Jiumaojiu International Holdings Limited
九毛九国际控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9922)

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

The board (the "**Board**") of directors (the "**Directors**") of Jiumaojiu International Holdings Limited (九毛九国际控股有限公司) (the "**Company**") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (together, the "**Group**") for the six months ended June 30, 2026, together with comparative figures for the six months ended June 30, 2025.

KEY FINANCIAL HIGHLIGHTS

	For the six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Revenue	**2,391,313**	2,753,436
Store level operating profit[(1)]	**298,550**	310,464
Profit before taxation	**103,690**	77,866
Profit for the period	**78,243**	58,714
Profit for the period attributable to equity shareholders of the Company	**75,804**	60,691
Core operating profit[(2)]	**79,108**	98,140

Notes:

(1) The Group defines store level operating profit as revenue for the period deducting the following expenses at store level: (i) raw materials and consumables used, (ii) staff costs, (iii) depreciation of right-of-use assets, (iv) other rentals and related expenses, (v) depreciation and amortization of other assets, (vi) utility expenses, (vii) advertising and promotion expenses and (viii) other expenses, excluding unallocated headquarter expenses.

(2) The Group defines core operating profit as profit for the period excluding the following: government grants, share of gains/(losses) of associates, impairment losses of property, plant and equipment, other net income, and income tax expense.

KEY OPERATIONAL HIGHLIGHTS

	As of/for the six months ended June 30,	
	2026	2025
Number of restaurants(1)	**606**	729
Seat turnover rate(2)		
Tai Er *(self-operated)*	**2.5**	2.2
Song Hot Pot	**1.4**	1.7
Jiu Mao Jiu *(self-operated)*	**1.4**	1.5
Table turnover rate(3)		
Tai Er *(self-operated)*	**3.5**	3.1
Song Hot Pot	**2.0**	2.5
Jiu Mao Jiu *(self-operated)*	**2.3**	2.5
Average spending per customer *(RMB)*(4)		
Tai Er *(self-operated)*	**74**	73
Song Hot Pot	**106**	99
Jiu Mao Jiu *(self-operated)*	**58**	57
Same store sales *(RMB'000)*(5)		
Tai Er *(self-operated)*	**1,636,299**	1,524,357
Song Hot Pot	**242,672**	316,214
Jiu Mao Jiu *(self-operated)*	**162,092**	184,217
Change in same store average daily sales(6) **(period-on-period)** *(%)*		
Tai Er *(self-operated)*	**7.4**	
Song Hot Pot	**(22.9)**	
Jiu Mao Jiu *(self-operated)*	**(11.8)**	

Notes:

(1) As of June 30, 2026, we had 573 self-operated restaurants and 33 franchised restaurants.

(2) Calculated by dividing total customer traffic by the product of total restaurant operation days and average seat count during the period.

(3) Calculated by dividing total tables served by the product of total restaurant operation days and average table count during the period.

(4) Calculated by dividing revenue generated from the restaurant operations for the period by total customer traffic for the period.

(5) Same store sales for the period refers to the revenue of all restaurants that qualified as same stores during that period. The Group defines its same store base to be those restaurants that opened for at least 150 days in the first half of both 2025 and 2026.

(6) Same store average daily sales for the period refers to the average daily revenue of all restaurants that qualified as same stores during that period.

BUSINESS REVIEW AND OUTLOOK

Overview

In the first half of 2026, the Group continued to adhere to its multi-brand and multi-concept strategy and explored new business opportunities, aiming to further expand its market share and maintain its market position as a leading Chinese cuisine restaurant brand manager and operator in the People's Republic of China ("**PRC**"). Facing the ever-changing and challenging external environment, the Group actively adjusted its business strategies and optimized its restaurant network in the first half of 2026. The Group continued to optimize its portfolio of restaurant brands and focus on brands with greater growth potential. Meanwhile, the Group accelerated the upgrade and rollout of new store models, and deepened the quality of its restaurant operations and customer experience through comprehensive optimization of products, space and services, laying a solid foundation for future sustainable growth.

As of June 30, 2026, the Group had 573 self-operated restaurants and 33 franchised restaurants, covering 113 cities in the PRC and 10 cities across overseas markets, including Singapore, Malaysia, Canada, the United States, Thailand and New Zealand.

The Group recorded revenue of RMB2,391.3 million for the six months ended June 30, 2026, representing a decrease of 13.2% compared with revenue of RMB2,753.4 million for the corresponding period in 2025. Profit for the period of the Group increased by 33.2% from RMB58.7 million for the six months ended June 30, 2025 to RMB78.2 million for the six months ended June 30, 2026.

2026 Interim Business and Financial Performance Review

Restaurant network

The Group opened four new restaurants in the first half of 2026, comprising two Tai Er restaurants and two Jiu Mao Jiu restaurants. In addition, one self-operated Tai Er restaurant converted into a franchised restaurant. Among all restaurants of the Group, 42[(1)] restaurants (including six franchised restaurants) were closed in the first half of 2026, primarily due to (i) the termination of the relevant lease agreements upon expiry, and (ii) unsatisfactory performance of some restaurants.

The table below sets forth a breakdown of restaurants of the Group by brand as of the dates indicated:

	As of June 30,	
	2026	2025
Number of restaurants		
Tai Er	**477**[(2)]	566[(2)]
– Chinese Mainland	***442***[(2)]	*535*[(2)]
– Others	***35***[(2)]	*31*
Song Hot Pot	**54**	76
Jiu Mao Jiu	**61**[(3)]	68[(3)]
Lai Mei Li	**1**	1
Fresh Wood	**1**	1
Shanwaimian	**11**[(4)]	17[(4)]
Chaonabian	**1**	–
Total	**606**	729

Notes:

(1) Decrease in self-operated restaurants due to the conversion to franchised restaurants is not counted as restaurant closure.

(2) Including 19 and 23 franchised Tai Er restaurants as of June 30, 2025 and 2026, respectively.

(3) Including one and two Jiu Mao Jiu franchised restaurant(s) as of June 30, 2025 and 2026, respectively.

(4) Including 14 and eight Shanwaimian franchised restaurants as of June 30, 2025 and 2026, respectively.

