185	2.5
– Diluted (RMB)(5)	**0.190**	0.185	2.5

The following table sets forth certain of our key financial ratios for the six months ended June 30, 2026, together with the comparative figures for the corresponding period in 2025.

	For the six months ended June 30,	
	2026	2025
	(%)	*(%)*
Gross profit margin	**59.7**	59.0
Net profit margin	**22.8**	23.0
Adjusted net profit margin (non-IFRS measure) [1]	**24.6**	24.6

Notes:

(1) For more details on the non-IFRS measures, please see the section headed "Non-IFRS Measures" in this announcement.

(2) The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company and the weighted average number of ordinary shares in issue. For more details, please see note 7(a) to the interim financial report set out in this announcement.

(3) Diluted earnings per share were the same as the basic earnings per share as the Group had no dilutive potential shares for the six months ended June 30, 2025 and 2026. For more details, please see note 7(b) to the interim financial report set out in this announcement.

(4) The calculation of adjusted basic earnings per share is based on the adjusted net profit (non-IFRS measure) and the weighted average number of ordinary shares in issue. For more details, please see the section headed "Non-IFRS Measures" and note 7(a) to the interim financial report set out in this announcement.

(5) The calculation of adjusted diluted earnings per share is based on the adjusted net profit (non-IFRS measure) and the weighted average number of ordinary shares (dilutive). For more details, please see the section headed "Non-IFRS Measures" and note 7(b) to the interim financial report set out in this announcement.

(6) Any discrepancies between the change percentages of earnings per share in this table and percentages as calculated based on the above earnings per share figures are due to rounding.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Overview

We are a leading baijiu company in China devoted to offering high-quality baijiu products. We produce and sell sauce aroma, mixed aroma and strong aroma baijiu, with sauce aroma baijiu serving as our major growth engine.

The baijiu industry faced certain challenges in 2025, with consumption demand weakening continuously. In response to the challenging economic environment and subdued baijiu consumption demand, we continued to reduce channel inventories while maintaining healthy pricing systems and distributor profitability. Our efforts began to bear fruit in the first half of 2026. The pricing systems and channel inventories for *Zhen Jiu's* traditional core products, represented by Zhen 15, returned to healthy levels during the period. *Li Du* achieved revenue growth of 28.9% in the first half of 2026, while *Xiang Jiao* and *Kai Kou Xiao* each stabilized and recorded modest growth. The year of 2026 is strategically critical for the Group, marking the end of the contraction of our business resulting from the two-year industry downturn and the beginning of a new cycle of renewed growth. It is also an inflection point at which the Group's overall operations are stabilizing and recovering. In 2026, we intend not only to rebound from the trough of the cycle, but also to lay a solid business foundation for entering a future growth cycle.

In particular, we adopted the following strategic initiatives during the Reporting Period: (i) we adjusted our business strategies and developed new approaches to restore our traditional core products and return them to a growth phase, including the monthly profit-sharing model (月月分利模式) introduced in March 2026 to drive the development of Zhen 15. We will continue to roll out similar measures for some other core products in the remaining months of 2026 to promote the sustained growth of our traditional core products; (ii) we continued to devote significant efforts to adopting new approaches to acquiring and cultivating high-quality distributors and key opinion leaders ("**KOLs**") and conducting more effective brand promotion. Through new media platforms such as the video account personally managed by Mr. Wu Xiangdong, the chairman of the Board, we created significant awareness on the internet. Complemented by offline activities and traditional channels, we built a multi-dimensional communication matrix integrating online and offline channels. This significantly expanded consumer reach for our brands and further solidified their premium brand identities. In addition, by hosting and sponsoring more premium events and activities during the Reporting Period, we substantially increased our influence among our target consumer groups and attracted high-quality distributors; (iii) since the first half of 2026, we began implementing an expansion plan on both a vertical and a horizontal basis. Vertical expansion refers to our expansion from our core markets into untapped lower-tier cities and townships within those markets, while horizontal expansion refers to our selective expansion into non-core regions with great market development potential; (iv) as part of our product strategy, we concentrated our efforts on promoting products tailored for consumption scenarios less affected by the macro-environment, notably celebratory occasions including birthday and wedding banquets, while enhancing the market penetration of premium and mid-range products to meet diversified and rational consumer demand; (v) we continued to recruit and cultivate high-quality distributors and consumers through immersive marketing events; and (vi) we further adjusted and optimized our management and organizational structure across different business units to enhance business development efficiency and maximize synergies.

Our Brands and Products

We have developed a three-tier growth engine. *Zhen Jiu*, our flagship brand featuring premium and above sauce aroma baijiu, serves as our major growth engine, capturing the strong growth potential of the sauce aroma baijiu market. *Li Du*, our second growth engine and a brand mainly featuring premium and above mixed aroma baijiu products, has delivered high growth and is expected to create additional momentum for continued growth as we remain determined to further strengthen its brand recognition and nationwide sales network outside Jiangxi Province. *Xiang Jiao* and *Kai Kou Xiao*, our regional leading brands in the Hunan market, are expected to make steady and ongoing contributions to our long-term sustainable growth. We tactically position these four baijiu brands to target different consumer preferences and geographical regions in China, with our product portfolio covering three aroma profiles (i.e. sauce aroma, mixed aroma and strong aroma) across different price ranges, and an overall focus on the premium and above baijiu market. As the four brands are in different phases of development, they complement one another and work in concert to drive our long-term growth.

Zhen Jiu

As our flagship brand, *Zhen Jiu* has remained steadfast in its mission to meet the demands of sauce aroma baijiu enthusiasts for premium-quality products. Established in 1975 as a national key science and technology project known as "China's No. 1 Baijiu Project" (中國白酒一號工程) and selected as a state banquet liquor in 1988, *Zhen Jiu* combines a distinctive historical provenance with sustained investment in craftsmanship. With a continued focus on deepening its presence in the sauce aroma baijiu segment, *Zhen Jiu* concentrates on the premium and above price ranges, advancing its market share and delivering sustainable growth in sales performance. For the six months ended June 30, 2026, *Zhen Jiu* generated approximately 52.7% of our revenue.

Since its launch, *Zhen Jiu* has continuously refined its product recipes to craft iconic flavour profiles that resonate with consumers across China, reinforcing its brand strength and market standing. This momentum has been further underscored by a series of notable accolades received since 2025, with particular recognition accorded to Da Zhen (大珍) and the Premier Retailers Alliance model.

Zhen Jiu's brand strength was further affirmed during the first half of 2026. At the 2026 China Alcohol Golden Honor Award (2026 中國酒業金盛獎) ceremony held in Jinan on June 26, 2026, Da Zhen was named the "2026 Annual Super Single Product of China's Alcoholic Drinks Industry" (2026 中國酒業年度超級大單品), while the Group was recognized as the "2026 Most Investment-Worthy Enterprise in China's Alcoholic Drinks Industry" (2026 中國酒業最具投資價值企業) for the third consecutive year. On June 24, 2026, at the 23rd World Brand Conference (第23 屆世界品牌大會) hosted by the World Brand Lab (世界品牌實驗室), *Zhen Jiu* ranked 349th on the 2026 China's 500 Most Valuable Brands (2026 年度中國 500 最具價值品牌) list with a brand value of RMB34.685 billion, up five places from the prior year and remaining among the top three sauce aroma baijiu brands on the list. *Zhen Jiu* has been included in this list for five consecutive years since 2022, with its brand value increasing from RMB17.059 billion to RMB34.685 billion, representing growth of 103% over the five-year period. In addition, the entrepreneur IP of Mr. Wu Xiangdong was awarded the "2026 Best Brand Marketing Case in China's Alcoholic Drinks Industry" (2026 中國酒業最佳品牌營銷案例) and Mr. Wu Xiangdong was named the "2026 Person of the Year of China's Alcoholic Drinks Industry" (2026 中國酒業年度風雲人物) at the same ceremony.

In the first half of 2026, we further refreshed our core offerings by launching the fifth generation of Zhen 15 (珍十五•第五代) and an upgraded new generation of Da Zhen, reinforcing the competitiveness of our flagship products in the premium and above price ranges. For Da Zhen, our strategic flagship product, we have pioneered a continuous value-creation mechanism, coupled with strict market pricing control measures to preserve healthy distribution channels and safeguard distributor profitability. Notwithstanding high channel inventory, price inversion and margin compression across the industry, Da Zhen has achieved growth against the market trend. Da Zhen is now sold across 31 provinces and 280 cities in China.

Li Du

Li Du is a thriving brand featuring premium and above mixed aroma baijiu products, which has gained great success and has significant growth potential. Our *Li Du* products distinguish themselves from other baijiu products by their signature taste and fine quality, unique immersive marketing approach stemming from the traditional Chinese culture, and premium brand positioning and operation. With these features, *Li Du* has gained a strong foothold in its base market, Jiangxi Province, and is strategically expanding its geographic reach across China to support its incremental and long-term growth. For the six months ended June 30, 2026, *Li Du* generated approximately 30.9% of our revenue.

Li Du was established to honor its origin from Lidu, Jiangxi Province, an ancient town in China that is steeped in its long-standing tradition of making baijiu. The baijiu-making techniques of *Li Du* were recognized as an Intangible Cultural Heritage of Jiangxi. In 2002, an ancient baijiu distillery of the Yuan Dynasty (1271 AD to 1368 AD) was discovered during the renovation of our production facility in Lidu, Jiangxi Province and was subsequently named on the list of Major National Historical and Cultural Sites, significantly bolstering *Li Du*'s brand image, which is consistently rooted in its rich history and cultural heritage. On April 27, 2023, *Li Du*, together with six other leading baijiu companies, jointly applied for Chinese baijiu to be included in China's tentative list of world cultural heritage. In the first half of 2026, *Li Du*'s culture-led transformation strategy received further national recognition, as the case study titled "*Li Du* Liquor: Leveraging the Culture Card and Exploring Industrial Heritage to Empower a New Path for Transformation" (李渡酒業：打好文化牌，搶灘新賽道探索工業遺產，賦能李渡酒業轉型破局新路徑) was selected for the "2025 Key Research List of Enterprise Reform, Development and Innovation Practices" (2025年度企業改革發展創新實踐重點研究名單).

Rooted in a centuries-old distilling heritage, our *Li Du* brand offers a carefully curated portfolio of distinguished mixed aroma baijiu products, featuring *Li Du Sorghum 1308* (*李渡高粱 1308*), *Li Du Sorghum 1955* (*李渡高粱 1955*) and *Li Du Sorghum 1975* (*李渡高粱 1975*). The brand's commitment to uncompromising quality has earned it consistent international recognition, with *Li Du Sorghum 1955* and *Li Du Sorghum 1308* receiving the Grand Gold Medals from the Spirits Selection by Concours Mondial de Bruxelles in 2015 and 2019, respectively, and *Li Du Sorghum 1975* being awarded the Gold Medal from the Spirits Selection by Concours Mondial de Bruxelles in 2023. In 2025, *Li Du*'s legacy of excellence was further affirmed when *Li Du Sorghum 1955* was selected for the "30 Classic Products of China's Liquor Distribution" (中國酒類流通經典 30 產品) recommendation list, and *Li Du* itself was honored as a "Classic Case of 30 Years of China's Liquor Distribution" (中國酒類流通 30 年經典案例) in recognition of its pioneering approach to value reconstruction and premiumization.

