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Zhou Hei Ya International Holdings Company Limited
周黑鴨國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1458)

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

FINANCIAL HIGHLIGHTS

	For the six months ended June 30,		Period-over-Period
	2026	2025	**Change**
	RMB'000	RMB'000	**%**
Revenue	**1,461,327**	1,222,561	19.5
Gross profit	**799,873**	716,585	11.6
Profit before tax	**132,954**	146,141	(9.0)
Profit for the period attributable to owners of the parent	**91,496**	107,940	(15.2)

OPERATIONAL HIGHLIGHTS

The table below sets forth certain operational information of the Group's major sales networks for the periods indicated.

	As of June 30, / For the six months ended June 30,	
	2026	2025
Total number of retail stores	**2,972**	2,864
Average spending per purchase order on the store front (RMB)	**53.90**	53.56
Omnichannel total sales volume (tons)	**19,450**	14,383

The following table sets forth the revenue contribution in terms of the Group's main product categories and service for the periods indicated.

	For the six months ended June 30,			
	2026		2025	
	RMB'000	**%**	RMB'000	%
Ducks and duck part products	**1,199,342**	**82.1**	987,591	80.8
Other products[1]	**254,328**	**17.4**	222,056	18.2
Franchise fees[2]	**7,657**	**0.5**	12,914	1.0
Total	**1,461,327**	**100.0**	1,222,561	100.0

(1) Other products mainly include braised red meat, braised vegetable products, other braised poultry and aquatic products.

(2) Include revenue generated from franchisees in connection with upfront franchise fees and brand royalty fees, and exclude revenue from sales of products to franchisees.

The table below sets forth the revenue contribution by the Group's sales channels for the periods indicated.

	For the six months ended June 30,			
	2026		2025	
	RMB'000	**%**	RMB'000	%
Store business				
Self-operated retail stores	**798,935**	**54.7**	712,346	58.3
Franchisees[(1)]	**235,830**	**16.1**	266,668	21.8
Channel business				
Online[(2)]	**234,076**	**16.0**	170,400	13.9
Offline[(3)]	**177,869**	**12.2**	57,906	4.7
Others[(4)]	**14,617**	**1.0**	15,241	1.3
Total	**1,461,327**	**100.0**	1,222,561	100.0

(1) Primarily include revenue generated from franchisees in connection with sales of products, upfront franchise fees and brand royalty fees.

(2) Primarily includes revenue from e-commerce platforms and new retail platforms.

(3) Primarily includes revenue generated from the third-party offline channels excluding physical stores.

(4) Non-operating income.

The board (the "**Board**") of directors (the "**Directors**") of Zhou Hei Ya International Holdings Company Limited (the "**Company**") is pleased to announce the unaudited consolidated interim results (the "**Interim Results**") of the Company and its subsidiaries (the "**Group**") for the six months ended June 30, 2026 (the "**Reporting Period**"). The Interim Results have been prepared in accordance with Hong Kong Financial Reporting Standards (the "**HKFRSs**"), which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). In addition, the Interim Results have also been reviewed by the audit committee of the Company (the "**Audit Committee**").

BUSINESS OVERVIEW AND OUTLOOK

In the first half of 2026, the domestic consumer market continued its structural differentiation trend, with consumers becoming more rational in consumption decisions. The braised food industry has long been highly fragmented, and its growth driver has shifted from being driven by store scale to being driven by per-store efficiency, while category competition has moved from pursuing incremental growth to competing in the existing market. Consumption scenarios and the channel landscape continued to be reshaped: boundaries between categories are becoming blurred, and new business formats such as short-shelf-life freshly-made products are diverting customers from traditional casual braised food; the weighting of modern channels such as membership stores, snacks specialty retailers, and supermarkets and convenience stores continued to increase, and omni-channel coverage capability has become a core competitive advantage for enterprises. Consumers are placing higher demands on product cost-effectiveness, freshness and brand identity, and the dimensions of industry competition have upgraded from single factors such as taste and scale to a comprehensive contest of supply chain resilience, product innovation capability and all-scenario operational capability.

In response to this change, the Group anchored its full-year core operating direction on "quality scale growth and stable profitability", focusing on improving the quality of existing stores on the store front, deepening the all-scenario layout on the channel front, accelerating flavor innovation and category expansion on the product front, while simultaneously consolidating the supply chain foundation and brand upgrading. In the first half of the year, various business initiatives were steadily implemented, steady growth in scale was achieved, store quality was continuously optimized, channel coverage expanded rapidly, the product matrix became increasingly comprehensive, and the operating foundation was further strengthened.

Stores represent the Group's core front for directly engaging consumers. In response to the industry's transformation from "scale-driven" to "efficiency-driven", the store business focused on three major directions in the first half of the year: First, the continuous optimization of the store structure. Steadily expanding high-quality commercial district and commercial locations, promoting the new model of supermarket cooperative stalls, embedding stores into high-frequency consumption scenarios of supermarkets and hypermarkets; and extending brand reach and operating hours, continuously optimizing the store network layout. Second, improving the quality and efficiency of existing stores. Expanding incremental sales through the food delivery business and broadening revenue sources for stores; advancing coupon-based customer traffic generation and membership operations in a coordinated manner to expand the customer base and increase repurchase rate; linking store displays with brand marketing to enhance the in-store experience for consumers. Adopting multiple measures to connect the online-to-offline traffic loop and steadily improving the operational quality of per-store. Third, strengthening the organizational effectiveness of frontline operations. Deepening the reform of the remuneration system and establishing multi-tier incentive and excess profit sharing mechanisms, significantly enhancing the income levels and staff stability of store employees; simultaneously advancing the streamlining of the frontline management structure and the upgrading of the talent development system, leading to continuous improvement in store manpower efficiency and operational efficiency. As of June 30, 2026, the total number of stores was 2,972; overall store sales achieved steady year-on-year growth, the proportion of profitable stores increased, and store operating quality steadily improved.

As of June 30, 2026, the Group had a total of 2,972 retail stores, including 1,860 self-operated retail stores and 1,112 franchised retail stores, covering 221 cities in 28 provinces, autonomous regions and municipalities in China.

The table below sets forth a breakdown of the number of self-operated and franchised retail stores and the revenue contribution by geographic location for the periods indicated:

Number of Retail Stores

	As of June 30,			
	2026		2025	
	Number	**%**	Number	%
Central China(1)	**1,321**	**44.5**	1,293	45.1
Southern China(2)	**524**	**17.6**	503	17.6
Eastern China(3)	**395**	**13.3**	383	13.4
Northern China(4)	**399**	**13.4**	393	13.7
Western China(5)	**333**	**11.2**	292	10.2
Total	**2,972**	**100.0**	2,864	100.0

Revenue

	For the six months ended June 30,			
	2026		2025	
	RMB'000	**%**	RMB'000	%
Central China(1)	**530,801**	**51.3**	538,003	55.0
Southern China(2)	**188,079**	**18.2**	168,119	17.2
Eastern China(3)	**118,788**	**11.5**	104,427	10.7
Northern China(4)	**105,534**	**10.2**	97,329	9.9
Western China(5)	**91,563**	**8.8**	71,136	7.2
Total	**1,034,765**	**100.0**	979,014	100.0

(1) Comprises Hubei Province, Hunan Province, Henan Province, Jiangxi Province, Anhui Province and Shanxi Province.

(2) Comprises Guangdong Province, Fujian Province and Hainan Province.

(3) Comprises Shanghai, Jiangsu Province and Zhejiang Province.

(4) Comprises Beijing, Tianjin, Inner Mongolia Autonomous Region, Liaoning Province, Hebei Province, Shandong Province, Ningxia Hui Autonomous Region, Gansu Province and Jilin Province.

(5) Comprises Chongqing, Sichuan Province, Shaanxi Province, Guizhou Province, Yunnan Province, Qinghai Province and Guangxi Zhuang Autonomous Region.

The channel business has become a core growth engine of the Group. In the first half of the year, the channel business focused on building benchmarks and sell-through conversion, tailoring differentiated operational plans for diverse business formats including membership supermarkets, snacks specialty retailers, chain convenience stores and e-commerce platforms. For offline channels, taking membership stores and chain convenience stores as the core fronts, high-efficiency output was achieved through a progressive approach from benchmark establishment and standardized execution to scenario-based marketing, continuing to deepen cooperation with channels such as Sam's Club and Pang Dong Lai, while actively expanding the terminal coverage, with over 50,000 points of sale across the country. For online channels, brand momentum was built with Douyin as the core front, constructing a closed loop from content-driven interest generation to omni-channel conversion; platform e-commerce captured spillover traffic, fresh food retail saw steady volume expansion, and multi-line collaboration drove continuous improvement in omni-channel conversion efficiency. The medium-shelf-life series became a major channel product, achieving omni-channel coverage across both online and offline channels, with sales exceeding RMB50 million during the period and strong sell-through growth momentum. Meanwhile, the channel division continued to strengthen talent acquisition and incentive mechanisms, with organizational capabilities steadily improving. In the first half of the year, the channel business achieved rapid growth, with overall revenue growth rate of online and offline channels reaching 80.4%, comprising a 37.4% increase in revenue derived from online channels and a 207.2% increase in revenue derived from offline channels.