Performance of self-operated restaurants

The table below sets forth the key performance indicators of the Group's self-operated restaurants by brand for the periods indicated:

	For the six months ended June 30,	
	2026	2025
	(Unaudited)	*(Unaudited)*
Revenue ***(RMB'000)***		
Tai Er	**1,795,303**	1,946,432
Song Hot Pot	**264,740**	416,431
Jiu Mao Jiu	**175,915**	226,103
Lai Mei Li	**3,651**	5,083
Fresh Wood	**8,752**	7,326
Shanwaimian	**12,220**	14,332
Chaonabian	**5,247**	–
Seat turnover rate[(1)]		
Tai Er	**2.5**	2.2
– Chinese Mainland	***2.5***	*2.2*
– Others	***2.5***	*2.7*
Song Hot Pot	**1.4**	1.7
Jiu Mao Jiu	**1.4**	1.5
Lai Mei Li	**1.4**	1.7
Fresh Wood	**1.2**	1.4
Shanwaimian	**2.4**	2.5
Chaonabian	**2.4**	–
Table turnover rate[(2)]		
Tai Er	**3.5**	3.1
– Chinese Mainland	***3.5***	*3.1*
– Others	***3.6***	*3.8*
Song Hot Pot	**2.0**	2.5
Jiu Mao Jiu	**2.3**	2.5
Lai Mei Li	**1.6**	1.8
Fresh Wood	**1.7**	1.8
Shanwaimian	**3.5**	3.7
Chaonabian	**3.7**	–
Average spending per customer[(3)] ***(RMB)***		
Tai Er	**74**	73
– Chinese Mainland	***68***	*66*
– Others	***149***	*155*
Song Hot Pot	**106**	99
Jiu Mao Jiu	**58**	57
Lai Mei Li	**137**	162
Fresh Wood	**539**	498
Shanwaimian	**92**	90
Chaonabian	**116**	–

Notes:

(1) Calculated by dividing total customer traffic by the product of total restaurant operation days and average seat count during the period.

(2) Calculated by dividing total tables served by the product of total restaurant operation days and average table count during the period.

(3) Calculated by dividing revenue generated from restaurant operations for the period by total customer traffic for the period.

The seat turnover rate and table turnover rate of Tai Er increased in the first half of 2026, primarily due to the strong performance of restaurants upgraded to the "Fresh" model and the restaurant network optimization. The seat turnover rate and table turnover rate of Song Hot Pot and Jiu Mao Jiu decreased, primarily due to the decrease in customer traffic as a result of the challenging external environment. The decrease in average spending per customer of Tai Er outside the Chinese Mainland was primarily attributable to the impact of exchange rate fluctuations, coupled with the Group's adjustment to menu offerings and food price in response to competitive landscape in the industry.

Same store sales

The table below sets forth details of the Group's same store sales of its self-operated restaurants by brand for the periods indicated:

	For the six months ended June 30,			
	2026	**2025**	2025	2024
Number of same store[1]				
Tai Er	**422**		473	
Song Hot Pot	**53**		53	
Jiu Mao Jiu	**55**		60	
Same store sales[2] *(RMB'000)*				
Tai Er	**1,636,299**	**1,524,357**	1,536,302	1,895,818
Song Hot Pot	**242,672**	**316,214**	288,250	360,624
Jiu Mao Jiu	**162,092**	**184,217**	192,527	240,200
Change in same store average daily sales[3] (period-on-period) (%)				
Tai Er	**7.4**		(18.0)	
Song Hot Pot	**(22.9)**		(18.9)	
Jiu Mao Jiu	**(11.8)**		(19.7)	

Notes:

(1) The Group defines its same store base to be those restaurants that opened for at least 150 days in the first half of both 2024 and 2025, and in the first half of both 2025 and 2026.

(2) Same store sales for the period refer to the revenue of all restaurants that qualified as same stores during that period.

(3) Same store average daily sales for the period refers to the average daily revenue of all restaurants that qualified as same stores during that period.

Outlook

The Group remains fully devoted to providing ultimate dining experience to customers through exquisite dishes, high-quality services and unique dining ambience, and with a view to maintaining a strong market position and enhancing its competitiveness, it will continue to implement the following growth strategies:

- ***Create a wonderful hour with excellent cuisine.*** In 2026, the Group continued to return to the fundamentals of restaurant operations, adhering to the core principles of "Delicious, Affordable, and Safe (好吃、不貴、安全)" and regarding product quality as the lifeline of its brand development. The Group provides customers with a one-hour dining experience of deliciousness, comfort and sincere service. In the first half of 2026, the Group's major brands continued to advance the iterative upgrade of new store models, further deepened its focus on product quality, consumption scenarios and service experience, and continued to enhance store operation quality and brand competitiveness. In the first half of 2026, the Group's core brands as a whole continued to show a favorable recovery trend in operating performance.

- ***Optimizing restaurant network and focusing on excellence.*** The Group has been closely monitoring the external environment and adjusting its expansion plan of restaurant network under different brands as and when appropriate. Through the continuous optimization of its restaurant network and the decisive closure of underperforming restaurants in recent years, the Group's store structure and overall store quality have been further enhanced. Currently, the phase of large-scale proactive store closures for its major brands has largely come to an end, laying a solid foundation for a return to high-quality development in the future.

- ***Continue to strengthen support capabilities of the Group's supply chain driven by the dual operation model of "stores + external sales (門店+外銷)".*** In the first half of 2026, the Group continued to improve the operational efficiency and support capabilities of its supply chain. On one hand, in line with the "fresh and lively" transformation of the Group's brands, the Group leveraged its scale procurement advantages and enhanced warehousing and distribution efficiency, continuing to reduce costs and improve efficiency while ensuring food safety, ingredient quality and stable supply. On the other hand, the Group continued to expand external sales channels, including supermarkets, online retail and overseas markets, enriching its external sales products and channel network, and further improving the capacity utilization rate of its supply chain.