Li Du has continuously strengthened its product portfolio and market positioning. To support continued expansion, *Li Du* has established two strategic growth engines: product-matrix expansion and nationwide expansion since 2023. The new *Li Du Sorghum • Changyin Collection Series (李渡高粱酒(暢飲珍藏版))*, *Li Du Sorghum • Ulaanbaatar International Expo Gold Award Series (李渡高粱酒(烏蘭巴托國際博覽會金獎版))* and *Li Du King* Series (*李渡王系列*), all launched during the past two years, have achieved strong market acceptance and made considerable sales contributions in the first half of 2026, reflecting the growing resonance of the *Li Du* brand beyond its traditional premium positioning. In the first half of 2026, *Li Du* extended the *Li Du King* Series with the launch of the *Li Du King • Dragon and Phoenix Bringing Prosperity* (李渡王•龍鳳呈祥) series, which draws inspiration from the ceramic artistry unearthed at our heritage sites and comprises three expressions paying tribute to the Yuan, Ming and Qing dynasties respectively, corresponding to the Yuan, Ming and Qing ancient fermentation pit clusters at the *Li Du* distillery.

Xiang Jiao

Xiang Jiao is a regional leading premium baijiu brand in Hunan Province, with strong brand awareness and entrenched channel penetration in the local market, laying the groundwork for the brand's long-term sustainable development. Originally established in 1957, *Xiang Jiao* was synonymous with the rich cultural heritage of baijiu-making in Hunan Province and was awarded the title of Hunan Provincial Governor Quality Award in 2012 and China Well-known Trademark in 2012. At *Xiang Jiao*, we offer a wide range of premium and deluxe baijiu products covering strong aroma, sauce aroma and mixed aroma profiles, represented by *Xiang Jiao Long Jiang* (*湘窖•龍匠*) series, *Xiang Jiao Yao Qing* (*湘窖•要情*), *Xiang Jiao Red Diamond* (*湘窖•紅鑽*) and *Xiang Jiao Crystal Diamond* (*湘窖•水晶鑽*).

In particular, *Xiang Jiao* has successfully established a product strategy centred on its sauce aroma product series in the premium and above price ranges, principally the *Xiang Jiao Long Jiang* series. Almost every new product under the *Xiang Jiao Long Jiang* series has achieved strong market acceptance to date. In the second half of 2024, *Xiang Jiao* launched *Iron Cover Long Jiang* (鐵蓋龍匠) as a strong addition within the *Xiang Jiao Long Jiang* series, which widely captured the market's acclaim, significantly boosting *Xiang Jiao*'s brand recognition and unlocking new avenues for growth. In addition, in 2025, in response to market demand, *Xiang Jiao* created a new product, *Iron Cover Long Jiang Hong Yun* (鐵蓋龍匠•紅蘊), strategically positioned for the banquet segment in the premium price range. *Xiang Jiao Long Jiang* was also awarded the Grand Gold Medal from the International Spirits Grand Challenge (China) in 2024. *Iron Cover Long Jiang Hong Yun* was designated as a "Regional Landmark Product" (地域標誌產品) at the 2025 Central-South Core Production Region Liquor Body Design Innovation Competition organized by the Baijiu Professional Committee of the China National Food Industry Association (中國食品工業協會白酒專業委員會). *Xiang Jiao* generated approximately 11.1% of our revenue for the six months ended June 30, 2026.

Kai Kou Xiao

Recognized as a China Well-known Trademark in 2010, *Kai Kou Xiao* is an established baijiu brand in Hunan with a focus on mid-range markets. We name the brand *Kai Kou Xiao*, or "A Big Smile" in English, because we aspire to spread the joyfulness of life through our baijiu products. We strategically focus on promoting and marketing our *Kai Kou Xiao* products at the local market in Hunan Province, where we have achieved substantial market acceptance, establishing the foundation for the brand's long-term sustainable development. At *Kai Kou Xiao*, we mainly offer strong aroma baijiu products targeting the mid-range market, represented by *Kai Kou Xiao 9* (開口笑九), *Kai Kou Xiao 12* (開口笑十二) and *Kai Kou Xiao 15* (開口笑十五), all of which underwent comprehensive upgrades and were relaunched in 2025, reflecting our commitment to continuously elevating product quality and reinforcing the brand's competitiveness within its target market. *Kai Kou Xiao* generated approximately 3.2% of our revenue for the six months ended June 30, 2026.

Product Development

Baijiu production techniques are a precious part of China's national heritage, and we pride ourselves on inheriting time-honored baijiu-making techniques and reinvigorating them to develop iconic recipes and flavours.

We have a dedicated product development team responsible for product development and package design. As of June 30, 2026, our product development team consisted of 294 employees, the vast majority of whom have a bachelor's degree or above. Our product development team is spearheaded by a technical committee consisting of 98 recognized baijiu experts with extensive industry and product development experience, among whom are 18 national baijiu appraisers, 6 holders of senior liquor-maker certificates, 7 holders of senior engineer qualifications and 67 provincial baijiu adjudicators.

In the first half of 2026, we continued to deepen our industry-academia-research cooperation, conducting project research with renowned domestic universities and research institutions, including Jiangnan University (江南大學), Guizhou University (貴州大學), Jiangxi University of Finance and Economics (江西財經大學), Tianjin University of Science and Technology (天津科技大學) and China National Research Institute of Food and Fermentation Industries (中國食品發酵工業研究院). *Zhen Jiu*'s research and development team has undertaken multiple provincial and municipal-level projects, received numerous awards and patents with its technologies, and participated in the formulation and revision of multiple national and local standards. Previous collaborative initiatives with Tianjin University of Science and Technology and Guizhou University garnered second and third prizes, respectively, at the China National Food Industry Association Science and Technology Awards (中國食品工業協會科學技術獎).

Production Facilities

We selectively locate *Zhen Jiu*'s production facilities for sauce aroma baijiu in Guizhou's Zunyi region, a place that is widely considered ideal for making fine sauce aroma baijiu in China, to secure the unique texture and taste of our *Zhen Jiu* products.

As of June 30, 2026, we operated seven production facilities in China. Our production facilities consist of qu-making plants, fermentation and distillation plants, blending plants, and filling and packaging plants, corresponding to the pivotal steps of baijiu-making. These production facilities are equipped with machinery, fermentation pits, barns, as well as bottling and packaging lines and warehouses. Furthermore, our production facilities are equipped with advanced technologies and equipment, including automated production lines, to streamline and optimize the entire production process. *Zhen Jiu* is the largest privately owned liquor enterprise in Guizhou Province and ranks among the top three baijiu enterprises in Guizhou Province by revenue, production capacity and brand value.

During the first half of 2026, we prioritized the construction of baijiu storage facilities across our five core production facilities, namely Zhen Jiu Mao Tai Shuang Long (茅台鎮雙龍), Zhen Jiu Bai Yan Gou (白岩溝), Zhen Jiu Zhao Jia Gou (趙家溝), Li Du Zheng Jia Shan (鄭家山) and Xiang Jiao Jiang Bei (江北), as part of our infrastructure development initiatives. Each production facility systematically progressed the construction of specialized baijiu storage facilities. Several of these constructions had been successfully completed and put into operation during the Reporting Period. During the Reporting Period, we also commenced construction of a wastewater treatment station at Zhen Jiu Mao Tai Shuang Long and an additional baijiu storehouse at Zhen Jiu Zhao Jia Gou.

In the past years, we have stored extensive base liquor inventory to support the rapid development of our premium and deluxe baijiu products. Sizable base liquor production capacity and storage of base liquor inventory have always been, and will remain, our strategic focus and core competitiveness in the future. With the continuous expansion of our production capacity, we would be able to (i) reserve sufficient vintage base liquor for the continuous expansion of our premium and deluxe product offerings and strengthen our competitiveness in the premium and above baijiu markets; and (ii) gradually replace third-party base liquor supplies with our own to improve our gross profit margin.

Additionally, *Li Du*'s production capacity has been further enhanced. The packaging plant, the No. 1 distillery plant and the No. 2 grain storage facility at the Li Du Zheng Jia Shan site were each completed and put into operation during the first half of 2026.

Sales Channels

We have built a multi-channel sales network that effectively caters to the diverse needs of different customer groups and enables us to continuously expand our reach to consumers. We gained access to our target consumers through a nationwide network of distributors consisting of (i) distribution partners, who primarily purchase our baijiu products from us and subsequently distribute them to sub-distributors, such as supermarkets and tobacco and liquor stores, and end consumers; (ii) store partners, with whom we collaborate closely to establish our single-brand featured stores. These stores not only serve as retail outlets for our baijiu products, but also create immersive and engaging consumer experiences through a range of versatile events; and (iii) retailers, including tobacco and liquor stores, retail partners, restaurants and supermarkets that sell our products directly to end consumers. In addition to these distribution channels, we also have a dedicated direct sales force organized by brand and geographic areas that primarily serve end consumers and corporate customers, ensuring a personalized and tailored approach to meet the specific requirements of different customer groups. Furthermore, we also operate online stores on various e-commerce platforms in China, leveraging the power of digital platforms to reach a broader audience and provide the market with convenient access to our products.

In June 2025, we continued our innovative attempts and officially launched the Premier Retailers Alliance model. This model holds strategic significance and aims to address certain sectorial challenges in the baijiu industry including a deteriorating channel pricing system, contracting distributor profit margins and substantial financial pressures on distributors. We anticipate that a business framework which resolves core sectoral issues will possess significantly greater appeal and competitiveness than before. In March 2026, in response to the evolving market conditions and business needs of the Group and in furtherance of the objectives of the Alliance Retailers Benefits Plan, we extended the Alliance Retailers Benefits Plan to distributors of additional product series of the Group to attract new Alliance Retailers to contribute further to the long-term growth and success of the Group.

The following table sets forth the number of distributors involved in each type of distribution channel as at December 31, 2025 and June 30, 2026, respectively.

	As at June 30, 2026	As at December 31, 2025
Distribution partners	**3,115**	3,077
Featured stores	**908**	942
Retailers	**4,970**	4,264
Total	**8,993**	8,283

Digital Infrastructure

We adopted digital infrastructure to foster growth and optimize efficiency. We have established an integrated digitalized management system as a core component to support major aspects of our operations. Leveraging the power of data analytics, we are able to make effective business decisions, streamline operations and improve cost effectiveness, which ultimately enhances our overall profitability. During the Reporting Period, we shifted our focus from "building systems" to "building capabilities", from a technology-led approach to a business-led approach, and from a delivery-led approach to a value-led approach, advancing our digital transformation along four principal workstreams: Premier Retailers Alliance business operations, the "Dual Radar" project, dedicated AI initiatives and our Feishu (Lark) project.

On the production and quality front, we continued to deepen system development and extend deployment across our distilleries, with coverage now reaching the core scenarios of quality management, blending, product traceability and channel anti-diversion controls. In particular:

- *Digitalized Quality Management System (QMS)*: The Group has established a unified QMS enabling online quality inspection, one-code-per-sample identification, and automated data collection and analysis. During the Reporting Period, *Zhen Jiu*'s QMS entered a stage of routine operation and iterative enhancement, whilst *Li Du*'s QMS was formally launched in June 2026, with multiple quality inspection scenarios established, five categories of standards maintained and interfaces built with a number of core systems. The development of *Xiang Jiao*'s QMS progressed in parallel, with the related process configuration and trial-run preparations completed. Together, these systems deliver end-to-end quality traceability spanning raw materials inspection through end product delivery.

- *Intelligent Blending*: In partnership with China Unicom, we have embedded artificial intelligence within our blending processes, pioneering intelligent blending operations and conducting bespoke training of large language models upon our extensive repository of historical blending data to develop a new AI+ expert blending framework. This initiative achieved significant breakthrough progress during the Reporting Period, marking a milestone in the intelligent upgrading of our blending processes and driving the deep integration of traditional blending craft with digital technology, thereby enhancing both blending efficiency and the consistency of product quality. Our blending algorithms were further upgraded during the Reporting Period to deliver optimization algorithms derived from liquor sample data.