Amid accelerating divergence in consumer preferences and intensifying brand-mindshare competition, the Group has made concerted efforts on both product and brand fronts. It has brought in new talent to drive organizational upgrades, reinforced product quality through product innovation, and reached younger consumer groups through brand elevation. On the product front, the Group continued to iterate its "Hei Ya" flavor product portfolio, adhering to a coordinated development strategy across short-, medium-, and long-shelf-life preservation formats to achieve omni-channel demand coverage. And the Group accelerates portfolio expansion, with new SKUs such as fried chicken feet, boneless duck webs, freshly-braised duck four-delicacy combo, and aged-brine duck webs being launched in an orderly manner. Among these, the freshly-braised duck four-delicacy combo made its debut through the Sam's Club channel and received favorable market feedback, reflecting the Group's steadily improving systematic product R&D and operational capabilities. On the brand front, the Group has anchored its positioning as a premium leisure braised snack brand, systematically upgrading its visual identity and brand assets. It has deepened omni-channel marketing around high-relevance consumption scenarios for younger demographics, including late-night snacking, drama streaming, and on-the-go consumption, leveraging hit products to drive sales growth of core product lines. Concurrently, the Group has advanced its digital marketing capabilities, with continuous improvements in content distribution and performance-tracking mechanisms. In the first half of the year, product innovation and brand upgrading worked in tandem, resulting in steady sell-through of core products, favorable market acceptance of new products, and further reinforcement of the brand's younger image.

As the Group's channel business rapidly scaled up, its supply chain has been transitioning from a single-store supply model to a synergistic multi-format, multi-preservation-form coordination system. Differentiated products such as modified atmosphere packaging for self-operated stores and vacuum-packaged products for channels entail distinct production organizations, cost structures, and gross profit margins. While the parallel supply of multiple product categories, specifications, and temperature zones poses challenges, it constitutes an essential infrastructure to support omni-channel growth. During the first half of 2026, the Group focused on enhancing product innovation management capabilities and building flexible supply capabilities, optimizing its supply network and delivery models, and improving parallel delivery efficiency across multiple scenarios. Concurrently, the Group deepened structural cost reduction and the application of new technologies to drive energy savings and efficiency gains, leveraging full-value-chain collaborative optimization to continuously realize benefits. On quality control, the Group upheld industry-leading quality standards, aligned upstream and downstream operations to unify the end-to-end quality control system, continuously advanced supplier empowerment, and strengthened the full-process quality management chain covering raw material traceability, production and processing, to warehouse-out and delivery, firmly safeguarding the bottom line of food safety. On digital intelligence, the Group continued to advance production line automation and operational digitalization upgrades, iterating core systems such as SRM, WMS, and TMS, breaking down upstream and downstream data silos, and achieving sustained improvements in operational transparency and management efficiency. Due to the combined effects of an upward shift in raw material cost benchmarks and an increased proportion of channel sales, the gross profit margin for the period was 54.7% (compared to 58.6% as of June 30, 2025).

Organizational capability serves as the core guarantee for strategy implementation. During the Reporting Period, the Group advanced the optimization of its organizational structure, deepened the flattening reform of the framework, upgraded core strategic departments, and bolstered the capabilities for strategic backing and business empowerment. Building on these initiatives, the Group continuously refined its core management team and recruited key talents to realize the integration of new and incumbent staff alongside complementary strengths, which has markedly lifted the team's decision-making efficiency and market responsiveness. In terms of talent development mechanisms, the Group established a dual-track career development system covering managerial and professional paths, perfected diversified incentive schemes and exceptional promotion mechanisms. Such measures have effectively galvanized the vitality of frontline teams and driven steady improvements in per capita efficiency.

While deepening its core business, the Group has been building long-term growth reserves in compound seasonings and overseas expansion, steadily advancing its innovation segment layout. The compound seasoning business, operating through the joint venture Sichuan Zhou Hei Ya Food Technology Co., Ltd., leverages "Zhou Hei Ya flavor" as its core taste asset, extending the brand into home-cooking and instant meal scenarios. During the Reporting Period, the product portfolio has covered braising spice packs, hot pot base, flavored noodle sauces, and spicy turkey noodles, while simultaneously accessing e-commerce and overseas channels, with business progressing steadily. On the overseas front, the Group is pursuing parallel validation through channel trade exports and first store models. During the Reporting Period, products have entered multiple overseas markets, with the Europe and Americas regions identified as key development targets. The first store in Malaysia continues to refine its localized operating model, accumulating experience for future expansion.

Looking ahead to the second half of 2026, the industry's structural reshaping will persist. Building upon the operational achievements of the first half of the year, the Group will focus on three major directions: First, driving the upgrade of growth models, continuously enhancing channel coverage and penetration depth, and advancing the channel business toward higher-quality scale growth. Second, strengthening brand and product competitiveness, continuously refining the product portfolio, accelerating the rollout of innovative products, comprehensively upgrading the brand visual and communication systems, and deepening mindshare penetration among younger consumer groups. Third, consolidating the operational foundation, deepening operational improvements for existing stores and per-store profitability enhancement, advancing cost reduction, efficiency improvement, and flexible supply capability building, and enhancing full-chain operational efficiency. The Group will remain steadfastly focused on product quality, consumer experience, and operational efficiency, and will respond to investors' long-term trust with solid performance growth and sustainable shareholder returns.

MANAGEMENT DISCUSSION AND ANALYSIS

The following table sets forth the Group's unaudited consolidated statements of profits or loss and other comprehensive income in absolute amounts and as percentage of the Group's total revenue for the periods indicated, together with the change of the six months ended June 30, 2026 over the six months ended June 30, 2025 (expressed in percentages).

	For the six months ended June 30,				**Period-over-Period Change**
	2026		2025		
	RMB'000	**%**	RMB'000	%	%
Revenue	**1,461,327**	**100.0**	1,222,561	100.0	19.5
Cost of sales	**(661,454)**	**(45.3)**	(505,976)	(41.4)	30.7
Gross profit	**799,873**	**54.7**	716,585	58.6	11.6
Other income and gains, net	**30,578**	**2.1**	26,505	2.2	15.4
Finance costs	**(6,278)**	**(0.4)**	(5,264)	(0.4)	19.3
Selling and distribution expenses	**(589,238)**	**(40.3)**	(471,771)	(38.6)	24.9
Administrative expenses	**(105,189)**	**(7.2)**	(115,928)	(9.5)	(9.3)
Share of profits and losses of associates	**3,208**	**0.2**	(3,986)	(0.3)	(180.5)
Profit before tax	**132,954**	**9.1**	146,141	12.0	(9.0)
Income tax expense	**(41,458)**	**(2.8)**	(38,201)	(3.1)	8.5
Profit for the period	**91,496**	**6.3**	107,940	8.8	(15.2)
Attributable to:					
Owners of the parent	**91,496**	**6.3**	107,940	8.8	(15.2)
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT					
Basic and diluted earnings per share (RMB)	**0.05**		0.05		0.0
Net profit margin		**6.3**		8.8	

	For the six months ended June 30,				Period-over-Period Change
	2026		2025		
	RMB'000	**%**	RMB'000	%	%
OTHER COMPREHENSIVE LOSS					
Other comprehensive loss to be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of foreign operations	**(4,748)**	**(0.3)**	(9,556)	(0.8)	(50.3)
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods	**(4,748)**	**(0.3)**	(9,556)	(0.8)	(50.3)
Other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods:					
Translation from functional currency to presentation currency	**(3,426)**	**(0.2)**	5,960	0.5	(157.5)
Net other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods	**(3,426)**	**(0.2)**	5,960	0.5	(157.5)
OTHER COMPREHENSIVE LOSS FOR THE PERIOD, NET OF TAX	**(8,174)**	**(0.6)**	(3,596)	(0.3)	127.3
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**83,322**	**5.7**	104,344	8.5	(20.1)
Attributable to:					
Owners of the parent	**83,322**	**5.7**	104,344	8.5	(20.1)

Revenue

The Group's total revenue increased by approximately 19.5% from RMB1,222.6 million for the six months ended June 30, 2025 to RMB1,461.3 million for the six months ended June 30, 2026, primarily due to the Group's vigorous efforts in advancing channel expansion and operational efficiency improvement, which drove steady growth in the channel business, and at the same time, its efforts on optimizing store structure, which enhanced per-store operational quality, collectively contributing to the overall revenue increase.

Cost of Sales

Cost of sales increased by approximately 30.7% from RMB506.0 million for the six months ended June 30, 2025 to RMB661.5 million for the six months ended June 30, 2026, primarily due to the year-on-year increase in sales volume, which resulted in a rigid rise in costs.

Gross Profit and Gross Profit Margin

The Group's gross profit increased by 11.6% from RMB716.6 million for the six months ended June 30, 2025 to RMB799.9 million for the six months ended June 30, 2026, primarily due to the increase of revenue. The Group's gross profit margin decreased from 58.6% for the six months ended June 30, 2025 to 54.7% for the six months ended June 30, 2026, primarily due to the gross margin of the channel business being lower than that of store business, coupled with an increased proportion of channel sales revenue in the current period.

Other Income and Gains, Net

The Group's other income and gains, net increased by 15.4% from RMB26.5 million for the six months ended June 30, 2025 to RMB30.6 million for the six months ended June 30, 2026, which was primarily due to the change in fair value of other financial assets measured at fair value turning from losses for the six months ended June 30, 2025 to gains for the six months ended June 30, 2026.

Finance Costs

The finance costs of the Group increased by 19.3% from RMB5.3 million for the six months ended June 30, 2025 to RMB6.3 million for the six months ended June 30, 2026, mainly due to the increase in the number of the Group's self-operated stores during the year, which gave rise to higher interest expenses associated with these leases.

Selling and Distribution Expenses

The Group's selling and distribution expenses increased by 24.9% from RMB471.8 million for the six months ended June 30, 2025 to RMB589.2 million for the six months ended June 30, 2026. The increase was mainly due to the Group's active expansion of online and offline sales channels, the corresponding increases in promotional expenses, platform service fees and logistics fulfillment costs resulting from the rapid expansion of channel business scale, as well as the increase in the number of self-operated retail stores and the associated selling and distribution expenses.

Administrative Expenses

The Group's administrative expenses decreased by approximately 9.3% from RMB115.9 million for the six months ended June 30, 2025 to RMB105.2 million for the six months ended June 30, 2026. The decrease was mainly due to the improved management efficiency and prudent control of administrative expenses during the Reporting Period.