- ***Making digital and intelligent transformation the core driving force for future development.*** In the first half of 2026, the Group further promoted the deep integration of AI and digital capabilities with its business processes, leveraging data and intelligent tools to continuously reduce costs, enhance efficiency and optimize business decision-making. The Group continued to advance digital and AI applications across key scenarios such as member lifecycle management, improvement of restaurant operating efficiency and supply chain empowerment, enhancing data insight, organizational collaboration and decision-making efficiency. Going forward, the Group will continue to drive the deeper penetration of AI from tool-level applications into business processes and operational management, leveraging digital and intelligent capabilities to support the long-term improvement of the Group's operating efficiency.

- ***Expanding into global markets to gain international market share.*** The Group currently operates Tai Er restaurants in countries and regions such as Singapore, Malaysia, Canada, the United States, Thailand and New Zealand. In early 2026, the Group further deepened its global footprint by entering into a strategic partnership with Big Way Hot Pot ("**Big Way**"), a leading spicy hot pot brand in North America, achieving a new brand presence in the North American market and advancing the Group's evolution into a globally diversified restaurant group. In the first half of 2026, the Group continued to empower Big Way, further strengthening the foundation for its long-term development in the North American market. The Group will continue to prudently evaluate and select suitable locations for its expansion to further solidify its international market share.

MANAGEMENT DISCUSSION AND ANALYSIS

Revenue

The Group's revenue decreased by 13.2% from RMB2,753.4 million for the six months ended June 30, 2025 to RMB2,391.3 million for the same period in 2026.

Revenue by segment

The Group generates revenue from four segments, including Tai Er, Song Hot Pot, Jiu Mao Jiu and others (including the operation of other brands such as Fresh Wood, Shanwaimian and Chaonabian, as well as the operation of all other businesses of the Group). The following table sets forth a breakdown of the Group's revenue by segment for the periods indicated:

	For the six months ended June 30,			
	2026		2025	
	RMB'000 (Unaudited)	***%***	*RMB'000 (Unaudited)*	*%*
Tai Er	**1,797,533**	**75.2**	1,948,593	70.8
Song Hot Pot	**264,776**	**11.1**	416,521	15.1
Jiu Mao Jiu	**176,353**	**7.4**	226,232	8.2
Others	**152,651**	**6.3**	162,090	5.9
Total	**2,391,313**	**100.0**	2,753,436	100.0

Revenue from Tai Er decreased by 7.8% from RMB1,948.6 million for the six months ended June 30, 2025 to RMB1,797.5 million for the same period in 2026, primarily due to the decrease in the number of Tai Er self-operated restaurants from 547 as of June 30, 2025 to 454 as of June 30, 2026, partially offset by the increase in same store sales of the Group's Tai Er restaurants. Revenue from Tai Er as a percentage of total revenue increased from 70.8% for the six months ended June 30, 2025 to 75.2% for the same period in 2026, primarily due to the decreased revenue contribution from the Group's other brands.

Revenue from Song Hot Pot decreased by 36.4% from RMB416.5 million for the six months ended June 30, 2025 to RMB264.8 million for the same period in 2026, primarily due to the decreases in the number of restaurants and table turnover rate of the Group's Song Hot Pot restaurants in view of the challenging external environment. As a result, revenue from Song Hot Pot as a percentage of total revenue decreased from 15.1% for the six months ended June 30, 2025 to 11.1% for the same period in 2026.

Revenue from Jiu Mao Jiu decreased by 22.0% from RMB226.2 million for the six months ended June 30, 2025 to RMB176.4 million for the same period in 2026, primarily due to the decreases in the number of restaurants and table turnover rate of the Group's Jiu Mao Jiu restaurants. Revenue from Jiu Mao Jiu as a percentage of total revenue decreased slightly from 8.2% for the six months ended June 30, 2025 to 7.4% for the same period in 2026.

Revenue from others decreased by 5.8% from RMB162.1 million for the six months ended June 30, 2025 to RMB152.7 million for the same period in 2026, primarily due to the decreases in revenue from sales of goods and Shanwaimian, partially offset by the revenue contribution from the Chaonabian, which commenced in December 2025. Notwithstanding this decrease, revenue from others as a percentage of total revenue increased from 5.9% for the six months ended June 30, 2025 to 6.3% for the same period in 2026.

Revenue by service line

Services provided by the Group or activities it engages in currently comprise (i) restaurant operations, (ii) delivery business, (iii) sales of goods, and (iv) others, mainly including franchised revenue. The following table sets forth a breakdown of the Group's revenue from each service line for the periods indicated:

	For the six months ended June 30,			
	2026		2025	
	RMB'000 (Unaudited)	***%***	*RMB'000 (Unaudited)*	*%*
Restaurant operations	**1,742,398**	**72.9**	2,115,998	76.9
Delivery business	**523,762**	**21.9**	499,055	18.1
Sales of goods	**120,687**	**5.0**	132,210	4.8
Others	**4,466**	**0.2**	6,173	0.2
Total	**2,391,313**	**100.0**	2,753,436	100.0

Revenue from restaurant operations decreased by 17.7% from RMB2,116.0 million for the six months ended June 30, 2025 to RMB1,742.4 million for the same period in 2026, primarily due to the decrease in the number of restaurants attributable to the restaurant network optimization. As a result, revenue from restaurant operations as a percentage of total revenue decreased from 76.9% for the six months ended June 30, 2025 to 72.9% for the same period in 2026.

Revenue from delivery business increased by 4.9% from RMB499.1 million for the six months ended June 30, 2025 to RMB523.8 million for the same period in 2026, primarily driven by the mixture of growth in platform traffic, the expansion of single-serve meal offerings for delivery and operational enhancement. As a result, revenue from delivery business as a percentage of total revenue increased from 18.1% for the six months ended June 30, 2025 to 21.9% for the same period in 2026.

Revenue from sales of goods decreased by 8.7% from RMB132.2 million for the six months ended June 30, 2025 to RMB120.7 million for the same period in 2026, primarily due to the decrease in revenue generated from selling goods to third parties. Revenue from sales of goods as a percentage of total revenue increased slightly from 4.8% for the six months ended June 30, 2025 to 5.0% for the same period in 2026.

Revenue from others decreased by 27.4% from RMB6.2 million for the six months ended June 30, 2025 to RMB4.5 million for the same period in 2026, primarily due to the decrease in revenue from franchise management services following the underperformance of franchisees. Revenue from others as a percentage of total revenue remained relatively stable at 0.2% for the six months ended June 30, 2025 and 2026.