- *Da Zhen Product Traceability and Smart Case Labelling*: For the Da Zhen product, we upgraded our digital code system from four-code to six-code integration. Building upon the existing four codes, we added NFC anti-counterfeiting and ceramic jar storage codes, enabling precise identification and full lifecycle traceability of the liquor content of each Da Zhen product. We also introduced RFID chip technology to build a smart case labelling system, which assigns a unique code to each case of core products such as *Zhen Jiu* • Da Zhen and *Li Du Sorghum 1975* (Collector's Edition), enabling precise identification and traceability to guard against cross-regional selling.

On the sales and channel front, our CRM system serves as the backbone connecting customer lifecycle management from end to end, our QR code system affords traceability across the entire distribution process, and we have continued to deepen our consumer-facing digitalization. For example:

- *"Dual Radar" Project*: Centred upon our CRM system, we advanced the build-out of our "macro radar" and "micro radar" capabilities, completing the mapping and governance of customer data across the three stages of the customer lifecycle and establishing eight core operating data standards and customer data files. By connecting the data held on our CRM and Feishu (Lark) platforms and supporting tools such as sales visit management, we have created a closed loop across customer follow-up, business execution, data review and management decision-making, shifting channel management from experience-based judgment towards data-supported, process-visible and outcome-traceable management. In parallel, our AI agent "Zhen Hao Yong" (珍好用) has been embedded across sales scenarios to improve day-to-day sales efficiency and build up an internal knowledge base.

- *"Dual Zhen" Business Workflows*: We carried out digital re-engineering of the new business processes for Da Zhen and the fifth generation of Zhen 15. For the fifth generation of Zhen 15, we streamlined the account opening, ordering, payment, rebate and settlement workflows, reducing manual data entry and duplicative verification through OCR recognition, electronic signatures and system interfaces, which, according to our internal project assessment, improved account opening efficiency by approximately 90%. For Da Zhen, we restructured the alliance retailer stock transfer process into a closed loop of online application, confirmation, approval and dispatch, which, according to our internal project assessment, improved processing efficiency by approximately 80%.

- *Consumer Digitalization*: We continued to optimize the digital experience across consumer touchpoints such as the "Zhen Fans' Home" (珍粉之家) membership platform, distillery tours and sealed baijiu services. During the Reporting Period, our distillery tour system completed its migration online and our sealed baijiu system completed the delivery of 23 functional requirements, laying the connective foundation for unified membership identity, benefits and tagging, as well as for cross-scenario operations.

- *Customer Relationship Management (CRM) Platform*: *Zhen Jiu* continued developing a holistic 360-degree customer information capability, consolidating multi-dimensional data encompassing customer profiles, interaction histories, transaction records, distillery tour and sealed storage patterns and marketing campaign engagement. This integrated platform seamlessly connects sales, marketing, membership and customer service workflows, enabling sophisticated customer segmentation strategies and tag-based management. During the Reporting Period, we digitalized the alliance retailer ordering and rebate processes end-to-end through *Zhen Jiu*'s CRM system (Zhi Hui 100（智慧100）), whilst *Xiang Jiao*'s CRM system commenced trial operation in July 2026.

- *QR Code System*: We developed a QR code system that enables more efficient control and management of distribution channels. A QR code is assigned to each baijiu product and the whole distribution process can be recorded by scanning the QR code. This enables our marketing managers to promptly identify any possible misconduct during the sales process based on checking and analysis of the records for the expected distribution area, which significantly reduces labor costs while strengthening the control and management of distributors.

- *Marketing and Communication Digitalization*: We advanced our generative engine optimization and "3K" communication matrix workstreams in parallel, with the 3K communication matrix management project formally launched during the Reporting Period. *Li Du* explored applications in brand image communication and achieved initial results, and we launched a pilot programme for localized referrals of high-quality customers.

Furthermore, as artificial intelligence (AI) fundamentally reshapes the global industrial paradigm, we embarked upon a systematic AI upgrade during the Reporting Period, advancing across three fronts, namely AI platform applications, AI agent development, and working methodologies:

- *Deepened Feishu (Lark) AI Applications*: Leveraging the continuously upgraded AI capabilities of the Feishu (Lark) platform, we completed AI-enabled closed loops for more than 30 core business processes during the Reporting Period, spanning sales, operations, research and development and customer service, and adopted Doubao Workmates as the unified entry point for our group-level AI agent matrix. AI usage on the platform grew several-fold compared with the beginning of the year and continues to rise rapidly, with the sales, operations, customer service and information management functions as the principal adopters, while other functions are progressively onboarding.

- *AI Agent Matrix*: During the Reporting Period, we continued to build out our enterprise-grade AI agent matrix across sales, operations, research and development and customer service scenarios, completing the development and roll-out of agents including "Zhen Hao Yong", the "Tasting Secretary" (品鑑秘書), the "Team Management Assistant" (團隊管理助手) and the "Intelligent IT Assistant" (智能IT助手), whilst validation and implementation studies remain ongoing for intelligent customer service and AI testing.

In addition, during the Reporting Period, *Zhen Jiu* was assessed at the Robust Level (Level 3) under the Data Management Capability Maturity Assessment (DCMM) (數據管理能力成熟度評估), the first national standard in the field of data management in China, the guidelines for which were developed under the direction of the Ministry of Industry and Information Technology (工業和信息化部).

By leveraging digital technology and data analytics, we have transformed our operations and achieved greater efficiency and profitability. This digital transformation also enables us to engage directly with our consumers, empower our employees, and make data-informed decisions that propel our business forward.

Business Updates

Inclusion in MSCI Global Small Cap Index

On August 13, 2026, MSCI Inc. announced the results of its August 2026 quarterly index review, pursuant to which the shares of the Company (stock code: 6979.HK) have been selected for inclusion as a constituent of the MSCI Global Small Cap Index, effective from September 1, 2026. This achievement is expected to enhance the Company's visibility and recognition among the international investment community, and further strengthen the Company's presence and influence in the global capital markets.

Growth of Core Products Driven by Strategic Business Model and Channel Development

In this challenging environment, we successfully launched the innovative Premier Retailers Alliance model in 2025 to navigate industry headwinds. This model holds strategic significance and has become *Zhen Jiu*'s key growth driver, following the innovation of our dual-channel growth strategy. In addition, Da Zhen, as our strategic flagship product, has also continued to achieve success against market trends. In 2026, we continued to refine our business model and broaden our channel network to further accelerate the growth of our core products. Against the backdrop of a recovery from the cyclical trough, we will focus not only on sustaining strong growth in Da Zhen, but also on advancing the comprehensive development of our core product portfolio.

In March 2026, leveraging the proven success of the Premier Retailers Alliance model for Da Zhen, we launched the monthly profit-sharing model alongside the fifth generation of Zhen 15, marking a significant milestone in the growth trajectory of this core *Zhen Jiu* product line. Specifically tailored for the fifth generation of Zhen 15, the monthly profit-sharing model offers the following distinctive advantages: (i) we meticulously identify and onboard alliance retailers with strong group-selling capabilities and direct access to end consumers; (ii) we offer compelling channel profit margins, with rebates settled on a monthly, real-time basis to maximise retailer engagement; (iii) we adopt an online and automated approach to order processing and rebate management, driving efficiency and scalability; and (iv) we extend the Alliance Retailers Benefits Plan to top-performing alliance retailers of the fifth generation of Zhen 15, calibrated on a smaller scale than that for Da Zhen's alliance retailers. Our strategy is clear: by combining an attractive partnership model with attractive profitability, we aim to capture high-quality retail partners across China with direct reach to end consumers, thereby continuously expanding the market share of our core products. Looking ahead, we intend to extend this model to additional core products, unlocking further growth potential and driving the comprehensive development of our product portfolio.

In expanding our premium and mid-range offerings, we continued to gain momentum in our *Li Du* and *Xiang Jiao* products. *Li Du Sorghum 1975*, the *Li Du Sorghum • Changyin Collection Series,* the *Li Du Sorghum • Ulaanbaatar International Expo Gold Award Series* and the *Li Du King* Series each delivered rapid growth during the first half of 2026 and became core products making considerable contributions to *Li Du*'s sales. These products also played a key role in *Li Du*'s nationwide expansion. Concurrently, new products under *Xiang Jiao*'s *Long Jiang* series gained momentum, substantially elevating *Xiang Jiao*'s brand recognition and creating new growth opportunities. Our "News Craft Beer" (牛市啤酒) initiative further reflects our commitment to proactively exploring new growth avenues and expanding into emerging consumption scenarios. Since its launch in August 2025, we have continuously emphasized consumer education and brand awareness building. These efforts have yielded encouraging results — sales volume during the first half of 2026 substantially surpassed that of the prior year, accompanied by meaningful progress in distributor recruitment and network expansion. Going forward, we plan to further broaden our craft beer product matrix, leveraging the category as a platform to diversify consumption occasions and deepen engagement with younger consumer demographics. Together with our other strategic initiatives, these efforts underscore our ability to identify evolving market opportunities and deliver tailored product solutions aligned with distinct consumer segments and consumption contexts.

Regional Expansion and Penetration

As our sustained efforts to optimise channel structures and recalibrate regional market strategies in response to the challenging industry environment have progressively taken effect, we entered 2026 with a clear strategic pivot towards regional expansion and deeper market penetration on both a vertical and a horizontal basis. Vertical penetration refers to penetrating our reach from established core markets into untapped lower-tier cities and townships within those regions. We prioritise markets where our brands have already established strong awareness in the provincial capital and other key cities within the relevant province, enabling us to leverage that established presence to expand into surrounding cities more efficiently. Horizontal expansion refers to selectively entering non-core provinces and regions where we see significant market development potential.

In executing *Zhen Jiu*'s regional expansion and penetration, we deploy differentiated product portfolios tailored to various local consumption scenarios and price sensitivities. In penetrating, county-level and township markets, we principally deploy products in the premium and mid-range price ranges, targeting wedding, celebratory and birthday banquet occasions through promotional activities specifically designed for those settings.

Li Du's nationwide expansion strategy continued to deliver significant results in the first half of 2026. An increasing number of provinces outside Jiangxi Province have reached meaningful scale, with Shandong, Henan, Hebei and Jiangsu in particular achieving strong growth and accumulating considerable sales volumes. Notably, in the course of its nationwide expansion, *Li Du* has successfully evolved beyond its original model centred on high price ranges and high-end group purchases, effectively combining synergies across its product portfolio at multiple price points with high-end group-purchase and broader channel approaches. This more diversified commercial model will provide *Li Du* with multiple growth drivers to sustain its continued development going forward.

Brand Promotion and Marketing Activities

Our continued investment in brand promotion has further strengthened our standing in the baijiu industry and deepened engagement with our target consumers.

During the first half of 2026, we sustained strong brand momentum through the full implementation of a precision-driven marketing strategy anchored by the dual engines of "community penetration and digital empowerment" (圈層滲透＋數字化賦能). We devoted greater resources to consumer cultivation, expanding the rollout of distinctive, conversion-driven initiatives including curated tasting events, high-end event sponsorships and distillery tours. Through these efforts, we enriched the brand experience of our core customer base across a series of signature programmes, including Premier Retailers Alliance forums (萬商聯盟論壇), "Da Zhen Banquet" (大珍宴), "With You It's Truly Wonderful" (有你真好) and "You're Truly Amazing" (你真牛) immersive tasting events, as well as "A Journey of Sealing, A Date at the Sacred Land" (封壇之旅，聖地之約) distillery tours.