Shares of Profits and Losses of Associates

For the six months ended June 30, 2026, the Group incurred share of profits of associates of RMB3.2 million, mainly resulting from fair value change on the associate's investments.

Profit Before Tax

As a result of the foregoing, the Group recorded profit before tax of RMB133.0 million for the six months ended June 30, 2026, representing a decrease of 9.0% from RMB146.1 million for the six months ended June 30, 2025.

Income Tax Expense

The Group incurred income tax expense of RMB41.5 million for the six months ended June 30, 2026, which increased by 8.5% from RMB38.2 million for the six months ended June 30, 2025, as a result of the impact of profits tax arising from the distribution of profits by the domestic company to the Hong Kong company, which did not occur in the corresponding period in 2025.

Profit for the Period

As a result of the foregoing, the Group recorded net profit of RMB91.5 million for the six months ended June 30, 2026, representing a decrease of 15.2% from RMB107.9 million for the six months ended June 30, 2025. The Group's net profit margin decreased from 8.8% for the six months ended June 30, 2025 to 6.3% for the six months ended June 30, 2026.

Exchange Differences on Translation of Foreign Operations

Exchange differences on translation of foreign operations were the loss of RMB8.2 million for the six months ended June 30, 2026, as compared to the loss of RMB3.6 million for the six months ended June 30, 2025. The Group's exchange differences on translation of foreign operations represented the foreign exchange translation differences arising from certain overseas subsidiaries using Hong Kong dollars ("**HK$**") as the reporting currency.

Total Comprehensive Income for the Period

As a result of the foregoing, the Group's total comprehensive income for the six months ended June 30, 2026 amounted to RMB83.3 million, representing a decrease of 20.1% from RMB104.3 million for the six months ended June 30, 2025.

Liquidity and Capital Resources

During the six months ended June 30, 2026, the Group financed its operations through cash generated from its business operations and the net proceeds received from its Initial Public Offering and the exercise of the over-allotment options on November 30, 2016 (the "**IPO**"). The Group intends to finance its expansion and business operation by internal resources and through organic and sustainable growth, as well as to use the net proceeds received from the IPO.

During the six months ended June 30, 2026, the Company repurchased a total of 40,619,000 shares of the Company (the "**Shares**") on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") at an aggregate consideration of HK$59,819,965. Please also see "— Other Information — Purchase, Sale and Redemption of Listed Securities" in this announcement.

Capital Structure

As of June 30, 2026, the Group had net assets of RMB3,404.6 million, as compared to RMB3,533.0 million as of December 31, 2025, comprising current assets of approximately RMB1,538.2 million, non-current assets of approximately RMB2,882.0 million, current liabilities of approximately RMB790.6 million and non-current liabilities of approximately RMB225.0 million.

As of December 31, 2025 and June 30, 2026, the cash and cash equivalents of the Group were mainly denominated in Renminbi ("**RMB**") and Hong Kong Dollars ("**HK$**"), with some denominated in U.S dollars ("**USD**") and a small amount in Euros and Singapore dollars.

Cash and Bank Balances

As compared with RMB775.3 million as of December 31, 2025, the Group had cash and bank balances of approximately RMB681.5 million as of June 30, 2026, which consisted of unrestricted cash and bank balances of approximately RMB330.6 million and time deposits of approximately RMB350.9 million.

Financial Risks

The Group is not subject to significant credit risk and liquidity risk. The Group had cash at banks denominated in foreign currencies, which exposed the Group to foreign exchange risk. The Group does not use any derivative contracts to hedge against its exposure to foreign exchange risk. The management manages its currency risk by closely monitoring the movement of the foreign currency rates and will take prudent measures to minimize the currency translation risk.

Use of Proceeds from the IPO

Net proceeds from the IPO (including the exercise of the over-allotment options on November 30, 2016), after deducting the underwriting commission and other estimated expenses in connection with the Global Offering which the Company received amounted to approximately HK$2,792.3 million, comprising HK$2,428.1 million raised from the Global Offering and HK$364.2 million from the issuance of shares pursuant to the exercise of the over-allotment options, respectively. The remaining balance of the proceeds from the IPO as of December 31, 2025 and June 30, 2026 were RMB173.8 million and RMB168.3 million, respectively.

As announced in the 2019 annual results announcement of the Company dated March 31, 2020 (the "**2019 Annual Results Announcement**"), the Board has resolved to reallocate the unutilized net proceeds and increase the portion to be used for the construction and improvement of processing facilities, which also includes the enhancement of the related logistics and storage capacities (the "**Reallocation**"). There has been no change in the intended use of net proceeds since the Reallocation. In particular, the amounts of net proceeds used in 2025 and the six months ended June 30, 2026 were utilized in accordance with the intended use as previously disclosed in the 2019 Annual Results Announcement, and the remaining balance of net proceeds as of June 30, 2026 are expected to continue to be used in accordance with the intended use as previously disclosed in the 2019 Annual Results Announcement. Moreover, as disclosed in the 2025 interim results announcement of the Company dated August 28, 2025 (the "**2025 Interim Results Announcement**"), the Company had delayed the expected timeline for utilizing the remaining balance of the net proceeds for general replenishment of working capital of RMB49.2 million and for acquisition and strategic alliance of RMB127.3 million as of June 30, 2025 to be within three years after the date of the 2025 Interim Results Announcement.

The table below sets forth the use of proceeds by the Group as of June 30, 2026:

	Budget	Amount that had been utilized as of December 31, 2025	Amount that was used for the six months ended June 30, 2026	Remaining balance as of June 30, 2026	Expected timeline of utilization[(1)]
	RMB million	RMB million	RMB million	RMB million	
Construction and improvement of processing facilities	1,258.3	1,258.3	–	–	Used up
Development of retail network	167.8	167.8	–	–	Used up
Branding image campaigns, including the e-commerce marketing campaigns	394.3	394.3	–	–	Used up
Improvement of research and development	45.2	45.2	–	–	Used up
Acquisition and strategic alliances	145.2	17.9	–	127.3	Expected to be used up within two years[(2)]
Upgrades of information technology systems, including the enterprise resource planning system	96.2	96.2	–	–	Used up
General replenishment of working capital	345.2	298.7	5.5	41.0	Expected to be used up within two years[(2)]
Total	**2,452.2**	**2,278.4**	**5.5**	**168.3**	

Notes:

(1) Based on the Group's current estimates of its business plans and market conditions, and subject to change and adjustment.

(2) The Group expects that the remaining balance will be used in accordance with the intended use in two years as indicated. However, such expected timeline is subject to change and adjustment depending on the business development of the Group and the availability of suitable acquisition targets in the market.

As of June 30, 2026, unutilised net proceeds had been deposited into short-term deposits and money market instruments, including structured deposits.

Indebtedness

As of June 30, 2026, the Group had aggregate bank borrowings of RMB160.0 million, all of which will be due within one year. Such outstanding bank borrowings bear fixed interest rates and are denominated in Renminbi.

The Group uses the gearing ratio (gearing ratio = total liabilities/total assets) to monitor its capital structure. The gearing ratio of the Group increased from 22.9% as of December 31, 2025 to 23.0% as of June 30, 2026, mainly due to the reduction in total assets compared to the prior period, resulting from dividends paid to shareholders during the current period.

Pledged Assets

As of June 30, 2026, the Group's pledged assets amounted to RMB51.8 million, primarily consisting of restricted bill deposit guarantees.

Cash Flows

Net cash generated from operating activities of RMB176.3 million for the six months ended June 30, 2026, which is adjusted for certain non-cash items and profit before tax from non-operating activities such as depreciation of fixed assets, depreciation and amortization of right-of-use assets and land use rights, interest income from bank deposits and interest income from structured deposits, mainly due to our profit before tax of RMB133.0 million, as adjusted for items including (i) the income tax paid in the amount of RMB61.5 million; (ii) a decrease of RMB55.9 million in inventory; (iii) a decrease of RMB12.9 million in prepayments, other receivables and other assets; (iv) a decrease of RMB31.4 million in other payables and accruals; (v) an increase of RMB43.5 million in trade receivables; and (vi) a decrease of RMB9.2 million in trade payables.

Net cash generated from investing activities of approximately RMB83.8 million for the six months ended June 30, 2026, which was mainly attributable to (i) proceeds from redemption of structured deposits and other financial assets measured at fair value through profit or loss ("**FVTPL**") in the aggregate amount of RMB445.2 million; (ii) proceeds of RMB171.0 million from capital withdrawal from investments in an associate; (iii) proceeds from a decrease of RMB124.9 million in time deposits of maturity over three months; and (iv) proceeds of RMB23.1 million from interest from bank deposits, structured deposits and other financial assets measured at FVTPL, partially offset by (i) the purchase of structured deposits and other financial assets measured at FVTPL in the aggregate amount of RMB634.8 million; and (ii) the purchase of property, plant and equipment and intangible assets in the aggregate amount of RMB47.5 million.

Net cash used in financing activities was RMB292.9 million for the six months ended June 30, 2026, which was mainly attributable to (i) dividends paid in the amount of RMB162.7 million in 2026; (ii) lease rental payments of RMB76.8 million; (iii) proceeds from interest-bearing bank borrowings of RMB255.3 million; (iv) repayment of interest-bearing bank borrowings of RMB265.3 million and (v) payment for the repurchases of the Company's shares of RMB53.4 million.