Other Revenue

The Group's other revenue decreased by 30.5% from RMB26.9 million for the six months ended June 30, 2025 to RMB18.7 million for the same period in 2026, primarily due to the decrease in interest income on bank deposits as a result of decreased bank balances/decreased interest rates.

Raw Materials and Consumables Used

The Group's raw materials and consumables used decreased by 15.8% from RMB980.2 million for the six months ended June 30, 2025 to RMB825.3 million for the same period in 2026, primarily in line with the decrease in revenue as a result of the decrease in the number of restaurants. Raw materials and consumables used as a percentage of revenue decreased from 35.6% for the six months ended June 30, 2025 to 34.5% for the same period in 2026 primarily attributable to the optimization of supply chain procurement, adjustments to the menu structure and enhanced control over wastage.

Staff Costs

The Group's staff costs decreased by 9.7% from RMB829.1 million for the six months ended June 30, 2025 to RMB748.3 million for the same period in 2026, primarily due to the decrease in the number of store level employees and headquarter employees as a result of the Group's reduced number of self-operated restaurants. Staff costs as a percentage of revenue increased from 30.1% for the six months ended June 30, 2025 to 31.3% for the same period in 2026, primarily attributable to the increase in the number of employees per restaurant following the upgrade to the "Fresh" model.

Depreciation of Right-of-use Assets

Depreciation of right-of-use assets decreased by 19.1% from RMB268.1 million for the six months ended June 30, 2025 to RMB216.8 million for the same period in 2026, primarily due to the decrease in the number of the Group's self-operated restaurants. Depreciation of right-of-use assets as a percentage of revenue decreased from 9.7% for the six months ended June 30, 2025 to 9.1% for the same period in 2026.

Other Rentals and Related Expenses

The Group's other rentals and related expenses decreased by 21.1% from RMB54.9 million for the six months ended June 30, 2025 to RMB43.3 million for the same period in 2026, primarily due to a decrease in short-term dormitory expenses as a result of a decrease in the number of employees. Other rentals and related expenses as a percentage of revenue remained relatively stable at 2.0% and 1.8% for the six months ended June 30, 2025 and 2026, respectively.

Depreciation and Amortization of Other Assets

Depreciation and amortization of other assets decreased by 12.1% from RMB147.0 million for the six months ended June 30, 2025 to RMB129.2 million for the same period in 2026, primarily due to the decrease in the depreciation of the property, plant and equipment, resulting from the decrease in the number of the Group's self-operated restaurants, partially offset by the increase in the depreciation of the property, plant and equipment of the supply chain. Depreciation and amortization of other assets as a percentage of revenue remained relatively stable at 5.3% and 5.4% for the six months ended June 30, 2025 and 2026, respectively.

Utility Expenses

The Group's utility expenses decreased by 14.8% from RMB111.0 million for the six months ended June 30, 2025 to RMB94.6 million for the same period in 2026, primarily due to the decrease in the number of the Group's self-operated restaurants. Utility expenses as a percentage of revenue remained relatively stable at 4.0% for the six months ended June 30, 2025 and 2026.

Travelling and Related Expenses

The Group's travelling and related expenses decreased by 31.8% from RMB8.8 million for the six months ended June 30, 2025 to RMB6.0 million for the same period in 2026, primarily because the Group's staff traveled less frequently for daily operations. Travelling and related expenses as a percentage of revenue remained relatively stable at 0.3% for the six months ended June 30, 2025 and 2026.

Advertising and Promotion Expenses

The Group's advertising and promotion expenses increased by 18.6% from RMB36.0 million for the six months ended June 30, 2025 to RMB42.7 million for the same period in 2026, primarily due to an increase in advertisement placement. As a result, advertising and promotion expenses as a percentage of revenue increased from 1.3% for the six months ended June 30, 2025 to 1.8% for the same period in 2026.

Other Expenses

The Group's other expenses decreased by 6.3% from RMB189.8 million for the six months ended June 30, 2025 to RMB177.8 million for the same period in 2026, primarily due to (i) a decrease in transportation and related expenses of RMB4.4 million, (ii) a decrease in professional service fees of RMB2.8 million, (iii) a decrease in expenses for opening new restaurants of RMB2.2 million, and (iv) a decrease in business tax and surcharges of RMB2.0 million.

Share of Gains/(Losses) of Associates

The Group recorded a share of gains of associates of RMB5.0 million for the six months ended June 30, 2026, compared to a share of loss of associates of RMB3.0 million for the same period in 2025, primarily due to the gains incurred by the associate invested by the Group.

Other Net Income

The Group's other net income increased by 151.0% from RMB15.7 million for the six months ended June 30, 2025 to RMB39.4 million for the same period in 2026, primarily due to gains on disposal of property, plant and equipment and right-of-use assets of RMB15.3 million for the six months ended June 30, 2026, as compared with losses on disposal of RMB10.0 million for the same period in 2025.

Finance Costs

The Group's finance costs decreased by 19.8% from RMB55.1 million for the six months ended June 30, 2025 to RMB44.2 million for the same period in 2026, primarily due to a decrease in interest on lease liabilities of RMB13.7 million due to the decreased number of leases as a result of the decrease in the number of the Group's self-operated restaurants.

Impairment Losses of Property, Plant and Equipment

Impairment losses of property, plant and equipment decreased by 36.8% from RMB35.3 million for the six months ended June 30, 2025 to RMB22.3 million for the same period in 2026. The decrease in loss was primarily driven by a period-on-period decrease in the number of underperforming restaurants as of June 30, 2026.

Income Tax

The Group's income tax expenses increased by 32.3% from RMB19.2 million for the six months ended June 30, 2025 to RMB25.4 million for the same period in 2026, primarily due to the increase of taxable income.

Profit for the Period

As a result of the foregoing, profit for the period increased by 33.2% from RMB58.7 million for the six months ended June 30, 2025 to RMB78.2 million for the same period in 2026.