On the community penetration front, we continued to broaden brand reach and connect with consumers across a wider range of occasions through high-profile partnerships. *Zhen Jiu* and *Xiang Jiao* became the title sponsors of the 2026 Hunan Provincial Football League (2026 湖南省足球聯賽), which was renamed the "*Zhen Jiu* & *Xiang Jiao* 2026 Hunan Provincial Football League" (珍酒湘窖 2026 湖南省足球聯賽). The league is the largest and most widely followed football competition in Hunan Province, spanning 14 cities with 104 matches running from late July to December 2026, and its 2025 season attracted 2.41 million on-site spectators and generated 16.3 billion online impressions. We have built an integrated online and offline brand matrix under the theme "A Toast to Heroes with a Zhen Heart" (敬"珍"心英雄), featuring Da Zhen as the centrepiece. In addition, Guizhou *Zhen Jiu* served as a partner of the 2026 National Table Tennis Championships (Doubles) (2026 年全國乒乓球錦標賽(雙打)), held in Changsha, Hunan Province and concluded on July 19, 2026. The event marked the first standalone doubles competition in the championships' 74-year history, and we showcased Da Zhen and News Craft Beer at the venue, further integrating our brand narrative with the pursuit of excellence embodied by China's national sport. Separately, *Xiang Jiao* has served as the official designated liquor of the Hunan provincial sports delegation since the 2012 London Olympic Games — a distinguished partnership spanning the London, Tokyo and Paris Olympic Games, as well as the Asian Games, the National Games and the Provincial Games.

On the digital empowerment front, we continued to advance digital and intelligent innovation in our brand communications, leveraging the strong online traffic of our chairman's personal video account and proactively embracing the transformative power of the short-video era to establish a robust online presence across platforms such as video accounts on WeChat, enabling efficient user reach and conversion at scale. During the first half of 2026, we further enhanced the personal IP influence of Mr. Wu Xiangdong, the chairman of the Board, extending our communication content from short videos to regional culture livestreams, and the "Wu Jindong – ZJLD" (吳金東－珍酒李渡) IP has been ranked at the top of the "Entrepreneur Video IP100 List" (企業家視頻 IP100 榜單) for seven months. The livestreams attracted an average of over one million views each and drove content co-creation with participants, including members of the Premier Retailers Alliance, building a multi-dimensional communication matrix that connects online traffic with offline markets, consolidating channel strength, amplifying brand voice and enhancing consumer word-of-mouth, thereby further solidifying the brand's premium positioning.

Premier Retailers Alliance Model – Alliance Retailers Benefits Plan

In September 2025, we, through our indirect wholly-owned subsidiary, Zhenjiu Commercial Trading, adopted the Alliance Retailers Benefits Plan, which is designed to motivate the Eligible Alliance Retailers for long-term sustainable growth and development of the Company, by rewarding the Eligible Alliance Retailers for their contribution to the expansion of the Group's distribution network and brand coverage, and by aligning their long-term interests with those of the Group. The total number of existing Shares to be contributed or acquired under the Alliance Retailers Benefits Plan was initially set at up to 169,431,177 Shares in aggregate, representing approximately 5.0% of the total number of Shares (excluding treasury Shares) in issue as of the date of the adoption of the Alliance Retailers Benefits Plan. In March 2026, we extended the Alliance Retailers Benefits Plan to distributors of additional product series of the Group to attract new Alliance Retailers to contribute further to the long-term growth and success of the Group. The grant price of each Economic Benefit Unit was set by the Management Committee having regard to (a) the Alliance Retailer's purchase order volumes, (b) the weighted average closing Share price over a relevant period, and (c) any discount the Management Committee considers appropriate to incentivize the Alliance Retailer. For details of the Alliance Retailers Benefits Plan, please refer to the announcements of the Company dated September 10, 2025 and March 25, 2026.

Since its adoption, the Alliance Retailers Benefits Plan has seen an encouraging uptake and delivered promising early results. As at December 31, 2025, a total of 21,503,000 Economic Benefits Units had been granted to 1,392 Eligible Alliance Retailers on a cumulative basis.

Building on this momentum, during the Reporting Period, a further (i) 22,778,000 Economic Benefits Units were granted to 1,524 Eligible Alliance Retailers; and (ii) 17,223,000 Economic Benefits Units were reserved for grants to 1,214 Eligible Alliance Retailers which had satisfied the conditions for grant and were in the process of completing the required procedures. None of such Eligible Alliance Retailers, nor any of their ultimate beneficial owners, is a Director, a chief executive or a substantial shareholder (as defined in the Listing Rules) of the Company, or an associate (as defined in the Listing Rules) of any of them. In addition, 846,000 Economic Benefits Units were forfeited during the Reporting Period in accordance with the terms of the plan as a result of the relevant Eligible Alliance Retailers' failure to meet certain requirements. Taking into account all of the foregoing, the aggregate number of Eligible Alliance Retailers who held Economic Benefits Units as at June 30, 2026 was 2,755.

All of the Economic Benefits Units granted are subject to a minimum lock-up period of seven years and no settlements of any unlocked Economic Benefits Units will take place before 2032. As such, no Economic Benefits Units had been unlocked as at June 30, 2026.

As at June 30, 2026, the remaining number of existing Shares underlying the Economic Benefits Units available for grants under the Alliance Retailers Benefits Plan was 108,773,177 Shares, representing approximately 3.2% of the total number of Shares (excluding treasury Shares) in issue. Furthermore, the implementation of the Alliance Retailers Benefits Plan will not result in the Company falling below the prescribed minimum public float level required under Rule 8.08 of the Listing Rules.

As of the date of this announcement, the Company is in the course of making necessary arrangements for the controlling shareholder of the Company to contribute Shares to back the Economic Benefits Units to be granted under the Alliance Retailers Benefits Plan.

Our ESG Initiatives

We have continued to recognize the crucial role that ESG principles play in shaping a sustainable and responsible business. These ESG principles have remained at the core of our strategic decisions and operational practices, enabling us to generate positive impacts not only within our Group but also on the wider communities and environment we are a part of.

As part of the Group's energy management, we continued to advance photovoltaic projects in our distilleries and actively engaged in green power and green certificate trading. During the Reporting Period, 100% of the electricity consumed by the Group was generated from renewable sources on a phased basis. In addition, the *Zhen Jiu*, *Li Du* and *Xiang Jiao* distilleries have continuously enhanced energy efficiency according to the requirements of the ISO 50001 energy management system. Each distillery has significantly reduced heat energy loss by replacing steam traps with energy-efficient models, installing insulation on steam valves and repairing damaged insulation on steam pipelines. The Group achieved a year-on-year decrease of 9.58% in total natural gas consumption in the first half of 2026. In terms of water management, through the ongoing upgrade of our water recycling systems and the transformation from water-cooling to air-cooling, we achieved a year-on-year reduction of 11.12% in water withdrawal. The use of renewable energy and the continuous improvement in energy and water efficiency have not only helped us reduce our environmental impact but also brought about substantial cost savings for the Group.

Giving back to society has always been our unwavering commitment. We actively participate in public welfare and charity initiatives, support education, promote ecological conservation and empower cultural tourism development, demonstrating our responsibility and dedication as a socially accountable enterprise. In the first half of 2026, our chairman hosted a series of regional culture livestream forums in multiple cities, including Guangde, Shaoyang, Yulin, Nanyang and Zunyi, leveraging his influence as the top-ranked entrepreneur video IP to promote local cuisine, cultural tourism and intangible cultural heritage projects, thereby contributing to the development of local tourism and economies. In the first half of 2026, we made a total donation of nearly RMB1 million. We encourage every employee to join volunteer service teams and participate in social work at least once a year. During the Reporting Period, our people contributed 6,864 volunteer hours in public welfare activities.

In the first half of 2026, the Group's sustainability performance continued to receive recognition from leading external authoritative institutions. We have kept our "AAA" Wind ESG rating, ranking first among 59 A+H share listed companies in the beverage sector and being the only baijiu company to have attained such rating; received an "A" level – the top rating – in CDP's Supplier Engagement Assessment (SEA), positioning us as a global leader in supplier engagement in terms of climate actions; achieved a score of 66 in the S&P Global Corporate Sustainability Assessment (CSA); and, in February 2026, were included for the first time in the Sustainability Yearbook 2026 (Global) published by S&P Global, as one of 81 companies from China and one of 13 beverage companies globally on the list, being the first Chinese baijiu company to be included. We were also included in the Sustainability Yearbook (China Edition) 2026 for the second consecutive year and ranked within the "Top 5% S&P Global ESG Score" tier among Chinese companies, with just over 190 companies selected from the 1,800 companies that participated in the CSA assessment in 2025. In addition, in June 2026, *Zhen Jiu*'s project to build a full-chain digitalized management system spanning "grain planting to end consumption" was selected for the "2026 Enterprise Digital and Green Coordinated Transformation and Development" case list (2026 年企業數字化綠色化協同轉型發展案例) jointly published by the All-China Federation of Industry and Commerce (全國工商聯) and the Information Technology Development Bureau of the Cyberspace Administration of China (中央網信辦信息化發展局) at the 2026 National Private Enterprises Green Development Conference (2026全國民營企業綠色發展大會). That project applies fully traceable green supervision across our 400,000 mu sorghum planting bases and real-time collection of and intelligent alerts on brewing process parameters through our IoT platform, and has contributed to a 90% reduction in brewing water consumption.

OUTLOOK

2026 represents a pivotal strategic year for the Group, marking the end of the contraction in our business during the two-year industry downturn and an inflection point at which the Group's business as a whole is stabilizing and recovering. Having navigated the cyclical trough and achieved initial results in stabilizing and recovering our business during the first half of 2026, the Group will carry forward all of the core strategies and operational measures implemented during 2026, consolidate our recovery momentum, lay a solid foundation for sustained medium-to-long-term growth.

(i) **Continuing to fuel steady growth in our core product portfolio.** Building on the proven effectiveness of the Premier Retailers Alliance model and the monthly profit-sharing model launched for the fifth generation of Zhen 15, we will continue to extend these successful frameworks to additional core product lines. In the second half of 2026, we plan to apply a similar model to our Zhen 30 product, with the aim of revitalizing this iconic product within the deluxe price range. To better capture demand for mid-range and below baijiu products, we will also implement an updated channel operating mechanism for the Lao Zhen Jiu (老珍酒), Zhen 5 (珍五) and Zhen 8 (珍八) products. In the second half of 2026, by effectively revitalizing Zhen 30 and mid-range and below price range product series, we seek to create additional growth catalysts in the deluxe and mid-range and below price range to complement the strong momentum delivered by Da Zhen and Zhen 15 in the premium price range, laying the groundwork for comprehensive development across our full price spectrum.

(ii) **Further consolidating the progress made in maintaining sound channel health.** We will continue to monitor our pricing system across distribution channels, maintain healthy inventory levels across our channels and stable profit margins for distributors, thereby supporting sustainable sales growth of our core products. In addition, the separation between our operation and sales systems (營銷分離), which has been in place since the second half of 2025, has enabled us to allocate resources more effectively towards boosting sales to end consumers and acquiring and cultivating loyal customer base, while curbing unregulated price fluctuations across channels and preventing the build-up of unhealthy inventory levels. In the first half of 2026, this system delivered tangible results, including the restoration of pricing discipline and meaningful reductions in channel inventory. We are confident that continued implementation of this system in the second half of 2026 will play a pivotal role in further strengthening channel health.

(iii) **Intensifying the acquisition and development of high-quality distributors.** We will establish tailored screening criteria and distributor profiles adapted to the specific requirements of different products and regions. By leveraging the currently competitive channel profit margins and healthy channel inventory levels, we will effectively recruit high-quality new distributors. Distributors constitute the critical link of the baijiu sales chain. The continued recruitment of new, high-quality regional distributors will reinforce our effort to deepen penetration in new regional markets and increase market share in existing markets.

Looking ahead, as we consolidate our core strategic initiatives and explore opportunities for incremental growth, we are confident that we can improve operational quality and expand our scale throughout 2026.