Structured Deposits and Financial Assets Measured at FVTPL

The Group from time to time invests in asset management products, primarily structured deposits and other financial assets measured at FVTPL, in order to better facilitate its cash management. Structured deposits were principal-protected products which typically had a fixed short term and may be redeemed upon at their respective expiry dates. The Group's other financial assets measured at FVTPL were mainly investments in money market instruments and bonds, which generally are not principal-protected nor return-guaranteed. Such investments also typically have a fixed short term and are relatively low risk in nature. As of June 30, 2026, the Group had a balance of structured deposits and other financial assets measured at FVTPL in the amount of approximately RMB315.3 million. Up to the date of this announcement, approximately RMB130.0 million out of the RMB315.3 million had been settled and redeemed upon their maturity with the remaining not yet fallen due. The underlying investments of the structured deposits were primarily short-term sovereign bonds, financial bonds and central bank bills, and other investment products issued by commercial banks in the inter-bank market in China, which were very liquid with a relatively short term of maturity, and which were considered akin to placing deposits with banks whilst enabling the Group to earn a relatively higher rate of return. For the six months ended June 30, 2026, interest income from structured deposits and other financial assets measured at FVTPL amounted to RMB1.7 million, as compared to approximately RMB3.2 million for the six months ended June 30, 2025.

The Group has implemented capital and investment policies to monitor and control the risks relating to its investment activities. The Group may only make investments in asset management products when it has surplus cash. The Group is only entitled to invest in low-risk products issued by qualified commercial banks or other financial institutions, and investments should be non-speculative in nature. The Group's capital and investment policies also specify the criteria for selecting investments to be considered and the detailed review procedures each proposed investment shall go through.

In view of an upside of earning a relatively higher return than current saving or fixed deposit rate, as well as the principal-protected nature and a relatively short term of maturity of the structured deposits, the Directors are of the view that the structured deposits pose little risk to the Group and the terms and conditions of each of the structured deposits are fair and reasonable and are in the interests of the Company and its shareholders as a whole.

Capital Expenditure

The Group's capital expenditures amounted to RMB47.5 million for the six months ended June 30, 2026, mainly in connection with retail store renovation, factory equipment renovation and upgrade, and information system construction. The Group financed its capital expenditures primarily with cash generated from business operations.

Contingent Liabilities and Guarantees

As of June 30, 2026, the Group did not have any significant unrecorded contingent liabilities, guarantees or any litigation against it.

Major Investment

The Group did not conduct any material investments, acquisitions or disposals for the six months ended June 30, 2026 and in the period subsequent to June 30, 2026 up to August 20, 2026, being the date of this announcement.

In addition, save for the expansion plans as disclosed in the sections headed "Business" and "Future Plans and Use of Proceeds" in the prospectus of the Company dated November 1, 2016, the Group has no specific plan for major investment or acquisition for major assets or other business. However, the Group will continue to identify new opportunities for business development.

Restricted Share Unit Scheme

The Company adopted its restricted share unit scheme (the "**RSU Scheme**") on July 25, 2018. The purpose of the RSU Scheme is to incentivize Directors, senior management, employees and service providers of the Group for their contribution to the Group, to attract, motivate and retain skilled and experienced personnel to strive for the future development and expansion of the Group by providing them with the opportunity to own equity interests of the Company. The Board has the power to administer the RSU Scheme. The Board may, from time to time and at its sole discretion, select any eligible person, as defined in the RSU Scheme, to participate in the RSU Scheme and determine the number of Shares to be granted and the terms and conditions of the grant.

As of the date of this announcement, pursuant to the RSU Scheme, 358 selected persons had received the restricted share units (the "**RSUs**") representing 43,300,773 Shares of the Company. The underlying shares concerned represented 2.08% of the Company's issued shares.

Please refer to the Company's announcements dated July 25, 2018, July 31, 2018, October 24, 2018, July 5, 2021, April 19, 2024 and August 28, 2025 for a detailed summary of its RSU Scheme and the announcements dated April 20, 2020, February 1, 2021, March 25, 2021, March 31, 2022, April 3, 2023, March 28, 2024, March 28, 2025 and April 15, 2026, for the details in connection with the grants of the RSUs.

Turnover Ratios

Average inventory turnover days decreased from 81.8 days for the six months ended June 30, 2025 to 67.9 days for the six months ended June 30, 2026, primarily due to the increase in sales revenue of the Group this year, with the strengthening of inventory management, which has accelerated inventory turnover.

Average trade receivables turnover days increased from 11.8 days for the six months ended June 30, 2025 to 14.7 days for the six months ended June 30, 2026, primarily due to the relatively longer credit terms that the Group granted to the new major client.

Average trade payables turnover days decreased from 25.4 days for the six months ended June 30, 2025 to 22.1 days for the six months ended June 30, 2026, primarily due to the fact that the increase in payables was smaller than the increase in cost of sales, leading to a decrease in turnover days.

Employee and Labor Cost

As of June 30, 2026, the Group had a total of 3,895 employees, among which approximately 50.9% were retail store operations and sales staff and approximately 32.5% were manufacturing staff at its processing facilities.

The Group has developed a performance evaluation system to assess the performance of its employees annually, which forms the basis for determining the salary levels, bonuses and promotions an employee may receive. Sales and marketing personnel may also receive bonuses based on the sales targets they accomplish, by taking into account the overall sales performance of the stores in the same regional market in the relevant period.

For the six months ended June 30, 2026, the Group incurred total labor costs of RMB259.1 million, representing approximately 17.7% of total revenue of the Group over the same period.

Top Suppliers and Top Customers

For the six months ended June 30, 2026, purchases from the Group's largest duck supplier in terms of RMB amount accounted for approximately 8.3% of total purchase cost and the aggregate purchases from its top five duck suppliers in terms of RMB amount in aggregate accounted for approximately 20.9% of total purchase cost.

For the six months ended June 30, 2026, due to the nature of the Group's business, revenue derived from its top five customers accounted for less than 30.0% of total revenue.

Reserves

As of June 30, 2026, the Group's reserves available for distribution to shareholders of the Company amounted to approximately RMB465.2 million.

Subsequent Events

Subsequent to June 30, 2026 and up to August 20, 2026 (being the date of this announcement), no material events were undertaken by the Group.

FINANCIAL INFORMATION

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

	Notes	Six months ended 30 June 2026 RMB'000 (unaudited)	Six months ended 30 June 2025 RMB'000 (unaudited)
REVENUE	4	**1,461,327**	1,222,561
Cost of sales		**(661,454)**	(505,976)
Gross profit		**799,873**	716,585
Other income and gains, net	4	**30,578**	26,505
Finance costs		**(6,278)**	(5,264)
Selling and distribution expenses		**(589,238)**	(471,771)
Administrative expenses		**(105,189)**	(115,928)
Share of profits and losses of associates		**3,208**	(3,986)
PROFIT BEFORE TAX	5	**132,954**	146,141
Income tax expense	6	**(41,458)**	(38,201)
PROFIT FOR THE PERIOD		**91,496**	107,940
Attributable to:			
Owners of the parent		**91,496**	107,940
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted (RMB)	8	**0.05**	0.05

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (continued)
For the six months ended 30 June 2026

	Notes	Six months ended 30 June	
		2026	2025
		RMB'000 (unaudited)	RMB'000 (unaudited)
OTHER COMPREHENSIVE LOSS			
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:			
Exchange differences:			
Exchange differences on translation of foreign operations		**(4,748)**	(9,556)
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods		**(4,748)**	(9,556)
Other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods:			
Translation from functional currency to presentation currency		**(3,426)**	5,960
Net other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods		**(3,426)**	5,960
OTHER COMPREHENSIVE LOSS FOR THE PERIOD, NET OF TAX		**(8,174)**	(3,596)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**83,322**	104,344
Attributable to:			
Owners of the parent		**83,322**	104,344

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
30 June 2026

	Notes	30 June 2026	31 December 2025
		RMB'000 (unaudited)	RMB'000 (audited)
NON-CURRENT ASSETS			
Property, plant and equipment	9	**1,228,915**	1,249,017
Investment property		**9,755**	9,919
Right-of-use assets	10	**362,560**	337,990
Prepayments, other receivables and other assets		**619,601**	687,168
Rental deposits		**93,814**	85,510
Other intangible assets		**12,277**	10,925
Investments in associates	11	**447,466**	617,446
Equity investments designated at fair value through other comprehensive income		**2,500**	2,500
Deferred tax assets		**105,094**	106,073
Total non-current assets		**2,881,982**	3,106,548
CURRENT ASSETS			
Inventories	12	**221,476**	277,392
Trade receivables	13	**140,571**	98,522
Prepayments, other receivables and other assets	14	**127,605**	140,266
Structured deposits		**252,167**	100,427
Other financial assets at fair value through profit or loss		**63,102**	24,484
Restricted cash		**51,788**	62,204
Cash and bank balances	15	**681,495**	775,300
Total current assets		**1,538,204**	1,478,595
CURRENT LIABILITIES			
Trade and bills payables	16	**100,887**	91,711
Other payables and accruals		**352,354**	385,043
Interest-bearing bank borrowings		**160,000**	170,000
Government grants		**3,106**	2,463
Lease liabilities	10	**137,207**	127,240
Income tax payable		**37,007**	60,024
Total current liabilities		**790,561**	836,481
NET CURRENT ASSETS		**747,643**	642,114
TOTAL ASSETS LESS CURRENT LIABILITIES		**3,629,625**	3,748,662

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
30 June 2026

	Notes	30 June 2026	31 December 2025
		RMB'000 (unaudited)	RMB'000 (audited)
NON-CURRENT LIABILITIES			
Other payables and accruals		**2,742**	2,875
Government grants		**45,478**	47,789
Deferred tax liabilities		**66,796**	64,827
Lease liabilities	10	**110,039**	100,205
Total non-current liabilities		**225,055**	215,696
Net assets		**3,404,570**	3,532,966
EQUITY			
Equity attributable to owners of the parent			
Share capital	17	**13**	14
Treasury shares		**(354,720)**	(459,000)
Reserves		**3,759,277**	3,991,952
Total equity		**3,404,570**	3,532,966