Other Comprehensive Income for the Period

The Group holds equity investments in several entities in the PRC. The entities are mainly engaged in the catering industry. The Group recorded loss resulting from equity investments at fair value through other comprehensive income – net movement in fair value reserve (non-recycling) of RMB33.5 million for the six months ended June 30, 2026 primarily due to the share price movements of a listed equity investment, as compared with a gain of RMB29.5 million for the six months ended June 30, 2025, primarily due to certain equity investments in the catering industry held by the Group having risen in value through stable operation.

The Group recorded exchange differences on translation of financial statements of operations outside Chinese Mainland of RMB78.1 million for the six months ended June 30, 2026 as other comprehensive expenses, as compared with RMB29.8 million for the six months ended June 30, 2025, primarily due to exchange rate fluctuations.

Non-IFRS Measures

The Group adopts the store level operating profit and core operating profit, which are not required by or presented in accordance with IFRS as important financial measures to supplement its consolidated financial statements.

Store Level Operating Profit and Store Level Operating Profit Margin

The Group believes that store level operating profit helps shareholders of the Company (the "**Shareholders**") and investors better understand its multi-brand and multi-concept strategy by directly illustrating the profitability of its different brands at store level, and that it is frequently used by analysts, investors and other interested parties in the evaluation of companies in the industry.

The Group defines store level operating profit as revenue for the period deducting the following expenses at store level: (i) raw materials and consumables used, (ii) staff costs, (iii) depreciation of right-of-use assets, (iv) other rentals and related expenses, (v) depreciation and amortization of other assets, (vi) utility expenses, (vii) advertising and promotion expenses and (viii) other expenses, excluding unallocated headquarter expenses. The following table illustrates the Group's store level operating profit and store level operating profit margin by brands for the periods indicated:

	For the six months ended June 30,			
	2026		2025	
	Store Level Operating Profit *RMB'000*	**Store Level Operating Profit Margin** *(%)*	Store Level Operating Profit *RMB'000*	Store Level Operating Profit Margin *(%)*
	(Unaudited)		*(Unaudited)*	
Tai Er	**268,083**	**14.9**	262,000	13.4
Song Hot Pot	**9,229**	**3.5**	14,893	3.6
Jiu Mao Jiu	**18,025**	**10.2**	28,789	12.7
Other brands	**3,213**	**10.2**	4,782	15.9
Total	**298,550**	**13.2**	310,464	11.8

Core Operating Profit and Core Operating Profit Margin

The presentation of core operating profit facilitates comparisons of operating performance from period to period and company to company, by eliminating potential impacts of items that the management does not consider indicative of the Group's operating performance. The Group believes that the core operating profit is frequently used by other interested parties when evaluating the performance of a company.

The Group defines core operating profit as profit for the period excluding the following: government grants, share of gains/(losses) of associates, impairment losses of property, plant and equipment, other net income, and income tax expense. The following table illustrates a reconciliation from profit for the period to core operating profit for the periods indicated:

	For the six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Profit for the period	**78,243**	58,714
Net of the following gains/(losses)		
Government grants	**2,598**	2,346
Share of gains/(losses) of associates	**4,966**	(3,012)
Impairment losses of property, plant and equipment	**(22,343)**	(35,277)
Other net income	**39,361**	15,669
Income tax expense	**(25,447)**	(19,152)
Core operating profit	**79,108**	98,140
Revenue	**2,391,313**	2,753,436
Core operating profit margin (%)	**3.3**	3.6

Inventories

The Group's inventories mainly represented its (i) food ingredients, (ii) condiment product, (iii) beverage and (iv) other materials used in restaurant operations. The following table sets forth a breakdown of the Group's inventories as of the dates indicated:

	As of June 30, 2026	As of December 31, 2025
	RMB'000	*RMB'000*
	(Unaudited)	
Food ingredients	**30,972**	49,440
Condiment product	**20,893**	24,666
Beverage	**1,661**	1,894
Other materials	**9,721**	11,141
Total	**63,247**	87,141

The Group's inventories decreased by 27.4% from RMB87.1 million as of December 31, 2025 to RMB63.2 million as of June 30, 2026, primarily due to the decrease in the number of self-operated restaurants.

The Group's inventory turnover days for the year ended December 31, 2025 and for the six months ended June 30, 2026, being the average of the beginning and ending balances of inventories for that year/period divided by raw materials and consumables used for the same year/period and multiplied by the number of days in that year/period, was 19.9 days and 16.4 days, respectively. The decrease in its inventory turnover days was mainly attributable to the transition to the "Fresh" model.

Financial Assets Measured at Fair Value through Profit or Loss ("FVPL")

The Group's financial assets measured at fair value through profit or loss increased from nil at December 31, 2025 to RMB166.9 million at June 30, 2026. The increase mainly resulted from the investment in four money market funds managed by different fund managers for cash management purposes, which are highly liquid and low-risk in nature and do not constitute significant investments of the Group.

Right-of-use Assets

The Group's right-of-use assets, which represented the leases for its restaurant premises, headquarters offices, central kitchens and certain kitchen equipment, decreased by 14.4% from RMB1,428.7 million as of December 31, 2025 to RMB1,222.6 million as of June 30, 2026, primarily due to the decrease in the number of self-operated restaurants of the Group attributable to its restaurant network optimization.

Trade Debtors

Trade debtors of the Group primarily consisted of (i) bills settled through third party payment platforms such as Alipay or WeChat Pay, which were normally settled within a short period of time, (ii) bills for its delivery business settled through third party delivery service platforms, which were settled within three calendar days, and, to a lesser extent, (iii) bills received by shopping malls on behalf of the Group for certain restaurants, which were normally settled within one month, and (iv) bills generated from selling goods to third parties, which normally settled within two months. Trade debtors of the Group increased by 17.3% from RMB62.0 million as of December 31, 2025 to RMB72.7 million as of June 30, 2026, primarily due to the growth in outstanding balance of a customer with credit period. The Group's trade debtors turnover days, being the average of the beginning and ending balances of trade debtors for that year/period divided by revenue for the same year/period and multiplied by the number of days in that year/period, increased from 4.1 days for the year ended December 31, 2025 to 5.1 days for the six months ended June 30, 2026, primarily due to the increase in debtors generated from selling goods.