FINANCIAL REVIEW

Revenue

We offer a wide selection of baijiu and other alcoholic products with diverse aroma profiles and generate revenue from their sale through a nationwide network of distributors and our direct sales channels. Our revenue increased by 2.0% to RMB2,546.1 million for the six months ended June 30, 2026 (1H2025: RMB2,497.1 million).

Revenue by Brand

The following table sets forth a breakdown of our sales volume, average selling price and revenue in absolute amounts and as percentages of total revenue by brand, for the six months ended June 30, 2025 and 2026, respectively.

	For the six months ended June 30,							
	2026				2025			
	Sales Volume *(tons)*	**Revenue (unaudited)** *(RMB'000)*	**Average Selling Price[1]** *(RMB'000/ton)*	**% of Total Revenue** *(%)*	Sales Volume *(tons)*	Revenue (unaudited) *(RMB'000)*	Average Selling Price[1] *(RMB'000/ton)*	% of Total Revenue *(%)*
Zhen Jiu	**4,064**	**1,342,442**	**330.3**	**52.7**	4,612	1,491,703	323.4	59.7
Li Du	**2,598**	**788,004**	**303.3**	**30.9**	1,752	611,140	348.9	24.5
Xiang Jiao	**565**	**282,809**	**500.7**	**11.1**	473	277,227	585.9	11.1
Kai Kou Xiao	**730**	**81,836**	**112.1**	**3.2**	590	81,002	137.2	3.2
Others[2]	**1,741**	**50,978**	**29.3**	**2.0**	1,698	36,034	21.2	1.4
Total	**9,698**	**2,546,069**	**262.5**	**100.0**	9,125	2,497,106	273.7	100.0

Notes:

(1) The average selling price is the average revenue per unit which equals the revenue generated from each brand divided by the corresponding sales volume for such brand in the relevant reporting period.

(2) Others consist primarily of baijiu products under the brand Shao Yang and News Craft Beer.

(3) Any discrepancies in this table between the total and sums of amounts are due to rounding.

For the six months ended June 30, 2026, revenue performance varied across our baijiu brands: *Li Du* recorded strong growth, revenue from *Zhen Jiu* declined, and *Xiang Jiao* and *Kai Kou Xiao* remained relatively stable.

- Revenue generated from *Zhen Jiu* decreased by 10.0% to RMB1,342.4 million for the six months ended June 30, 2026 (1H2025: RMB1,491.7 million). This was primarily due to (i) the elevated base of comparison established in the first half of 2025; and (ii) the measured pace of supply of the preceding generation of products which we maintained ahead of the launch of the new generation of Zhen 15, which weighed on sales volume during the period, partially offset by the sustained strength of Da Zhen, whose higher and more stable unit selling price also lent support to the overall average selling price of *Zhen Jiu*.

- Revenue generated from *Li Du* increased by 28.9% to RMB788.0 million for the six months ended June 30, 2026 (1H2025: RMB611.1 million). This was primarily due to the increased sales of products in the mid-range and premium price ranges within the portfolio of *Li Du*. The relevant product series delivered sales performance ahead of expectations and drove rapid growth in sales volume. Concurrently, the average selling price of *Li Du* moderated as the proportion of mid-range and premium products in the product mix increased.

- Revenue generated from *Xiang Jiao* increased by 2.0% to RMB282.8 million for the six months ended June 30, 2026 (1H2025: RMB277.2 million). This was primarily due to growth in sales volume of premium-priced products under *Xiang Jiao*.

- Revenue generated from *Kai Kou Xiao* increased by 1.0% to RMB81.8 million for the six months ended June 30, 2026 (1H2025: RMB81.0 million). This was primarily due to the channel reform and customer realignment programme initiated by the brand towards the end of 2025, which yielded an initial improvement in sales in the first half of 2026.

Revenue by Price Range

The following table sets forth a breakdown of our revenue in absolute amounts and as percentages of the total revenue by price range for the six months ended June 30, 2025 and 2026, respectively.

	For the six months ended June 30,			
	2026		2025	
	Revenue *(unaudited)* *(RMB'000)*	**% of Total Revenue *(%)***	Revenue *(unaudited)* *(RMB'000)*	% of Total Revenue *(%)*
Deluxe	**327,967**	**12.9**	575,413	23.0
Premium	**1,366,075**	**53.7**	981,853	39.3
Mid-range and below	**852,027**	**33.5**	939,841	37.6
Total	**2,546,069**	**100.0**	2,497,106	100.0

Note: Any discrepancies in this table between the total and sums of amounts are due to rounding.

For the six months ended June 30, 2026, the baijiu industry as a whole was in a challenging period, facing downward pressure on pricing. Against this backdrop, the proportion of our revenue contributed by premium products increased significantly to 53.7% of total revenue, while the proportion contributed by deluxe products declined:

- Revenue generated from deluxe baijiu products decreased by 43.0% to RMB328.0 million for the six months ended June 30, 2026 (1H2025: RMB575.4 million). This was primarily due to the pronounced contraction in demand for deluxe baijiu products, accordingly we responded to shifting patterns of industry demand by vigorously developing products in the premium price range.

- Revenue generated from premium baijiu products increased by 39.1% to RMB1,366.1 million for the six months ended June 30, 2026 (1H2025: RMB981.9 million). This was primarily due to the growth in sales of the Da Zhen product of *Zhen Jiu*, *Li Du Sorghum 1975* and the premium sub-series of *Xiang Jiao Long Jiang*.

- Revenue from mid-range and below baijiu products decreased by 9.3% to RMB852.0 million for the six months ended June 30, 2026 (1H2025: RMB939.8 million). This was primarily due to the decline in sales of mid-range and below products as *Zhen Jiu* concentrated its efforts on developing premium products such as Da Zhen and Zhen 15.

Revenue by Sales Channel

The following table sets forth a breakdown of our revenue in absolute amounts and as percentages of the total revenue by sales channels for the six months ended June 30, 2025 and 2026, respectively.

	For the six months ended June 30,			
	2026		2025	
	Revenue *(unaudited)* *(RMB'000)*	**% of Total Revenue *(%)***	Revenue *(unaudited)* *(RMB'000)*	% of Total Revenue *(%)*
Distributors	**2,199,591**	**86.4**	2,196,725	88.0
Direct sales	**346,478**	**13.6**	300,381	12.0
Total	**2,546,069**	**100.0**	2,497,106	100.0

The Group primarily sells baijiu products through a nationwide network of distributors as well as via our direct sales team. The revenue generated from distributors increased by 0.1% to RMB2,199.6 million for the six months ended June 30, 2026 (1H2025: RMB2,196.7 million). Meanwhile, the revenue generated from direct sales increased by 15.3% to RMB346.5 million for the six months ended June 30, 2026 (1H2025: RMB300.4 million). This was primarily due to the growth in revenue contributed by our e-commerce channels.

Cost of Sales

Our cost of sales primarily consisted of (i) cost of production materials, including cost of raw materials, depreciation and amortization and employee compensation for our personnel responsible for baijiu production, (ii) cost of packaging materials used to produce our baijiu products, (iii) tax and surcharges, primarily consumption tax charged in connection with sales of our baijiu products, and (iv) transportation cost, mainly representing logistics expenses for delivery of our baijiu products.

Our cost of sales increased by 0.2% to RMB1,025.2 million for the six months ended June 30, 2026 (1H2025: RMB1,022.8 million), remaining broadly proportionate to the 2.0% increase in revenue.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased by 3.2% to RMB1,520.9 million for the six months ended June 30, 2026 (1H2025: RMB1,474.3 million). Our gross profit margin increased to 59.7% for the six months ended June 30, 2026 (1H2025: 59.0%). The increase in our overall gross profit margin was attributable to the increase in the gross profit margins of *Zhen Jiu* and *Xiang Jiao*, together with the greater proportion of revenue contributed by *Li Du*, which commands a higher gross profit margin.

Gross Profit and Gross Profit Margin by Brand

The following table sets forth a breakdown of our gross profit in absolute amounts and as percentages of revenue, or gross profit margin, by brand for the six months ended June 30, 2025 and 2026, respectively.

	For the six months ended June 30,			
	2026		2025	
	Gross Profit *(Unaudited)* *(RMB'000)*	**Gross Profit Margin *(%)***	Gross Profit *(Unaudited)* *(RMB'000)*	Gross Profit Margin *(%)*
Zhen Jiu	**802,205**	**59.8**	869,866	58.3
Li Du	**509,869**	**64.7**	406,332	66.5
Xiang Jiao	**168,015**	**59.4**	162,700	58.7
Kai Kou Xiao	**30,400**	**37.1**	33,788	41.7
Others[(1)]	**10,367**	**20.3**	1,598	4.4
Total	**1,520,856**	**59.7**	1,474,284	59.0

Note:

(1) Others consist primarily of baijiu products under the brand Shao Yang and News Craft Beer.

- Gross profit from *Zhen Jiu* decreased by 7.8% to RMB802.2 million for the six months ended June 30, 2026 (1H2025: RMB869.9 million). Gross profit margin from *Zhen Jiu* increased to 59.8% for the six months ended June 30, 2026 (1H2025: 58.3%). This was primarily due to (i) the increased sales contribution from the Da Zhen product, which commands a higher gross profit margin; and (ii) the continued substitution of externally sourced base liquor with self-brewed base liquor of lower production cost, together with improvements in packaging and other measures to optimize product costs.

- Gross profit from *Li Du* increased by 25.5% to RMB509.9 million for the six months ended June 30, 2026 (1H2025: RMB406.3 million). Gross profit margin from *Li Du* decreased to 64.7% for the six months ended June 30, 2026 (1H2025: 66.5%). This was primarily due to the increased proportion of mid-range products in sales, which command relatively lower gross profit margins and thereby lowered the overall gross profit margin of *Li Du*. Additionally, the optimization of packaging and production cost partially offset the margin dilution arising from that change in product mix.

- Gross profit from *Xiang Jiao* increased by 3.3% to RMB168.0 million for the six months ended June 30, 2026 (1H2025: RMB162.7 million). Gross profit margin from *Xiang Jiao* increased to 59.4% for the six months ended June 30, 2026 (1H2025: 58.7%). This slightly increased margin reflected our continued efforts to optimize production costs.

- Gross profit from *Kai Kou Xiao* decreased by 10.0% to RMB30.4 million for the six months ended June 30, 2026 (1H2025: RMB33.8 million). Gross profit margin from *Kai Kou Xiao* decreased to 37.1% for the six months ended June 30, 2026 (1H2025: 41.7%). This was primarily due to the greater revenue contribution from products at the lower end of the range.

Gross Profit and Gross Profit Margin by Price Range

The following table sets forth a breakdown of our gross profit and gross profit margin by price range for the six months ended June 30, 2025 and 2026, respectively.

	For the six months ended June 30,			
	2026		2025	
	Gross Profit *(Unaudited)* *(RMB'000)*	**Gross Profit Margin *(%)***	Gross Profit *(Unaudited)* *(RMB'000)*	Gross Profit Margin *(%)*
Deluxe	**202,386**	**61.7**	389,716	67.7
Premium	**906,582**	**66.4**	644,598	65.7
Mid-range and below	**411,888**	**48.3**	439,970	46.8
Total	**1,520,856**	**59.7**	**1,474,284**	**59.0**

The gross profit margin of products in the deluxe price range decreased to 61.7% for the six months ended June 30, 2026 (1H2025: 67.7%), mainly due to the growing revenue contribution from products within the deluxe price range that carry lower gross profit margins. In addition, the gross profit margin of the premium price range and the mid-range and below price range products for the six months ended June 30, 2026 increased by 0.7 percentage points and 1.5 percentage points, respectively. This was primarily attributable to the greater contribution of Da Zhen and *Li Du* products, which command relatively higher gross profit margins within their respective price ranges.