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Attributable to owners of the parent								
	Share capital	Treasury shares	Share premium*	Merger reserve*	Statutory reserve*	Share-based payment reserve*	Exchange fluctuation reserve*	Retained profits*	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2026 (audited)	14	(459,000)	432,521	12,500	147,281	6,883	7,887	3,384,880	3,532,966
Profit for the period	–	–	–	–	–	–	–	91,496	91,496
Other comprehensive loss for the period:									
Exchange differences related to foreign operations	–	–	–	–	–	–	(8,174)	–	(8,174)
Total comprehensive income for the period	–	–	–	–	–	–	(8,174)	91,496	83,322
Final 2025 dividend declared	–	–	(162,712)	–	–	–	–	–	(162,712)
Repurchase of shares	–	(53,365)	–	–	–	–	–	–	(53,365)
Cancellation of shares	(1)	143,126	(143,273)	–	–	–	–	–	(148)
Equity-settled share-based payment arrangement	–	–	–	–	–	3,768	–	–	3,768
Exercise of equity-settled share-based payment arrangement	–	14,519	(5,828)	–	–	(7,952)	–	–	739
Transfer from retained profits	–	–	–	–	4,723	–	–	(4,723)	–
At 30 June 2026 (unaudited)	13	(354,720)	120,708	12,500	152,004	2,699	(287)	3,471,653	3,404,570

These reserve accounts comprise the consolidated reserves of RMB3,759,277,000 (31 December 2025: RMB3,991,952,000) in the consolidated statement of financial position as at 30 June 2026.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

For the six months ended 30 June 2026

	Attributable to owners of the parent								
	Share capital	Treasury shares	Share premium*	Merger reserve*	Statutory reserve*	Share-based payment reserve*	Exchange fluctuation reserve*	Retained profits*	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2025 (audited)	15	(458,592)	673,834	12,500	144,035	10,764	12,513	3,231,434	3,626,503
Profit for the period	–	–	–	–	–	–	–	107,940	107,940
Other comprehensive loss for the period:									
Exchange differences related to foreign operations	–	–	–	–	–	–	(3,596)	–	(3,596)
Total comprehensive income for the period	–	–	–	–	–	–	(3,596)	107,940	104,344
Final 2024 dividend declared	–	–	(94,377)	–	–	–	–	–	(94,377)
Repurchase of shares	–	(174,987)	–	–	–	–	–	–	(174,987)
Cancellation of shares	(1)	167,246	(168,109)	–	–	–	–	–	(864)
Equity-settled share-based payment arrangement	–	–	–	–	–	1,920	–	–	1,920
Exercise of equity-settled share-based payment arrangement	–	11,267	3,358	–	–	(10,335)	–	–	4,290
Transfer from retained profits	–	–	–	–	2,747	–	–	(2,747)	–
At 30 June 2025 (unaudited)	14	(455,066)	414,706	12,500	146,782	2,349	8,917	3,336,627	3,466,829

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

30 June 2026

	Notes	For the six months ended 30 June	
		2026	2025
		RMB'000 (unaudited)	RMB'000 (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		132,954	146,141
Adjustments for:			
Depreciation of property, plant and equipment	5	54,941	58,686
Depreciation of investment properties		164	164
Amortisation of other intangible assets	5	1,971	2,061
Depreciation of right-of-use assets	5	75,357	87,327
Gain on disposal of right-of-use assets	4	(3,523)	(3,764)
Finance costs	5	6,278	5,264
Interest income	4	(14,063)	(18,936)
Fair value (gain)/loss on financial assets measured at FVTPL	4	(780)	5,526
Impairment of trade receivables	5	1,475	406
Share of profits and losses of associates	5	(3,208)	3,986
Loss on disposal of items of property, plant and equipment	4	297	285
Gain on foreign exchange differences	4	(4,987)	(740)
Equity-settled share option expense	5	3,768	1,920
Government grants		(1,668)	(1,411)
		248,976	286,915
Increase in trade receivables		(43,524)	(24,454)
Decrease/(increase) in prepayments, other receivables and other assets		12,871	(9,183)
(Increase)/decrease in rental deposits		(8,304)	3,756
Decrease/(increase) in inventories		55,916	(6,430)
Increase in trade and bills payables		9,176	28,789
Decrease in other payables and accruals		(31,422)	(29,076)
Cash generated from operations		243,689	250,317
Interest paid		(5,878)	(4,935)
Income tax paid		(61,527)	(34,571)
NET CASH FLOWS FROM OPERATING ACTIVITIES		176,284	210,811

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)
30 June 2026

	Notes	For the six months ended 30 June	
		2026	2025
		RMB'000 (unaudited)	RMB'000 (unaudited)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of other financial instruments measured at FVTPL		96,204	197,354
Proceeds from disposal of structured deposits		349,027	700,000
Proceeds from disposal of items of property, plant and equipment		1,837	5,396
Interest income		23,138	(806)
Purchase of structured deposits		(500,000)	(720,000)
Purchase of other financial instruments measured at FVTPL		(134,809)	(181,381)
Purchases of items of property, plant and equipment		(44,160)	(25,058)
Purchases of other intangible assets		(3,323)	(846)
Contribution to an investment in an associate		–	(2,200)
Capital withdrawal from investments in associates		171,040	13,071
Receipt of government grants		–	6,140
Decrease/(increase) in time deposits of maturity over three months		124,858	(149,299)
NET CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		83,812	(157,629)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)
30 June 2026

	Notes	For the six months ended 30 June 2026 RMB'000 (unaudited)	For the six months ended 30 June 2025 RMB'000 (unaudited)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from interest-bearing bank borrowings		255,318	85,313
Repayments of interest-bearing bank borrowings		(265,318)	(150,918)
Dividends paid		(162,712)	(94,377)
Repurchases of the Company's shares		(53,365)	(174,987)
Interest paid for interest-bearing bank borrowings		(400)	(329)
Principal portion of lease payments		(76,813)	(83,721)
Decrease in pledged bank deposits		10,416	–
NET CASH FLOWS USED IN FINANCING ACTIVITIES		(292,874)	(419,019)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(32,778)	(365,837)
Cash and cash equivalents at beginning of period		444,854	805,456
Effect of foreign exchange rate changes, net		(1,039)	(2,102)
CASH AND CASH EQUIVALENTS AT END OF PERIOD		411,037	437,517
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and cash in bank		330,612	377,517
Time deposits		350,883	500,000
Cash and bank balances as stated in the statement of financial position		681,495	877,517
Cash and cash equivalents as stated in the interim condensed consolidated statement of cash flows		411,037	437,517

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2026

1. CORPORATE AND GROUP INFORMATION

The Company is an exempted company incorporated in the Cayman Islands with limited liability under the Companies Law of the Cayman Islands on 13 May 2015. The registered and correspondence office of the Company is an office of Intertrust Corporate Services (Cayman) Limited, located at One Nexus Way, Camana Bay, Grand Cayman KY1-9005, Cayman Islands. The Company was listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 11 November 2016 (the "Listing").

The Company is an investment holding company. The Company and its subsidiaries (collectively referred to as the "Group") are principally engaged in the business of casual braised duck related food production, marketing and retailing ("Zhou Hei Ya Business") in the mainland of the People's Republic of China (the "PRC").

In the opinion of the directors of the Company (the "Directors"), the ultimate controlling shareholders of the Company are Mr. Zhou Fuyu and Ms. Tang Jianfang (together known as the "Controlling Shareholders").

In the opinion of the Directors, the ultimate holding company of the Company is Healthy Origin Holdings Limited, which is incorporated in the British Virgin Islands.

2. BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

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

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

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

The nature and impact of the amended HKFRS Accounting Standards are described below:

(a) Amendments to HKFRS 9 and HKFRS 7 Amendments to the Classification and Measurement of Financial Instruments clarify that a financial asset is derecognised when the entity's rights to the contractual cash flows expire or are transferred, while a financial liability is derecognised on the settlement date. The amendments introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. Since the Group's accounting policy for the derecognition of financial assets and liabilities in prior years aligned with the amendments and the Group did not have the financial assets that were addressed by the amendments, the amendments did not have any impact on the interim condensed consolidated financial information. The Group will provide additional disclosures for its equity investments designated at fair value through other comprehensive income in the Group's consolidated financial statements for the year ending 31 December 2026.

(b) Amendments to HKFRS 9 and HKFRS 7 Contracts Referencing Nature-dependent Electricity clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. As the Group did not have any contracts that are in the scope of the amendments, the amendments did not have any impact on the interim condensed consolidated financial information.

(c) Annual Improvements to HKFRS Accounting Standards – Volume 11 set out narrow scope amendments to HKFRS 1, HKFRS 7 (and the accompanying Guidance on implementing HKFRS 7), HKFRS 9, HKFRS 10 and HKAS 7. The amendments include clarifications, simplifications, corrections or changes to improve consistency in the corresponding HKFRS Accounting Standards. The amendments did not have any impact on the interim condensed consolidated financial information.

3. OPERATING SEGMENT INFORMATION

The Group's principal business is the production, marketing and retailing of casual braised duck-related food. For management purposes, the Group operates in one business unit based on its products, and has one reportable segment which is the production, marketing and retailing of casual braised duck-related food.

Information about geographical area

Since all of the Group's revenue was generated from the production, marketing and retailing of casual braised duck-related food in Chinese mainland and all of the Group's non-current assets were located in Chinese mainland, no geographical information in accordance with HKFRS 8 – *Operating Segments* is presented.

Information about major customers

Since none of the Group's sales to a single customer accounted for 10% or more of the Group's total revenue, no information about major customers in accordance with HKFRS 8 – *Operating Segments* is presented.