Trade Payables

Trade payables of the Group primarily consisted of payables to suppliers. Trade payables of the Group decreased by 10.3% from RMB154.4 million as of December 31, 2025 to RMB138.5 million as of June 30, 2026, primarily due to the decrease in procurement scale in line with the decrease in revenue. The Group's trade payables turnover days, being the average of the beginning and ending balances of trade payables for that year/period divided by raw materials and consumables used for the same year/period and multiplied by the number of days in that year/period, decreased from 36.1 days for the year ended December 31, 2025 to 31.9 days for the six months ended June 30, 2026, primarily due to timely settlement of the Group's purchases.

Loans and Advances to Associates

As of June 30, 2026, the Group's loans and advances to associates amounted to RMB127.5 million (as of December 31, 2025: RMB127.5 million). Such loans and advances were mainly provided to associates that supplied food ingredients to the Group to secure stable supply of key food ingredients.

Other Non-current Financial Assets

Other non-current financial assets of the Group include investments in unlisted and listed equity securities, investments in limited partnership enterprises, investments in funds and key management insurance contracts. Other non-current financial assets of the Group decreased from RMB508.3 million as of December 31, 2025 to RMB406.8 million as of June 30, 2026, primarily due to: (i) the share price movements of a listed equity investment; (ii) further acquisition of Big Way shares led to reclassification from other non-current financial assets to interests in associates.

Capital Structure

The Group's total assets decreased from RMB5,823.0 million as of December 31, 2025 to RMB5,553.0 million as of June 30, 2026. The Group's total liabilities decreased from RMB2,606.0 million as of December 31, 2025 to RMB2,478.8 million as of June 30, 2026. Liabilities-to-assets ratio decreased slightly from 44.8% as of December 31, 2025 to 44.6% as of June 30, 2026.

The current ratio, being current assets divided by current liabilities as of the respective dates, decreased from 1.56 as of December 31, 2025 to 1.35 as of June 30, 2026.

Liquidity, Capital Resources and Gearing

The Group adopts a prudent funding and treasury policy with a view to optimize its financial position. The Group regularly monitors its funding requirements to support its business operations and perform ongoing liquidity review. For the six months ended June 30, 2026, the Group financed its operations primarily through cash generated from operations and proceeds from the Subscription (as defined in the announcement of the Company dated July 16, 2020 in relation to the subscription for new Shares under the general mandate). The Group mainly used Renminbi, Hong Kong dollars and US dollars to make borrowings and loans and to hold cash and cash equivalents. The Group mainly utilized its cash on procurement of food ingredients, consumables and equipment, supply chain construction and restaurant renovations. The Group's cash and cash equivalents decreased by 42.2% from RMB1,018.0 million as of December 31, 2025 to RMB587.9 million as of June 30, 2026, primarily attributable to payments for investments in the catering industry, deposits with banks with original maturity date over three months and financial assets measured at FVPL.

The Group's gearing ratio, being interest-bearing bank loans divided by total equity as of the respective dates and multiplied by 100%, increased from 13.1% as of December 31, 2025 to 20.5% as of June 30, 2026, primarily due to the increase in the balance of bank loans.

Capital Expenditures

The Group's capital expenditures, which refer to the payment for purchases of property, plant and equipment and right-of-use assets, are incurred primarily for opening new restaurants, procuring property, plant and equipment for new restaurants, renovating existing restaurants and purchasing furniture and equipment used in the Group's restaurant operations and construction of supply chain. The Group's total capital expenditures increased by 3.3% from RMB148.3 million for the six months ended June 30, 2025 to RMB153.2 million for the same period in 2026.

Indebtedness

Bank Loans

The analysis of the repayment schedule of bank loans is as follows:

	As of June 30, 2026	As of December 31, 2025
	RMB'000 ***(Unaudited)***	*RMB'000*
Within one year or on demand		
– unsecured and unguaranteed	**115,000**	100,000
– secured	**410,160**	247,370
	525,160	347,370
After one year but within two years		
– secured	**104,169**	73,735
	629,329	421,105

As of 30 June 2026, bank loans of RMB345.8 million were with floating-interest rates (as of December 31, 2025: RMB331.1 million), and bank loans of RMB283.5 million were with fixed-interest rate (as of December 31, 2025: RMB90.0 million).

Lease Liabilities

The Group's lease liabilities decreased by 13.8% from RMB1,474.4 million as of December 31, 2025 to RMB1,270.8 million as of June 30, 2026, primarily due to the decrease in the number of self-operated restaurants of the Group attributable to its restaurant network optimization.

Contingent Liabilities

As of June 30, 2026, the Group did not have any material contingent liabilities, guarantees or any litigations or claims of material importance, pending or threatened against any member of the Group that was likely to have a material and adverse effect on the Group's business, financial condition or results of operations.

Pledge of Assets

As of June 30, 2026, bank loans were secured by certain of the Group's pledged deposits with carrying amount of RMB146.9 million (as of December 31, 2025: RMB207.4 million), land-use rights with carrying amount of RMB25.3 million (as of December 31, 2025: RMB25.9 million), interests in associates of RMB358.1 million (as of December 31, 2025: nil) and key management insurance contracts of RMB231.1 million (as of December 31, 2025: nil). Bank deposits of RMB13.1 million were pledged as securities for currency forward contracts (as of December 31, 2025: nil).

Save as disclosed above, as of June 30, 2026, the Group did not have any pledge on its assets.

Significant Events After the Reporting Period

There are no material events subsequent to June 30, 2026 which could have a material impact on the Group's operating and financial performance as of the date of this announcement.

Foreign Exchange Risk and Hedging

The Group mainly operates in the PRC with most of the transactions denominated and settled in Renminbi. However, the Group has cash and deposits denominated in other currencies which are exposed to foreign currency exchange risks. The Group has not hedged its foreign currency exchange risks, but will closely monitor the exposure and take additional measures when necessary to make sure the foreign exchange risks are manageable.