Selling and Distribution Expenses

Our selling and distribution expenses consist of (i) advertisement expenses relating to our advertisements placed across different media channels, such as television and radio, airport and railway stations and online channels, as well as relating to our other online and offline marketing and promotion activities, (ii) employee compensation, including salaries, welfare and bonuses for our sales and distribution personnel, (iii) travel and office expenses incurred by our sales and distribution personnel, (iv) expenses in connection with the Alliance Retailers Benefits Plan and (v) others, such as depreciation and amortization allocated to selling and distribution activities.

Our selling and distribution expenses increased by 2.9% to RMB571.3 million for the six months ended June 30, 2026 (1H2025: RMB555.3 million). As a percentage of revenue, selling and distribution expenses increased to approximately 22.4% for the six months ended June 30, 2026 (1H2025: 22.2%). Excluding expenses in connection with the Alliance Retailers Benefits Plan, selling and distribution expenses for the six months ended June 30, 2026 amounted to RMB544.3 million, representing a modest decrease compared with the corresponding period in 2025, primarily due to the optimization of our marketing spending.

Administrative Expenses

Our administrative expenses consist of (i) employee compensation, including salaries, welfare and bonuses for our administrative staff, (ii) office and maintenance expenses, including business development expenses, repair and maintenance expenses, utilities charges and other office expenses, (iii) depreciation and amortization allocated to administrative activities, (iv) professional service fees, consisting primarily of costs associated with third-party consulting and professional services in our ordinary course of business, and (v) others.

Our administrative expenses increased by 16.2% to RMB283.3 million for the six months ended June 30, 2026 (1H2025: RMB243.7 million), and our administrative expenses as a percentage of revenue increased to approximately 11.1% for the six months ended June 30, 2026 (1H2025: 9.8%). This was primarily due to higher depreciation and amortization expenses following the commencement of use of our new office premises, together with an increase in consulting service fees.

Other Income

Our other income consists of (i) government grants, representing subsidies and benefits received from local governments in China, (ii) interest income on bank deposits and loans to third parties, (iii) net income or loss on foreign exchange, (iv) net income from sales of by-products and semifinished products, such as lees and packaging materials, which were produced or left over during the course of baijiu production, (v) fees from distributors for breach of contracts, (vi) net gain or loss on disposal of property, plant and equipment, and (vii) others.

Our other income decreased by 14.8% to RMB141.1 million for the six months ended June 30, 2026 (1H2025: RMB165.6 million). This was primarily due to a reduction in interest income.

Finance Costs

Our finance costs consist of (i) interest expenses on lease liabilities related to plant and buildings leased for own use and (ii) interest expenses of bank and other borrowings.

Our finance costs increased by 93.8% to RMB27.0 million for the six months ended June 30, 2026 (1H2025: RMB14.0 million). This was primarily due to higher interest expenses arising from an increase in onshore borrowings.

Income Tax

Our income tax expenses decreased by 16.1% to RMB175.3 million for the six months ended June 30, 2026 (1H2025: RMB208.9 million). This was primarily due to a reduction in our effective income tax rate compared with the corresponding period in 2025, reflecting the tax efficiencies arising from the continued optimization of the Group's onshore and offshore funding structure.

Profit for the Period

Our net profit increased by 1.0% to RMB580.7 million for the six months ended June 30, 2026 (1H2025: RMB574.8 million), remaining broadly in line with the corresponding period in 2025.

Non-IFRS Measures

To supplement our consolidated financial statements that are presented in accordance with IFRS Accounting Standards, we also use adjusted net profit (non-IFRS measure) and adjusted net profit margin (non-IFRS measure) as additional financial measures, which are not required by, or presented in accordance with, IFRS Accounting Standards. We believe that these non-IFRS measures facilitate comparisons of operating performance from period to period and company to company by eliminating potential impacts of certain items. We believe that these measures provide useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, our presentation of adjusted net profit (non-IFRS measure) and adjusted net profit margin (non-IFRS measure) 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 you should not consider it in isolation from, or as substitute for analysis of, our results of operations or financial condition as reported under IFRS Accounting Standards.

The following table reconciles our adjusted net profit (non-IFRS measure) for the periods indicated to the most directly comparable financial measure calculated and presented in accordance with IFRS.

	For the six months ended June 30,	
	2026	2025
	(Unaudited)	
	(RMB'000, except percentages)	
Profit attributable to equity shareholders of the Company for the period	**580,717**	574,771
Add:		
Equity-settled share-based payment expenses [(1)]	**18,271**	38,431
Expenses in connection with the Alliance Retailers Benefits Plan[(2)]	**27,076**	–
Adjusted net profit (non-IFRS measure)	**626,064**	613,202
Adjusted net profit margin (non-IFRS measure)	**24.6%**	24.6%

Notes:

(1) Equity-settled share-based payment expenses relate to the Awards granted on October 25, 2023 pursuant to the Post-IPO Equity Incentive Plan.

(2) In September 2025, the Company, through its indirect wholly-owned subsidiary Zhenjiu Commercial Trading, adopted the Alliance Retailers Benefits Plan to incentivise Eligible Alliance Retailers to support the Group's long-term growth by rewarding contributions to the expansion of its distribution network and brand coverage, and in March 2026 extended the plan to distributors of additional product series to attract new Alliance Retailers and further align their interests with those of the Group.

Our adjusted net profit (non-IFRS measure) increased by 2.1% to RMB626.1 million for the six months ended June 30, 2026 (1H2025: RMB613.2 million). Our adjusted net profit margin (non-IFRS measure) remained stable at 24.6%.

Liquidity and Capital Resources

During the six months ended June 30, 2026, we funded our cash requirements principally from cash generated from our business operations and net proceeds from the Global Offering and bank and other borrowings. Our net cash used in operating activities for the period amounted to approximately RMB234.0 million, as compared to net cash used in operating activities of approximately RMB322.3 million in the six months ended June 30, 2025, adjusted for certain non-cash and non-operating items. Adjustments for such non-cash and non-operating items primarily include depreciation expenses, equity-settled share-based payment expenses, expenses in connection with the Alliance Retailers Benefits Plan, and interest income and expenses.

As at June 30, 2026, cash at bank and on hand amounted to approximately RMB5,173.6 million (as at December 31, 2025: RMB5,340.7 million). As at June 30, 2026, our bank and other borrowings amounted to approximately RMB1,726.6 million (as at December 31, 2025: RMB953.6 million), including (a) interest-bearing bank loans in the amount of RMB1,690.0 million comprising (i) revolving credit facilities secured by an intra-group guarantee and (ii) discounted notes secured by pledge of bank acceptance notes, both of which were recognized in the consolidated statement of financial position using the effective interest method; and (b) unsecured and unguaranteed non-interest bearing third-party loans in the amount of RMB36.6 million. All of our borrowings are denominated in RMB.

Gearing Ratio

As at June 30, 2026, the gearing ratio (calculated as net debt divided by total capital) was not applicable to our Group due to our net cash surplus position.

Contingent Liabilities

As of June 30, 2026, the Group had no material contingent liabilities.

Material Acquisitions and Disposals and Significant Investments

The Group did not have any material acquisitions and disposals or significant investments during the six months ended June 30, 2026.

Future Plan for Material Investments or Capital Assets

As at June 30, 2026, save as disclosed in the section headed "Future Plans and Use of Proceeds" in the Prospectus and further explained in the section headed "Use of Proceeds from the Global Offering" below, the Group had no future plan for material investments or capital assets.

Pledge of Assets

Save as disclosed above in the section headed "Liquidity and Capital Resources", as of June 30, 2026, none of the Group's assets was subject to any encumbrance, mortgage, lien, charge or pledge.

Capital Expenditure

For the six months ended June 30, 2026, our total capital expenditure was approximately RMB200.3 million (1H2025: RMB252.8 million). Our capital expenditure primarily included our purchase of fixed assets and land use rights. We intend to fund our future capital expenditures with financial resources available to us, including our existing cash balance, cash generated from our operating activities, our available banking facilities and net proceeds from the Global Offering.

Foreign Exchange Exposure

During the six months ended June 30, 2026, the Group conducted its business in China with the transactions settled in Renminbi. The functional currency of the Group's subsidiaries in the PRC is RMB. There is a natural hedge mechanism in place during the course of its respective business operation and the impact of the foreign exchange risk is low, therefore no financial instruments for hedging purposes are considered necessary. To enhance overall risk management, the Group will continue to keep track of the foreign exchange risk and take prudent measures to mitigate exchange risk, and take appropriate action where necessary.

Employees and Equity Incentive Plan

As of June 30, 2026, we had 10,023 full-time employees (as at December 31, 2025: 10,365 employees).

The staff costs, including salaries, wages and other benefits, contributions to defined contribution retirement plans as well as equity-settled share-based payment expenses, were approximately RMB531.7 million (1H2025: RMB495.0 million) for the six months ended June 30, 2026. The staff costs, excluding equity-settled share-based payment expenses, were approximately RMB513.4 million for the six months ended June 30, 2026 (1H2025: RMB456.6 million). We continue to offer onboarding trainings for all new hires, covering introduction to our brands, products and corporate values, and the overall production standards, sales policies and code of conducts, and design and offer targeted training programs for employees at various positions.

The Post-IPO Equity Incentive Plan was approved by way of shareholders' resolution on April 11, 2023, with effect from the Listing Date. The purpose of the plan is to incentivize and reward eligible participants for their contribution to the Group and to align their interests with those of the Company, so as to encourage them to work towards enhancing the value of the Company. The principal terms of the Post-IPO Equity Incentive Plan are summarized in the section headed "Statutory and General Information – D. Post-IPO Equity Incentive Plan" in Appendix IV to the Prospectus.

As of January 1, 2026, Awards corresponding to 112,915,819 Shares were granted pursuant to the Post-IPO Equity Incentive Plan. During the Reporting Period, (i) no additional Award had been granted or agreed to be granted under the Post-IPO Equity Incentive Plan; (ii) the Awards corresponding to 539,995 Shares granted lapsed in accordance with the terms of the Post-IPO Equity Incentive Plan as a result of the relevant Grantees' voluntary resignation; and (iii) none of the Awards had been vested in accordance with the terms of the Post-IPO Equity Incentive Plan. As such, the Company has granted Awards corresponding to 112,375,824 Shares pursuant to the Post-IPO Equity Incentive Plan as of June 30, 2026, which accounted for 3.32% of the total issued shares of the Company. Amongst the Grantees, three of them are executive Directors of the Company, namely, Mr. Tang Xiangyang, Ms. Zhu Lin and Mr. Luo Yonghong, and one of them was Mr. Yan Tao, who retired from his positions as an executive Director and the vice chairman of the Board with effect from July 24, 2026. Save for these three executive Directors and Mr. Yan, none of the Awards has been granted to any connected person (as defined in the Listing Rules) of the Company.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026 – unaudited
(Expressed in Renminbi ("RMB"))

		Six months ended 30 June	
	Note	**2026**	2025
		RMB'000	*RMB'000*
Revenue	*4*	**2,546,069**	2,497,106
Cost of sales		**(1,025,213)**	(1,022,822)
Gross profit	*4*	**1,520,856**	1,474,284
Other income		**141,055**	165,605
Selling and distribution expenses		**(571,333)**	(555,310)
Administrative expenses		**(283,265)**	(243,684)
Equity-settled share-based payment expenses	*5(b)*	**(18,271)**	(38,431)
Impairment loss on trade receivables		**(6,016)**	(4,852)
Profit from operations		**783,026**	797,612
Finance costs	*5(a)*	**(27,048)**	(13,957)
Profit before taxation	*5*	**755,978**	783,655
Income tax	*6*	**(175,261)**	(208,884)
Profit attributable to equity shareholders of the Company for the period		**580,717**	574,771
Other comprehensive income for the period (after tax):			
Items that may be reclassified subsequently to profit or loss:			
– Exchange differences on translation of financial statements into presentation currency		**(154,377)**	(38,326)
Total comprehensive income attributable to equity shareholders of the Company for the period		**426,340**	536,445
Earnings per share			
Basic and diluted (RMB)	*7*	**0.176**	0.174