4. REVENUE, OTHER INCOME AND GAINS, NET

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2026	**2025**
	RMB'000 (unaudited)	**RMB'000 (unaudited)**
Revenue from contracts with customers	**1,461,327**	1,222,561

Revenue from contracts with customers

(a) Disaggregated revenue information

	For the six months ended 30 June	
	2026	2025
	RMB'000 (unaudited)	RMB'000 (unaudited)
Types of goods or service		
Modified-Atmosphere-Packaged products	**1,089,600**	1,027,536
Vacuum-packaged products	**178,491**	125,187
Franchise fees of retail stores	**7,657**	12,914
Other products	**185,579**	56,924
Total revenue from contracts with customers	**1,461,327**	1,222,561

	For the six months ended 30 June	
	2026	2025
	RMB'000 (unaudited)	RMB'000 (unaudited)
Timing of revenue recognition		
Goods transferred at a point in time	**1,453,670**	1,209,647
Service transferred over time	**7,657**	12,914
Total revenue from contracts with customers	**1,461,327**	1,222,561

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

	For the six months ended 30 June	
	2026	2025
	RMB'000 **(unaudited)**	RMB'000 (unaudited)
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Sale of goods	**5,578**	12,342
Franchise fee	**4,964**	9,968
Total	**10,542**	22,310

(b) Performance obligations

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

Sale of casual braised food

The performance obligation is satisfied upon delivery of the goods and payment is generally settled once the goods are delivered, except for franchisees and distributors, where payment in advance is normally required.

Franchise fees of retail stores

The performance obligation is satisfied over time as services are rendered and advances are normally required before rendering the services. Generally, franchise fee contracts are for periods of more than one year, and the franchise fees are billed according to the contracts.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as follows:

	30 June 2026	**31 December 2025**
	RMB'000 **(unaudited)**	**RMB'000** **(audited)**
Amounts expected to be recognised as revenue:		
Within one year	**28,472**	30,760
After one year	**2,206**	2,875
Total	**30,678**	33,635

An analysis of other income and gains, net is as follows:

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Interest income	**14,063**	18,936
Government grants*	**7,269**	6,798
Fair value gain/(loss) on structured deposits measured at FVTPL	**767**	(526)
Fair value gain/(loss) on other financial assets at FVTPL	**13**	(5,000)
Loss on disposal of items of property, plant and equipment, net	**(297)**	(285)
Gain on disposal of items of right-of-use assets	**3,523**	3,764
Gain on foreign exchange differences	**4,987**	740
Others	**253**	2,078
Total	**30,578**	26,505

* There were no unfulfilled conditions and other contingencies attaching to the government grants that had been recognised.

5. PROFIT BEFORE TAX

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

	Notes	For the six months ended 30 June 2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Cost of inventories sold		**451,854**	338,422
Depreciation of property, plant and equipment		**54,941**	58,686
Depreciation of right-of-use assets	10	**75,357**	87,327
Amortisation of other intangible assets		**1,971**	2,061
Lease payments not included in the measurement of lease liabilities		**79,932**	55,024
Employee benefit expense (including directors' and chief executive's remuneration):			
Wages and salaries		**205,227**	187,949
Equity-settled share-based payment expense		**3,768**	1,920
Pension scheme contributions*		**36,423**	33,647
Other welfare		**13,642**	9,604
		259,060	233,120
Share of profits and losses of associates		**(3,208)**	3,986
Interest income	4	**(14,063)**	(18,936)
Loss on disposal of items of property, plant and equipment	4	**297**	285
Impairment of trade receivables		**1,475**	406
Gain on disposal of items of right-of-use assets	4	**(3,523)**	(3,764)
Government grants	4	**(7,269)**	(6,798)

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

6. INCOME TAX

The major components of income tax expenses are as follows:

	For the six months ended 30 June	
	2026	2025
	RMB'000 (unaudited)	RMB'000 (unaudited)
Current – PRC profits tax	**35,464**	31,577
Current – HK profits tax	**3,045**	47
	38,509	31,624
Deferred tax	**2,949**	6,577
Total tax charge for the period	**41,458**	38,201

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

The provision for current income tax in the PRC is based on a statutory rate of 25% (2025: 25%) of the assessable profits of the subsidiaries of the Group as determined in accordance with the PRC Corporate Income Tax Law.

Hong Kong profits tax has been provided at the rate of 16.5% (2025: 16.5%) on the estimated assessable profits arising in Hong Kong during the period, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK$2,000,000 (six months ended 30 June 2025: HK$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (six months ended 30 June 2025: 8.25%) and the remaining assessable profits are taxed at 16.5% (six months ended 30 June 2025: 16.5%).

7. INTERIM DIVIDENDS

The Board did not recommend the payment of any interim dividend for the six months ended June 30, 2026 (June 30, 2025: Nil).

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

The calculation of the basic earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 1,991,691,117 (six months ended 30 June 2025: 2,054,500,587) in issue during the period.

The calculation of the diluted earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise of all dilutive potential ordinary shares into ordinary shares.

The calculations of basic and diluted earnings per share are based on:

	For the six months ended 30 June	
	2026	**2025**
	RMB'000 (unaudited)	**RMB'000 (unaudited)**
Earnings		
Profit attributable to ordinary equity holders of the parent used in the basic earnings per share calculation	**91,496**	107,940
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	**1,991,691,117**	2,054,500,587
Effect of dilution – weighted average number of ordinary shares:		
Restricted share unit scheme	**–**	6,127,542
	1,991,691,117	2,060,628,129
Earnings per share:		
Basic (RMB)	**0.05**	0.05
Diluted (RMB)	**0.05**	0.05

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2026, the Group acquired assets with a cost of RMB36,973,000 (30 June 2025: RMB14,509,000).

Items of property, plant and equipment with a net book value of RMB2,134,000 were disposed of by the Group during the six months ended 30 June 2026 (30 June 2025: RMB5,681,000).

10. LEASES

The Group as a lessee

The Group has lease contracts for various items of properties used in its operations. Lump sum payments were made upfront to acquire the leased land from the owners with lease periods of 50 years, and no ongoing payments will be made under the terms of these land leases. Leases of properties generally have lease terms between 12 months and 7 years. Motor vehicles generally have lease terms of 12 months or less and/or are individually of low value. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group. There are certain lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the period are as follows:

	Leasehold land	**Properties**	**Total**
	RMB'000	**RMB'000**	**RMB'000**
As at 1 January 2025 (audited)	115,456	204,619	320,075
Additions	–	57,215	57,215
Depreciation charge	(1,428)	(86,109)	(87,537)
Reassessment of a lease term arising from a decision not to exercise the extension option	–	(9,434)	(9,434)
Revision of a lease term arising from a change in the non-cancellable period of a lease	–	14,996	14,996
As at 30 June 2025 (unaudited)	114,028	181,287	295,315

	Leasehold land	**Properties**	**Total**
	RMB'000	**RMB'000**	**RMB'000**
As at 1 January 2026 (audited)	**113,437**	**224,553**	**337,990**
Additions	**–**	**89,212**	**89,212**
Depreciation charge	**(1,428)**	**(74,139)**	**(75,567)**
Revision of a lease term arising from a change in the non-cancellable period of a lease	**–**	**10,925**	**10,925**
As at 30 June 2026 (unaudited)	**112,009**	**250,551**	**362,560**

The Group's leasehold land is located in Wuhan City of Hubei Province, Dongguan City of Guangdong Province, Chengdu City of Sichuan Province, Nantong City of Jiangsu Province, Cangzhou City of Hebei Province and Qianjiang City of Hubei Province, the PRC, with lease periods of 50 years.

During the six months ended 30 June 2026, RMB210,000 (six months ended 30 June 2025: RMB210,000) of amortisation of the prepaid land lease payments was capitalised as part of the construction costs of the factory in Qianjiang City.

(b) ***Lease liabilities***

The carrying amount of lease liabilities and the movements during the period are as follows:

	For the six months ended 30 June	
	2026	**2025**
	Lease liabilities	**Lease liabilities**
	RMB'000 (unaudited)	**RMB'000 (unaudited)**
Carrying amount at 1 January	**227,445**	214,198
New leases	**89,212**	57,215
Accretion of interest recognised during the period	**5,878**	4,935
Payments	**(82,691)**	(88,656)
Revision of a lease term arising from a change in the non-cancellable period of a lease	**7,402**	1,798
Carrying amount at 30 June	**247,246**	189,490
Analysed into:		
Current portion	**137,207**	132,067
Non-current portion	**110,039**	57,423

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	For the six months ended 30 June	
	2026	**2025**
	RMB'000 (unaudited)	**RMB'000 (unaudited)**
Interest on lease liabilities	**5,878**	4,935
Depreciation charge of right-of-use assets	**75,357**	87,327
Expense relating to short-term leases (included in selling and distribution expenses and cost of sales)	**51,457**	25,140
Variable lease payments not included in the measurement of lease liabilities (included in cost of sales and selling and distribution expenses)	**28,475**	29,884
Gain on disposal of right-of-use assets	**(3,523)**	(3,764)
Total amount recognised in profit or loss	**157,644**	143,522

11. INVESTMENTS IN ASSOCIATES

	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Share of net assets	**447,466**	617,446

During the six months ended 30 June 2026, the carrying amount of investments in associates was reduced by RMB169,980,000, mainly attributable to the associate's capital reduction and the Group's share of profits of associates.

12. INVENTORIES

	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Raw materials	**160,012**	204,705
Work in progress	**6,487**	8,086
Finished goods	**27,185**	41,299
Packaging materials	**27,792**	23,302
Total	**221,476**	277,392

13. TRADE RECEIVABLES

	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Trade receivables	**156,453**	112,929
Less: Impairment provision	**(15,882)**	(14,407)
Total	**140,571**	98,522

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

	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Within 3 months	**137,490**	91,002
3 to 12 months	**2,441**	7,264
Over 1 year	**640**	256
Total	**140,571**	98,522

14. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	30 June 2026	31 December 2025
	RMB'000 (unaudited)	RMB'000 (audited)
Prepaid property rents	**26,506**	27,408
Advances to suppliers	**36,573**	39,591
Deductible input VAT	**38,410**	48,004
Others	**26,116**	25,263
Total	**127,605**	140,266

None of the above assets is either past due or impaired. The financial assets included in the above balances relate to receivables for which there was no recent history of default.