Material Acquisitions, Disposals and Future Plans for Major Investment

During the six months ended June 30, 2026, on February 27, 2026, the Company entered into a share subscription agreement with Big Way Group Inc. to subscribe for 48,204,438 Class A Preferred Shares for USD28,000,000, and purchase and sale agreements with certain selling shareholders to acquire an aggregate of 25,823,805 preferred shares (subsequently exchanged for Class A Preferred Shares) for an aggregate purchase price of USD15,000,000, representing a total consideration of USD43,000,000. Upon completion, the Company holds approximately 49.0% of the participating rights in Big Way Group Inc., which will not become a subsidiary of the Company and whose financial results will not be consolidated into the Group's financial statements. Details of the above are disclosed in the Company's announcement dated February 27, 2026. Save as aforesaid, the Group did not conduct any other material investments, acquisitions or disposals.

In addition, save for the intended use of proceeds from the Subscription as disclosed in the Company's announcements dated July 16, 2020, July 23, 2020 and July 30, 2020, the Group has no specific plan for major investment or acquisition for major capital assets or other businesses. However, the Group will continue to identify new opportunities for business development.

Interim Dividend

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

Company Information

The Company was incorporated in the Cayman Islands on February 1, 2019 as an exempted company with limited liability, and the Shares were listed on the Main Board of the Stock Exchange on January 15, 2020.

Employees

As of June 30, 2026, the Group had a total of 16,987 employees (including outsourced personnel). For the six months ended June 30, 2026, staff costs (including Directors' emoluments) of the Group amounted to RMB748.3 million (for the six months ended June 30, 2025: RMB829.1 million).

The Group's success depends on its ability to attract, retain and motivate qualified personnel. The remuneration package for employees of the Group generally includes salary and bonuses. The Group determines employee remuneration based on factors such as qualifications and years of experience. Employees also receive welfare benefits, including medical care, retirement benefits, occupational injury insurance and other miscellaneous items. The Group makes contributions to mandatory social security funds for employees to provide for retirement, medical, work-related injury, maternity and unemployment benefits.

No Material Changes

Since the publication of the Group's annual report for the year ended December 31, 2025 on April 29, 2026, there has been no material change to the Group's business.

Use of Proceeds

Use of Proceeds from the Subscription

The following table sets forth the status of the use of net proceeds from the Subscription which is consistent with the intentions previously disclosed:

Intended use of proceeds	Percentage of intended use of proceeds (%)	Intended use of proceeds from the Subscription *(In HKD millions)*	Unused balance as of January 1, 2026 *(In HKD millions)*	Amount of proceeds utilized during the period ended June 30, 2026 *(In HKD millions)*	Unused balance as of June 30, 2026 *(In HKD millions)*	Timeframe for the unused balance
Invest in suppliers for key raw material and other companies in the catering industries	70.0	581.0	163.9	95.7	68.2	By the end of 2026
General working capital	30.0	249.0	–	–	–	–
Total	100.0	830.0	163.9	95.7	68.2	By the end of 2026

Note: The figures in the table are approximate figures.

SHARE OPTION SCHEME

A share option scheme was conditionally approved and adopted by the Shareholders on December 6, 2019 (the "**Share Option Scheme**") and its implementation is conditional on the Listing. The purpose of the Share Option Scheme is to provide the Company with a means of incentivizing any director or employee of the Group who has contributed or will contribute to the Group and retaining employees, and to encourage employees to work towards enhancing the value of the Company and promote the long-term growth of the Company. The Share Option Scheme will link the value of the Company with the interests of the participants, enabling the participants and the Company to develop together and promote the Company's corporate culture.

The Share Option Scheme remains valid for a period of ten years commencing on December 6, 2019. As at June 30, 2026, the remaining life of the Share Option Scheme is approximately three years and six months.

The table below sets out the details of share options granted and outstanding during the period from January 1, 2026 to June 30, 2026 under the Share Option Scheme:

Name of grantee	Outstanding as at January 1, 2026	Granted during the period	Date of grant	Exercised during the period	Cancelled during the period	Lapsed during the period	Outstanding as at June 30, 2026	Exercise price *(HKD per Share)*	Closing price immediately before the date of grant during the period (*HKD per Share*)	Weighted average closing price immediately before the date of exercise of options during the period (*HKD per Share*)	Fair value of Shares at the date of grant during the period *(HKD)*	Vesting period	Exercise period
Directors of the Company													
Guan Yihong	900,000	–	Oct 30, 2024	–	–	–	900,000	3.44	–	–	–	Oct 30, 2024 – Oct 29, 2025	Oct 30, 2025 – Oct 29, 2029
	490,000	–	Sep 24, 2025	–	–	–	490,000	2.16	–	–	–	Sep 24, 2025 – Sep 23, 2026	Sep 24, 2026 – Sep 23, 2030
He Chengxiao	607,000	–	Nov 3, 2023	–	–	–	607,000	8.35	–	–	–	Nov 3, 2023 – Nov 2, 2024	Nov 3, 2024 – Nov 2, 2026
	1,336,000	–	Oct 30, 2024	–	–	–	1,336,000	3.44	–	–	–	Oct 30, 2024 – Oct 29, 2025	Oct 30, 2025 – Oct 29, 2029
	2,672,000	–	Sep 24, 2025	–	–	–	2,672,000	2.16	–	–	–	Sep 24, 2025 – Sep 23, 2026	Sep 24, 2026 – Sep 23, 2030
Cui Longyu	476,000	–	Nov 3, 2023	–	–	–	476,000	8.35	–	–	–	Nov 3, 2023 – Nov 2, 2024	Nov 3, 2024 – Nov 2, 2026
	913,000	–	Oct 30, 2024	–	–	–	913,000	3.44	–	–	–	Oct 30, 2024 – Oct 29, 2025	Oct 30, 2025 – Oct 29, 2029
	1,903,000	–	Sep 24, 2025	–	–	–	1,903,000	2.16	–	–	–	Sep 24, 2025 – Sep 23, 2026	Sep 24, 2026 – Sep 23, 2030
Su Danman	155,000	–	Nov 3, 2023	–	–	–	155,000	8.35	–	–	–	Nov 3, 2023- Nov 2, 2024	Nov 3, 2024- Nov 2, 2026
	375,000	–	Oct 30, 2024	–	–	–	375,000	3.44	–	–	–	Oct 30, 2024 – Oct 29, 2025	Oct 30, 2025 – Oct 29, 2029
	1,538,000	–	Sep 24, 2025	–	–	–	1,538,000	2.16	–	–	–	Sep 24, 2025 – Sep 23 2026	Sep 24, 2026 – Sep 23, 2030
Employees of the Group													
Employees of the Group	3,721,000	–	Nov 3, 2023	–	–	(268,000)	3,453,000	8.35	–	–	–	Nov 3, 2023- Nov 2, 2024	Nov 3, 2024- Nov 2, 2026
	9,545,000	–	Oct 30, 2024	–	–	(707,000)	8,838,000	3.44	–	–	–	Oct 30, 2024 – Oct 29, 2025	Oct 30, 2025 – Oct 29, 2029
	24,683,000	–	Sep 24, 2025	–	–	(2,995,000)	21,688,000	2.16	–	–	–	Sep 24, 2025 – Sep 23, 2026	Sep 24, 2026 – Sep 23, 2030
Total	**49,314,000**	**–**		**–**	**–**	**(3,970,000)**	**45,344,000**						