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026 – unaudited
(Expressed in RMB)

	Note	**30 June 2026 RMB'000**	31 December 2025 RMB'000
Non-current assets			
Property, plant and equipment	8	**5,093,964**	5,119,664
Deferred tax assets		**78,965**	149,330
		5,172,929	5,268,994
Current assets			
Inventories	9	**9,621,510**	9,185,944
Trade and bills receivables	10	**193,940**	151,634
Prepayments, deposits and other receivables		**164,769**	189,251
Cash at bank and on hand	11	**5,173,631**	5,340,662
		15,153,850	14,867,491
Current liabilities			
Trade and bills payables	12	**1,896,672**	2,315,113
Other payables, accruals and contract liabilities	13	**2,882,742**	3,105,486
Bank and other borrowings		**1,169,900**	592,600
Lease liabilities		**10,743**	9,130
Current taxation		**1,974**	75,575
		5,962,031	6,097,904
Net current assets		**9,191,819**	8,769,587
Total assets less current liabilities		**14,364,748**	14,038,581
Non-current liabilities			
Bank and other borrowings		**556,700**	361,000
Lease liabilities		**7,266**	16,174
Deferred tax liabilities		**9,051**	49,479
		573,017	426,653
NET ASSETS		**13,791,731**	13,611,928
CAPITAL AND RESERVES			
Share capital		**45**	45
Reserves		**13,791,686**	13,611,883
TOTAL EQUITY		**13,791,731**	13,611,928

NOTES

(Expressed in RMB unless otherwise indicated)

1 REVIEW OF RESULTS

The interim results set out in this preliminary announcement do not constitute the Group's condensed interim financial statements for the six months ended June 30, 2026 but are extracted from those financial statements.

The condensed interim financial statements comprise those of ZJLD Group Inc ("the Company") and its subsidiaries (together, the "Group").

The condensed interim financial statements are unaudited, but have been reviewed by KPMG 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. KPMG's independent review report to the Board of Directors is included in the interim report to be sent to shareholders. In addition, the condensed interim financial statements have been reviewed by the Company's Audit Committee with no disagreement.

2 BASIS OF PREPARATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Act (as revised) of the Cayman Islands on 24 September 2021. The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 27 April 2023. The Group are principally engaged in the making, production and sales of baijiu and other alcoholic products.

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange, including compliance with International Accounting Standard ("IAS") 34, *Interim financial reporting*, issued by the International Accounting Standards Board (the "IASB"). It was authorised for issue on 19 August 2026.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2025 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2026 annual financial statements. Details of any changes in accounting policies are set out in Note 3.

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

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2025 annual financial statements. The condensed consolidated interim financial statements and the accompanying notes do not include all of the information required for a full set of financial statements prepared in accordance with IFRS Accounting Standards.

3 CHANGES IN ACCOUNTING POLICIES

The IASB has issued a number of amendments to IFRS Accounting Standards that are first effective for the current accounting period. None of these developments have had a material effect on these financial statements. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

4 REVENUE AND SEGMENT REPORTING

(a) Revenue

The Group is principally engaged in the making, production and sales of baijiu and other alcoholic products.

Further details regarding the Group's principal activities are disclosed in Note 4(b). Revenue disaggregated by major brands of baijiu and other alcoholic products is as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Zhen Jiu	**1,342,442**	1,491,703
Li Du	**788,004**	611,140
Xiang Jiao	**282,809**	277,227
Kai Kou Xiao	**81,836**	81,002
Others	**50,978**	36,034
	2,546,069	2,497,106

All of the revenue of the Group is generated from sales of baijiu and other alcoholic products and is recognised at a point in time during the six months ended 30 June 2026 and 2025.

The Group's customer base is diversified. During the six months ended 30 June 2026, there is no single customer with whom transactions has exceeded 10% of the Group's revenue (six months ended 30 June 2025: Nil).

(b) Segment reporting

The Group manages its businesses by brands of baijiu and other alcoholic products. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following five reportable segments.

- Zhen Jiu: this segment engages in the making, production and sales of baijiu products under the brand "Zhen Jiu".

- Li Du: this segment engages in the making, production and sales of baijiu products under the brand "Li Du".

- Xiang Jiao: this segment engages in the making, production and sales of baijiu products under the brand "Xiang Jiao".

- Kai Kou Xiao: this segment engages in the making, production and sales of baijiu products under the brand "Kai Kou Xiao".

- Others: this segment engages in the making, production and sales of baijiu products under the brand "Shao Yang" and other brands, and the sales of other alcoholic products.

(i) Segment results

For the purposes of assessing segment performance and allocating resources, the Group's most senior executive management monitors the results attributable to each reportable segment on the following basis:

Revenue and expenses are allocated to the reportable segments with reference to revenue generated by those segments and direct expenses incurred by those segments. The measure used for reporting segment result is gross profit. No inter-segment sales have occurred during the current period. Assistance provided by one segment to another, including sharing of assets and technical know-how, is not measured.

The Group's other operating income and expenses, such as other income, selling and distribution expenses, administrative expenses, equity-settled share-based payment expenses, impairment loss on trade receivables, finance costs, and assets and liabilities are not measured under individual segments. Accordingly, neither information on segment assets and liabilities nor information concerning capital expenditure, interest income and interest expenses is presented.

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance during the current period is set out below.

	Six months ended 30 June 2026					
	Zhen Jiu	**Li Du**	**Xiang Jiao**	**Kai Kou Xiao**	**Others**	**Total**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***	***RMB'000***	***RMB'000***
Revenue from external customers	**1,342,442**	**788,004**	**282,809**	**81,836**	**50,978**	**2,546,069**
Reportable segment gross profit	**802,205**	**509,869**	**168,015**	**30,400**	**10,367**	**1,520,856**

	Six months ended 30 June 2025					
	Zhen Jiu	Li Du	Xiang Jiao	Kai Kou Xiao	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Revenue from external customers	1,491,703	611,140	277,227	81,002	36,034	2,497,106
Reportable segment gross profit	869,866	406,332	162,700	33,788	1,598	1,474,284

(ii) Reconciliation of reportable segment profit or loss

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Reportable segment gross profit	**1,520,856**	1,474,284
Other income	**141,055**	165,605
Selling and distribution expenses	**(571,333)**	(555,310)
Administrative expenses	**(283,265)**	(243,684)
Equity-settled share-based payment expenses	**(18,271)**	(38,431)
Impairment loss on trade receivables	**(6,016)**	(4,852)
Finance costs	**(27,048)**	(13,957)
Consolidated profit before taxation	**755,978**	783,655

(iii) Geographic information

The Group generated its revenue mainly in the Chinese Mainland and its non-current assets are substantially located in the Chinese Mainland, and accordingly, no analysis of geographic information is presented.

5 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

(a) Finance costs

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Interest expenses on bank and other borrowings	**26,583**	13,204
Interest expenses on lease liabilities	**465**	753
	27,048	13,957

(b) Staff costs

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Salaries, wages and other benefits	**441,379**	409,421
Contributions to defined contribution retirement plans	**72,063**	47,181
Equity-settled share-based payment expenses	**18,271**	38,431
	531,713	495,033

(c) Other items

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Depreciation expenses:		
– property, plant and equipment	**161,213**	146,137
– right-of-use assets	**17,336**	22,664
	178,549	168,801
Expenses in connection with the Alliance Retailers Benefits Plan (Note)	**27,076**	–

Note: On 10 September 2025, the Company adopted a share-linked sales incentive plan with certain distributors (the "Alliance Retailers Benefits Plan") for the long-term sustainable growth and development of the Group.

6 INCOME TAX

Taxation in the consolidated statement of profit or loss represents:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Current taxation	**145,324**	147,609
Deferred taxation	**29,937**	61,275
	175,261	208,884

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (the "BVI"), the Group is not subject to any income tax in the Cayman Islands and the BVI.

The Company and the subsidiary of the Group incorporated in Hong Kong are subject to Hong Kong Profits Tax rate of 16.5% for the six months ended 30 June 2026 (six months ended 30 June 2025: 16.5%). No provision for Hong Kong Profits Tax has been made, as the Company and the subsidiary of the Group incorporated in Hong Kong did not have assessable profits which are subject to Hong Kong Profits Tax during the current period (six months ended 30 June 2025: Nil).

The subsidiaries of the Group established in the Chinese Mainland are subject to the People's Republic of China (the "PRC") Corporate Income Tax rate at 25% during the current period (six months ended 30 June 2025: 25%).

7 EARNINGS PER SHARE

(a) Basic earnings per share

The basic earnings per share for the six months ended 30 June 2026 is calculated based on the profit attributable to ordinary equity shareholders of the Company of RMB580,717,000 (six months ended 30 June 2025: RMB574,771,000) and the weighted average of ordinary shares of 3,296,369,000 shares (six months ended 30 June 2025: 3,310,008,000 ordinary shares) in issue during the interim period.

The weighted average number of ordinary shares is calculated as follows:

	Six months ended 30 June	
	2026	2025
	'000	*'000*
Issued ordinary shares at 1 January	**3,388,624**	3,388,624
Effect of restricted shares held for the Post-IPO Equity Incentive Plan	**(78,616)**	(78,616)
Effect of shares held for the Alliance Retailers Benefits Plan	**(13,639)**	–
Weighted average number of ordinary shares at 30 June	**3,296,369**	3,310,008

(b) Diluted earnings per share

Diluted earnings per share were the same as the basic earnings per share as the Group had no dilutive potential shares for the six months ended 30 June 2026 and 2025.

8 PROPERTY, PLANT AND EQUIPMENT

(a) Right-of-use assets

During the six months ended 30 June 2026, the Group recognised the additions to right-of-use assets of RMB2,581,000 (six months ended 30 June 2025: RMB164,262,000).

(b) Acquisitions and disposals of owned assets

During the six months ended 30 June 2026, the Group acquired items of property, plant and equipment (other than right-of-use assets) with a cost of RMB163,549,000 (six months ended 30 June 2025: RMB248,744,000). Items of property, plant and equipment (other than right-of-use assets) with net book value of RMB6,298,000 were disposed of during the six months ended 30 June 2026 (six months ended 30 June 2025: RMB317,000), resulting in a gain on disposal of RMB315,000 (six months ended 30 June 2025: loss on disposal of RMB113,000).

9 INVENTORIES

	At 30 June 2026 *RMB'000*	At 31 December 2025 *RMB'000*
Raw materials and packaging materials	**479,077**	350,791
Work in progress and maturing inventories	**8,264,075**	7,779,701
Finished goods	**878,358**	1,055,452
	9,621,510	9,185,944

10 TRADE AND BILLS RECEIVABLES

	At 30 June 2026 *RMB'000*	At 31 December 2025 *RMB'000*
Trade receivables	**163,467**	131,017
Less: loss allowance	**(22,139)**	(16,307)
	141,328	114,710
Bills receivables	**52,612**	36,924
	193,940	151,634

(a) Ageing analysis

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

	At 30 June 2026 *RMB'000*	At 31 December 2025 *RMB'000*
Less than 3 months	**137,153**	107,359
More than 3 months but less than 6 months	**1,994**	6,407
More than 6 months but less than 12 months	**2,181**	944
	141,328	114,710

The balance of bills receivables represents bank acceptance notes received from customers with maturity dates of less than six months at the end of the reporting period. Trade receivables are usually due within 30 days from the date of billing, where credit periods of one month to one year are granted to certain large customers.