15. CASH AND BANK BALANCES

	30 June 2026	31 December 2025
	RMB'000 (Unaudited)	RMB'000 (Audited)
Cash and cash in bank	**330,612**	268,931
Time deposits	**350,883**	506,369
	681,495	775,300
Less: Time deposits with maturity over three months	**(270,458)**	(330,446)
Cash and cash equivalents	**411,037**	444,854

As at the end of the reporting period, the cash and bank balances and time deposits of the Group denominated in RMB amounted to RMB621,867,000 (31 December 2025: RMB703,505,000).

The RMB is not freely convertible into other currencies, however, under Chinese mainland's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

The carrying amounts of the cash and cash equivalents approximate to their fair values.

16. TRADE AND BILLS PAYABLES

	30 June 2026	31 December 2025
	RMB'000 (unaudited)	RMB'000 (audited)
Trade payables	**81,947**	80,693
Bills payable	**18,940**	11,018
Total	**100,887**	91,711

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

	30 June 2026	31 December 2025
	RMB'000 (unaudited)	RMB'000 (audited)
Within 3 months	**80,375**	75,281
3 to 6 months	**812**	3,007
6 to 12 months	**327**	974
Over 12 months	**433**	1,431
Total	**81,947**	80,693

The trade payables are non-interest-bearing.

17. SHARE CAPITAL

	30 June 2026	31 December 2025
	RMB'000 (unaudited)	RMB'000 (audited)
Authorised:		
50,000,000,000 shares of USD0.000001 each (31 December 2025: 50,000,000,000 shares of USD0.000001 each)	**306**	306
Issued and fully paid:		
2,081,065,000.00 shares of USD0.000001 each (31 December 2025: 2,159,709,500 shares of USD0.000001 each)	**13**	14

A summary of movements in the Company's share capital is as follows:

	Numbers of shares in issue	Share capital	Treasury shares
			RMB'000
At 31 December 2024 and 1 January 2025 (audited)	2,267,985,500	15	(458,592)
Repurchase of shares	–	–	(179,000)
Cancellation of shares	(108,276,000)	(1)	167,324
Exercise of share-based awards	–	–	11,268
At 31 December 2025 and 1 January 2026 (audited)	2,159,709,500	14	(459,000)
Repurchase of shares	–	–	(53,365)
Cancellation of shares	(78,644,500)	(1)	143,126
Exercise of share-based awards	–	–	14,519
At 30 June 2026 (unaudited)	2,081,065,000	13	(354,720)

18. RESTRICTED SHARE UNITS SCHEME

The Company operates a restricted share unit scheme (the "Scheme") on 25 July 2018 for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Scheme include the Company's directors and senior management. The Scheme became effective on 25 July 2018 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

During the period from 30 August 2018 to 24 October 2018, the Company purchased 65,412,000 of its shares on the Hong Kong Stock Exchange for a total cash consideration of HK$299,998,000, equivalent to RMB263,525,000. The purchased shares will be used as awards for the participants in the Scheme. In 2021, the Company purchased 10,633,000 of its shares on the Hong Kong Stock Exchange for a total cash consideration of HK$99,975,000, equivalent to RMB83,286,000. In 2023, the Company purchased 26,343,500 of its shares on the Hong Kong Stock Exchange for a total cash consideration of HK$56,810,000, equivalent to RMB51,709,000. In 2024, the Company purchased 22,053,000 of its shares on the Hong Kong Stock Exchange for a total cash consideration of HK$45,767,000, equivalent to RMB41,449,000. As at 30 June 2026, 80,713,050 (As at 31 December 2025: 104,438,225) ordinary shares of the Company were held by the trustee of the Scheme.

(a) 20 April 2020

On 20 April 2020, the restricted share units (the "RSUs") of the Company representing 4,580,900 ordinary shares with par value of US$0.000001 each of the Company (the "Shares") were approved to be granted to 24 selected persons including 2 directors under the Scheme. The grantees of the RSUs are required to pay for the grant of any RSUs under the RSU Scheme based on 20% of the average closing share price in March 2020, which amounted to HK$0.83 per RSU.

On 25 March 2021, the RSUs of the Company representing 1,065,575 Shares were approved to be further granted to the selected persons mentioned above under the Scheme. The grantees of the RSUs are required to pay for the grant of any RSUs under the RSU Scheme based on 20% of the average closing share price in March 2020, which amounted to HK$0.83 per RSU.

(b) 25 March 2021

On 25 March 2021, the RSUs of the Company representing 10,206,295 Shares were approved to be granted to 160 selected persons including 2 directors under the Scheme. The grantees of the RSUs are required to pay for the grant of any RSUs under the RSU Scheme based on 20% of the average closing share price in March 2021, which amounted to HK$1.23 per RSU.

(c) 31 March 2022

On 31 March 2022, the grant of 12,106,500 RSUs to 220 selected persons including 2 directors under the Scheme was approved. The grantees of the RSUs are required to pay for the grant of RSUs at a price of HK$1.23 per RSU.

(d) 3 April 2023

On 3 April 2023, the grant of 16,182,500 RSUs to 260 selected persons including 2 directors under the Scheme was approved. The grantees of the RSUs are required to pay for the grant of RSUs at a price of HK$0.89 per RSU. The vesting is subject to the satisfaction of performance and such conditions are not satisfied in whole or in part, the RSUs shall lapse automatically in respect of such proportion of underlying shares as have not vested with effect from the date on which the conditions are not satisfied.

(e) 28 March 2024

On 28 March 2024, the grant of 16,007,500 RSUs to 258 selected persons including 2 directors under the Scheme was approved. The grantees of the RSUs are required to pay for the grant of RSUs at a price of HK$0.65 per RSU.

(f) 28 March 2025

On 28 March 2025, the grant of 11,057,500 RSUs to 234 selected persons including 2 directors under the Scheme was approved. The grantees of the RSUs are required to pay for the grant of RSUs at a price of HK$0.35 per RSU.

(g) 15 April 2026

On 15 April 2026, the grant of 13,050,500 RSUs to 313 selected persons including 2 directors under the Scheme was approved. The grantees of the RSUs are required to pay for the grant of RSUs at a price of HK$0.42 per RSU.

As of 30 June 2026, the aggregate shares concerned represented 2.50% of the Company's issued shares as at 30 June 2026.

The granted RSUs shall vest, subject to the performance of the individual grantee and the Company, as follows:

(i) as to 25% of the RSUs on the date ending 12 months after the date of grant of the RSUs;

(ii) as to an additional 25% of the RSUs on the date ending 24 months after the date of grant of the RSUs;

(iii) as to an additional 25% of the RSUs on the date ending 36 months after the date of grant of the RSUs; and

(iv) as to the remaining 25% of the RSUs on the date ending 48 months after the date of grant of the RSUs.

The following shares were outstanding under the Scheme during the period:

Date of grant	Share price as at the date of grant	Exercise Price	Number of shares: As at 1 Jan 2026	Granted during the period	Vested during the period	Forfeited during the period	As at 30 Jun 2026	Vesting period
	HK$	HK$						
20 April 2020	4.73	0.83	–	–	–	–	–	20 April 2020– 25 March 2024
25 March 2021	7.90	0.83	–	–	–	–	–	25 March 2021– 25 March 2024
25 March 2021	7.90	1.23	–	–	–	–	–	25 March 2021– 25 March 2025
31 March 2022	4.38	1.23	1,490,025	–	(1,447,025)	(43,000)	–	31 March 2022– 31 March 2026
28 March 2025	1.86	0.35	10,388,000	–	(2,425,875)	(742,625)	7,219,500	28 March 2025– 28 March 2029
15 April 2026	1.57	0.42	–	13,050,000	–	(204,500)	12,845,500	15 April 2026– 15 April 2030

For the six months ended 30 June 2026, the Group recognised an equity-settled share-based payment expense of RMB3,768,000 (the six months ended 30 June 2025: RMB1,920,000).

The fair value of the restricted share under the Scheme as at the date of grant was determined based on the closing price of Company's share as at the date of grant.

19. COMMITMENTS

(a) The Group had the following capital commitments as at the end of the reporting period:

	30 June 2026	31 December 2025
	RMB'000 (unaudited)	RMB'000 (audited)
Contracted, but not provided for:		
Software	**1,200**	2,495
Buildings	**31,037**	31,132
Plant and machinery	**3,070**	1,076
Total	**35,307**	34,703

In addition, the Group had the following investment commitments as at the end of the reporting period:

	30 June 2026	31 December 2025
	RMB'000 (unaudited)	RMB'000 (audited)
Capital contributions payable to associates	**148,643**	426,067

(b) The Group has various lease contracts that have not yet commenced as at 30 June 2026. The future lease payments for these non-cancellable lease contracts are RMB11,620,000 due within one year, RMB24,160,000 due in the second to fifth years, inclusive and RMB4,952,000 due after five years.

20. RELATED PARTY TRANSACTIONS

(a) Designation and relationship of related parties

Related parties for the six months ended 30 June 2026 and the year ended 31 December 2025 were as follows:

Name	Relationship
Mr. Zhou Fuyu and Ms. Tang Jianfang	Ultimate controlling shareholder
Zhou Hei Ya Foods Joint Stock Limited Company ("ZHY Foods")	Subsidiary controlled by Controlling Shareholders
Sichuan Food Technology	Associate of the Group

(b) The Group had the following transactions with related parties during the year:

	For the six months ended 30 June	
	2026	**2025**
	RMB'000 (unaudited)	**RMB'000 (unaudited)**
Rental payments		
Mr. Zhou Fuyu	**108**	407
Ms. Tang Jianfang	**352**	–
ZHY Foods	**1,895**	2,144
Total	**2,355**	2,551
Purchase of goods		
Sichuan Food Technology	**3,601**	–
Sales of goods		
Sichuan Food Technology	**172**	9

(c) Financing arrangements

The following transactions were carried out with related parties:

For the six months ended 30 June 2026, the Group had no leased stores (six months ended 30 June 2025: two) from related parties.