11 CASH AND CASH EQUIVALENTS

	At 30 June 2026 *RMB'000*	At 31 December 2025 *RMB'000*
Cash at bank and on hand	**1,450,862**	1,264,796
Time deposits	**2,826,155**	2,847,580
Restricted bank deposits *(Note (i))*	**896,614**	1,228,286
Cash at bank and on hand in the consolidated statement of financial position	**5,173,631**	5,340,662
Less: restricted bank deposits	**(896,614)**	(1,228,286)
Cash and cash equivalents in the condensed consolidated cash flow statement	**4,277,017**	4,112,376

Notes:

(i) The balance is pledged for bills issued by the Group.

(ii) The Group's operation in the Chinese Mainland conducted its business in RMB. RMB is not a freely convertible currency and the remittance of funds out of the Chinese Mainland is subject to the exchange restrictions imposed by the PRC government.

12 TRADE AND BILLS PAYABLES

	At 30 June 2026 *RMB'000*	At 31 December 2025 *RMB'000*
Trade payables	**223,166**	430,643
Bills payables *(Note)*	**1,673,506**	1,884,470
	1,896,672	2,315,113

Note: As at 30 June 2026, bills payables of RMB1,263,170,000 (31 December 2025: RMB1,733,794,000) are bills issued in respect of the intercompany transaction within the Group.

(a) Ageing analysis

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

	At 30 June 2026 *RMB'000*	At 31 December 2025 *RMB'000*
Within 1 year	**1,857,511**	2,302,401
1 to 2 years	**35,495**	12,276
2 to 3 years	**3,666**	436
	1,896,672	2,315,113

13 OTHER PAYABLES, ACCRUALS AND CONTRACT LIABILITIES

	At 30 June 2026 *RMB'000*	At 31 December 2025 *RMB'000*
Payables for construction and purchases of property, plant and equipment	**222,230**	265,554
Payables for staff related costs	**310,973**	304,006
Other taxes payables	**7,303**	15,267
Dividends payable	**206,024**	–
Accruals for advertisement expenses	**107,647**	118,591
Others	**83,331**	77,479
Financial liabilities measured at amortised cost	**937,508**	780,897
Contract liabilities:		
Receipts in advance from customers	**1,278,112**	1,722,528
Accruals for sales returns and rebates	**667,122**	602,061
	1,945,234	2,324,589
	2,882,742	3,105,486

14 DIVIDENDS

(i) The directors of the Company do not recommend the payment of an interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: RMBNil).

(ii) Dividends payable to equity shareholders attributable to the previous financial year, approved during the interim period:

	2026 *RMB'000*	2025 *RMB'000*
Final dividend in respect of the previous financial year, approved during the following interim period, of HKD0.07 per ordinary share (six months ended 30 June 2025: HKD0.21)	**206,024**	652,134

USE OF PROCEEDS FROM THE GLOBAL OFFERING

The Shares were listed on the Stock Exchange on April 27, 2023. The net proceeds received from the Global Offering (after deduction of the underwriting fees and commissions and other estimated related expenses payable by us in connection with the Global Offering) were approximately HK$4,990 million.

As at June 30, 2026, the net proceeds utilized was approximately HK$3,506.1 million and the remaining net proceeds were approximately HK$1,483.9 million. The Company intends to continue to utilize the remaining net proceeds in the future for the purposes as set out in the Prospectus. The table below sets out the planned usage of the net proceeds from the Global Offering and actual usage up to June 30, 2026:

Use of proceeds	**Allocation**	**Net proceeds from the Global Offering**	**Utilized amount up to June 30, 2026**	**Unutilized amount as at June 30, 2026**	**Expected timeline for fully utilizing the unutilized amount** [(1)]
	(HK$ in million, except percentages)				
Construction and development of production facilities	55%	2,744.5	2,260.9	483.6	By December 31, 2027
Brand building and market promotion	20%	998.0	580.8	417.2	By December 31, 2027
Expansion of sales channels	10%	499.0	255.3	243.7	By December 31, 2027
Business automation and digitalization transformation	5%	249.5	54.1	195.4	By December 31, 2027
Working capital and general corporate purposes	10%	499.0	355.0	144.0	By December 31, 2027
Total	**100%**	**4,990.0**	3,506.1	1,483.9	

Notes:

(1) The expected timeline for utilization of the unutilized proceeds disclosed above is based on the best estimation from the Board in accordance with latest information as at the date of this announcement.

(2) Any discrepancies in this table between the total and sums of amounts are due to rounding.

The Group continued its efforts to effectively deploy its financial resources to capture and capitalize on the latest market opportunities and trends, with the goal of bringing a positive impact on the Group's business and financial performance. Compared with the expected timeline for utilization set out in the section headed "Future Plans and Use of Proceeds" in the Prospectus, up to June 30, 2026, the actual utilization of net proceeds (i) for brand building, market promotion and expansion of sales channels has been expedited, mainly in 2023, in order to capture market opportunities; and (ii) for business automation and digitalization transformation has been delayed, as, since 2025, the Group has harnessed advances in artificial intelligence to undertake the in-house research and development of automation and digitalization systems and to enhance the efficiency of the Group's management systems. Nevertheless, the overall allocation of net proceeds from the Global Offering among the intended uses and the expected timeline for the full utilization of such net proceeds for each intended use remain the same as described in the Prospectus.

OTHER INFORMATION

Interim Dividend

The Board did not recommend the payment of any interim dividend for the six months ended June 30, 2026 (1H2025: nil).

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including any sale of treasury shares) during the six months ended June 30, 2026.

As of June 30, 2026, the Company did not hold any treasury shares (as defined in the Listing Rules).

Events after the Reporting Period

There are no material subsequent events undertaken by the Group after June 30, 2026 and up to the date of this announcement.

Compliance with the Corporate Governance Code

The Company's corporate governance practices are based on the principles and code provisions as set out in the CG Code and the Company has adopted the code provisions of the CG Code as its own code of corporate governance.

The Board is of the view that the Company has complied with all code provisions as set out in the CG Code during the six months ended June 30, 2026.

The Board will periodically review and enhance its corporate governance practices to ensure that the Company continues to meet the requirements of the CG Code.

Compliance with the Model Code for Securities Transactions by Directors

The Company has adopted the Model Code as its own code of conduct regarding the transactions of securities of the Company by its Directors and the relevant employees who would likely possess inside information of the Company. Specific enquiry has been made to all Directors and all of them have confirmed that they have complied with the Model Code during the six months ended June 30, 2026.

Audit Committee

The Board has established the Audit Committee, which consists of two independent non-executive Directors, namely Mr. Li Dong (chairperson of the Audit Committee) and Mr. Wen Jian, and one non-executive Director, namely Mr. Sun Zheng. The Audit Committee has reviewed the unaudited financial results of the Group for the six months ended June 30, 2026 together with the Group's auditor, KPMG, with no disagreement, and has discussed with the management the accounting principles and practices adopted by the Group and its internal controls and financial reporting matters.

Review of Interim Financial Information

The interim financial report for the six months ended June 30, 2026 is unaudited, but has been reviewed by KPMG, 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, whose unmodified review report is included in the interim report.

PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND THE INTERIM REPORT

This announcement is published on the website of the Stock Exchange (**www.hkexnews.hk**) and on the website of the Company (**www.zjld.com**). The interim report for the six months ended June 30, 2026 will be dispatched to the Shareholders (if requested) and published on the websites of the Stock Exchange and the Company in due course.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

"Alliance Retailer(s)"	distributor(s) of the Group who entered into a distribution agreement with any Group member or sub-distributors who were recognized by the Group as authorized distributors
"Alliance Retailers Benefits Plan"	the alliance retailers benefits plan adopted by the Company through Zhenjiu Commercial Trading
"Award(s)"	any award granted by the Board (or a committee of the Board) to a selected group of eligible participants pursuant to the Post-IPO Equity Incentive Plan
"Audit Committee"	the audit committee of the Board
"Board"	the board of Directors of the Company
"CG Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"Company"	ZJLD Group Inc 珍酒李渡集團有限公司, an exempted company with limited liability incorporated under the laws of the Cayman Islands on September 24, 2021
"Director(s)"	the director(s) of the Company
"Economic Benefits Unit(s)"	the unit(s) of economic benefits to be granted or granted to Eligible Alliance Retailers pursuant to the Alliance Retailers Benefits Plan

"Eligible Alliance Retailer(s)"	the eligible alliance retailer(s) of the Company pursuant to the Alliance Retailers Benefits Plan
"ESG"	environmental, social and governance
"Global Offering"	has the meaning ascribed to it in the Prospectus
"Grantee(s)"	the eligible participant(s) of the Post-IPO Equity Incentive Plan who were granted the Awards in accordance with the Post-IPO Equity Incentive Plan on October 25, 2023
"Group", "ZJLD Group", "the Group", "we", "us", or "our"	the Company and its subsidiaries from time to time
"HKD", "HK$" or "HK dollar"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"*Kai Kou Xiao*"	*Kai Kou Xiao* (開口笑), one of the baijiu brands operated by the Group
"*Li Du*"	*Li Du* (李渡), one of the baijiu brands operated by the Group
"Listing"	the listing of Shares on the Main Board of the Stock Exchange on April 27, 2023
"Listing Date"	April 27, 2023, being the date on which the Shares were listed on the Main Board of the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Main Board"	the Main Board of the Stock Exchange
"Management Committee"	the management committee formed for the implementation and administration of the Alliance Retailers Benefits Plan
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules
"Post-IPO Equity Incentive Plan"	the equity incentive plan adopted by the Company on April 11, 2023, the principal terms of which are set out in the section headed "Statutory and General Information – D. Post-IPO Equity Incentive Plan" in Appendix IV of the Prospectus

"PRC" or "China"	the People's Republic of China, excluding, for the purposes of this announcement, Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan
"Prospectus"	the prospectus issued by the Company on April 17, 2023 in connection with the Hong Kong public offering of the Shares
"Reporting Period"	six months from January 1, 2026 to June 30, 2026
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"Share(s)"	ordinary share(s) in the capital of the Company with nominal value of US$0.000002 each
"Shareholder(s)"	holder(s) of Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"US$"	United States dollar(s), the lawful currency of the United States of America
"*Xiang Jiao*"	*Xiang Jiao* (湘窖), one of the baijiu brands operated by the Group
"*Zhen Jiu*"	*Zhen Jiu* (珍酒), one of the baijiu brands operated by the Group
"Zhen 15 Series"	include multiple versions catering to the consumers' preference with the standard version Zhen 15 (珍十五) as the core offering
"Zhen 30 Series"	include multiple versions catering to the consumers preference with the standard version Zhen 30 (珍三十) as the core offering

"Zhenjiu Commercial Trading"	Guizhou Zhenjiu Commercial Trading Co., Ltd. (貴州珍酒商貿有限公司), a company with limited liability established in the PRC on December 10, 2021 and an indirectly wholly-owned subsidiary of the Company
"1H2025"	the six months ended June 30, 2025
"%"	per cent.

By Order of the Board
ZJLD Group Inc
Mr. WU Xiangdong
Chairman of the Board and Executive Director

Hong Kong, August 19, 2026

As at the date of this announcement, the Board comprises Mr. Wu Xiangdong, Mr. Tang Xiangyang, Mr. Wu Qirong, Ms. Zhu Lin and Mr. Luo Yonghong, as executive Directors; Mr. Sun Zheng as non-executive Director; and Mr. Li Dong, Ms. Yan Jisheng, Mr. Huang Ching-Shuan Johnson and Mr. Wen Jian, as independent non-executive Directors.