Under HKFRS 16, there were no rent payable by the Group under the leases (2025: RMB42,000 per month) for the six months ended 30 June 2026.

	For the six months ended 30 June	
	2026	**2025**
	RMB'000 (unaudited)	**RMB'000 (unaudited)**
Lease liabilities	**–**	142
Interest expense	**–**	7
Payment for lease liabilities	**–**	(360)

(d) Compensation of key management personnel of the Group:

	For the six months ended 30 June	
	2026	**2025**
	RMB'000 (unaudited)	**RMB'000 (unaudited)**
Short term employee benefits	**3,377**	3,221
Equity-settled share-based payment expense	**757**	1,372
Post-employee benefits	**204**	183
Total	**4,338**	4,776

21. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

30 June 2026 (unaudited)

Financial assets

	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income		
	Mandatorily designated as financial assets at FVTPL	Equity investment	Financial assets at amortised cost	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables	–	–	140,571	140,571
Financial assets included in prepayments, other receivables and other assets	–	–	619,601	619,601
Rental deposits	–	–	93,814	93,814
Structured deposits	252,167	–	–	252,167
Other financial assets at FVTPL	63,102	–	–	63,102
Cash and bank balances	–	–	681,495	681,495
Equity investments designated at fair value through other comprehensive income	–	2,500	–	2,500
Total	315,269	2,500	1,535,481	1,853,250

Financial liabilities

	Financial liabilities at amortised cost
	RMB'000
Trade and bills payables	100,887
Financial liabilities included in other payables and accruals	121,483
Interest-bearing bank borrowings	160,000
Lease liabilities	247,246
Total	629,616

31 December 2025 (audited)

Financial assets

	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income		
	Mandatorily designated as financial assets at FVTPL	Equity investment	Financial assets at amortised cost	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables	–	–	98,522	98,522
Financial assets included in prepayments, other receivables and other assets	–	–	664,303	664,303
Rental deposits	–	–	85,510	85,510
Structured deposits	100,427	–	–	100,427
Other financial assets at FVTPL	24,484	–	–	24,484
Cash and bank balances	–	–	775,300	775,300
Equity investments designated at fair value through other comprehensive income	–	2,500	–	2,500
Total	124,911	2,500	1,623,635	1,751,046

Financial liabilities

	Financial liabilities at amortised cost
	RMB'000
Trade and bills payables	91,711
Financial liabilities included in other payables and accruals	129,859
Interest-bearing bank borrowings	170,000
Lease liabilities	227,445
Total	619,015

22. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amounts		Fair values	
	30 June 2026	**31 December 2025**	**30 June 2026**	**31 December 2025**
	RMB'000 (unaudited)	**RMB'000 (audited)**	**RMB'000 (unaudited)**	**RMB'000 (audited)**
Financial assets				
Structured deposits measured at fair value	**252,167**	100,427	**252,167**	100,427
Other financial assets at FVTPL	**63,102**	24,484	**63,102**	24,484
Equity investments designated at fair value through other comprehensive income	**2,500**	2,500	**2,500**	2,500
Total	**317,769**	127,411	**317,769**	127,411

Management has assessed that the fair values of cash and bank balances, cash in transit, restricted cash, rental deposits, trade receivables, financial assets included in prepayments, other receivables and other assets, interest-bearing bank borrowings, trade payables and financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the chief financial officer and the audit committee. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

The Group invests in structured deposits, which were mainly issued by China CITIC Bank International Limited. The Group has estimated the fair value of these structured deposits measured at fair value by using a discounted cash flow valuation model based on the AAA rating bond yield and the implied liquidity spread as at the issue date.

The Group invests in the money market fund issued by Futu Securities. The fair value of the investments is determined based on the valuation results provided by Futu Securities.

The Group invests in the fixed-income wealth management product,which were issued by HF Wealth Management Co.,Ltd, HUA XIA Wealth Management Co.,Ltd and CITIC Wealth Management Corporation Limited.The fair value of the investments is determined based on the valuation results provided by financial product managers.

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value

As at 30 June 2026 (unaudited)

	Fair value measurement using		
	Significant observable inputs (Level 2)	**Significant unobservable inputs (Level 3)**	**Total**
	RMB'000	**RMB'000**	**RMB'000**
Structured deposits measured at fair value	**252,167**	**–**	**252,167**
Other financial assets at FVTPL	**63,102**	**–**	**63,102**
Equity investments designated at fair value through other comprehensive income	**–**	**2,500**	**2,500**
Total	**315,269**	**2,500**	**317,769**

As at 31 December 2025 (audited)

	Fair value measurement using		
	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	RMB'000	RMB'000
Structured deposits measured at fair value	100,427	–	100,427
Other financial assets at FVTPL	24,484	–	24,484
Equity investments designated at fair value through other comprehensive income	–	2,500	2,500
Total	124,911	2,500	127,411

23. EVENTS AFTER THE REPORTING PERIOD

Subsequent to 30 June 2026 and up to 20 August 2026 (being the date of this announcement), no material events were undertaken by the Group.

OTHER INFORMATION

PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES

During the six months ended June 30, 2026, the Company repurchased a total of 40,619,000 Shares (the "**Shares Repurchased**") on the Hong Kong Stock Exchange at an aggregate consideration of HK$59,819,965. No Shares Repurchased were held as treasury shares of the Company. Particulars of the Shares Repurchased are summarized as follows:

Month of Repurchase	No. of Shares Repurchased	Price paid per Share		Aggregate Consideration
		Highest	Lowest	
		HK$	HK$	HK$
January 2026	377,000	1.64	1.59	606,950
February 2026	308,500	1.61	1.60	495,135
March 2026	771,500	1.41	1.35	1,070,165
April 2026	16,906,500	1.65	1.40	25,851,030
May 2026	14,153,500	1.59	1.40	21,169,675
June 2026	8,102,000	1.50	1.17	10,627,010
Total	40,619,000			59,819,965

During the six months ended June 30, 2026, a total of 46,813,000 Shares repurchased from April 7, 2025 to February 2, 2026 have been cancelled on March 12, 2026 and a total of 31,831,500 Shares repurchased from March 27, 2026 to May 28, 2026 have been cancelled on June 11, 2026. As at June 30, 2026, the total number of Shares in issue was 2,081,065,000.

Save as disclosed above, the Company and its subsidiaries did not purchase, sell or redeem any of the listed securities of the Company (including sales of treasury shares) for the six months ended June 30, 2026. As at June 30, 2026, the Company did not hold any treasury shares.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Save for the deviation from code provision C.2.1 as set out in part 2 of the Corporate Governance Code (the "**Code**"), which is explained in the following paragraph, during the six months ended June 30, 2026, the Company has complied with the applicable code provisions in part 2 of the Code as set out in Appendix C1 to the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the "**Listing Rules**").

Pursuant to code provision C.2.1 in part 2 of the Code, the responsibilities between the chairman and chief executive officer of a listed issuer should be separate and should not be performed by the same individual. Mr. Zhou Fuyu has served as both the chairman of the Board (the "**Chairman**") and the chief executive officer of the Company (the "**Chief Executive Officer**") since June 12, 2024, and such practice deviates from the code provision C.2.1 in part 2 of the Code. The Company is currently undergoing an important period of strategic change, and the Board believes that vesting the roles of both the Chairman and the Chief Executive Officer in the founder of the Group can effectively promote the implementation of the Group's key strategies, ensure consistent leadership to advance long-term strategies, and further optimize the operating efficiency of the Group and enhance the operating quality of the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. The Company will continue to enhance its corporate governance practice which is appropriate to the conduct and growth of its business.

The Board will continue to review and monitor the practices of the Company for the purpose of complying with the Code and maintaining a high standard of corporate governance practices of the Company.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the "Model Code for Securities Transactions by Directors of Listed Issuers" (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as its code of conduct regarding Directors' securities transactions. All Directors have confirmed, following specific enquiry by the Company, that they have complied with the Model Code throughout the six months ended June 30, 2026.

AUDIT COMMITTEE

The Company established the Audit Committee with written terms of reference in compliance with the Code. As at the date of this announcement, the Audit Committee comprises three independent non-executive Directors as members, namely Mr. CHEN Chen, Mr. LAI Chi Shing and Ms. CHEN Ying. Mr. CHEN Chen is the chairman of the Audit Committee, and is our independent non-executive Director possessing the appropriate professional qualifications.

The Audit Committee has reviewed and discussed the Interim Results for the six months ended June 30, 2026.

INTERIM DIVIDEND

The Board proposed not to declare any interim dividend for the six months ended June 30, 2026.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT ON THE WEBSITES OF THE HONG KONG STOCK EXCHANGE AND THE COMPANY

The interim results announcement is published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) and that of the Company (www.zhouheiya.cn). The interim report will be dispatched to the shareholders of the Company (if requested) and will be available on the website of the Hong Kong Stock Exchange and that of the Company in due course.

By order of the Board
Zhou Hei Ya International Holdings Company Limited
ZHOU Fuyu
Chairman, Chief Executive Officer

Hong Kong, August 20, 2026

As at the date of this announcement, the executive Directors are Mr. ZHOU Fuyu, Mr. LYU Hanbin and Ms. WANG Yali; and the independent non-executive Directors are Mr. CHEN Chen, Mr. LAI Chi Shing and Ms. CHEN Ying.