As of January 1, 2026, the number of Shares available for further grant under the Share Option Scheme was 82,924,300. As of June 30, 2026, the number of Shares available for further grant under the Share Option Scheme was 86,894,300, representing 6.50% of the total number of Shares in issue at that date. As of June 30, 2026, the number of Shares in respect of which options had been granted and remained outstanding under the Share Option Scheme was 45,344,000, representing 3.39% of the total number of Shares in issue at that date. The number of Shares that may be issued in respect of share options granted under the Share Option Scheme as of June 30, 2026 divided by weighted average number of Shares in issue for the six months ended June 30, 2026 is 3.34%.

ROUNDING

Certain amounts and percentage figures included in this announcement have been subject to rounding adjustments. Any discrepancies in any table between totals and sums of amounts listed therein are due to rounding.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the six months ended 30 June 2026 – unaudited
(Expressed in Renminbi)

		Six months ended 30 June	
		2026	2025
	Note	***RMB'000***	*RMB'000*
Revenue	*3*	**2,391,313**	2,753,436
Other revenue		**18,665**	26,857
Raw materials and consumables used		**(825,306)**	(980,183)
Staff costs		**(748,264)**	(829,141)
Depreciation of right-of-use assets		**(216,827)**	(268,080)
Other rentals and related expenses		**(43,347)**	(54,865)
Depreciation and amortisation of other assets		**(129,200)**	(146,962)
Utility expenses		**(94,585)**	(110,964)
Travelling and related expenses		**(5,981)**	(8,770)
Advertising and promotion expenses		**(42,737)**	(35,974)
Other expenses		**(177,846)**	(189,755)
Share of gains/(losses) of associates		**4,966**	(3,012)
Other net income		**39,361**	15,669
Finance costs		**(44,179)**	(55,113)
Impairment losses of property, plant and equipment		**(22,343)**	(35,277)
Profit before taxation		**103,690**	77,866
Income tax	*5*	**(25,447)**	(19,152)
Profit for the period		**78,243**	58,714
Attributable to:			
Equity shareholders of the Company		**75,804**	60,691
Non-controlling interests		**2,439**	(1,977)
Profit for the period		**78,243**	58,714
Earnings per share			
Basic (RMB)	*6*	**0.06**	0.04
Diluted (RMB)	*6*	**0.06**	0.04

Details of dividends payable to equity shareholders of the Company are set out in note 11(a).

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the six months ended 30 June 2026 – unaudited
(Expressed in Renminbi)

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Profit for the period	**78,243**	58,714
Other comprehensive income for the period:		
Item that will not be reclassified to profit or loss:		
Equity investments at fair value through other comprehensive income – net movement in fair value reserve (non-recycling)	**(33,500)**	29,483
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of operations outside Chinese Mainland	**(78,142)**	(29,792)
Other comprehensive income for the period	**(111,642)**	(309)
Total comprehensive income for the period	**(33,399)**	58,405
Attributable to:		
Equity shareholders of the Company	**(35,838)**	60,382
Non-controlling interests	**2,439**	(1,977)
Total comprehensive income for the period	**(33,399)**	58,405

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 30 June 2026 – unaudited
(Expressed in Renminbi)

	Note	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Non-current assets			
Property, plant and equipment		**1,273,064**	1,337,705
Right-of-use assets		**1,222,602**	1,428,709
Intangible assets		**25,828**	29,000
Interests in associates		**377,659**	21,519
Other non-current financial assets		**406,753**	508,310
Deferred tax assets		**161,069**	169,647
Rental deposits		**100,836**	110,822
Other non-current assets		**6,154**	9,521
		3,573,965	3,615,233
Current assets			
Inventories		**63,247**	87,141
Trade and other receivables	*7*	**778,173**	806,834
Financial assets measured at fair value through profit or loss ("**FVPL**")		**166,930**	–
Restricted bank deposits	*8*	**160,024**	207,379
Deposits with banks with original maturity date over three months	*8*	**222,790**	88,397
Cash and cash equivalents	*8*	**587,902**	1,017,981
		1,979,066	2,207,732
Current liabilities			
Trade and other payables	*9*	**456,445**	574,765
Contract liabilities		**12,387**	12,742
Lease liabilities		**432,049**	452,937
Bank loans		**525,160**	347,370
Current taxation		**35,279**	31,916
		1,461,320	1,419,730
Net current assets		**517,746**	788,002

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
at 30 June 2026 – unaudited (continued)
(Expressed in Renminbi)

	Note	**At 30 June 2026**	At 31 December 2025
		RMB'000	*RMB'000*
Non-current liabilities			
Bank loans		**104,169**	73,735
Lease liabilities		**838,766**	1,021,414
Provisions		**47,544**	52,218
Derivative financial liabilities		**1,475**	2,466
Deferred tax liabilities		**25,526**	36,408
		1,017,480	1,186,241
NET ASSETS		**3,074,231**	3,216,994
CAPITAL AND RESERVES			
Share capital	*11(b)*	**1**	1
Reserves		**3,074,482**	3,219,684
Total equity attributable to equity shareholders of the Company		**3,074,483**	3,219,685
Non-controlling interests		**(252)**	(2,691)
TOTAL EQUITY		**3,074,231**	3,216,994

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

1 BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with International Accounting Standard ("**IAS**") 34, Interim financial reporting, issued by the International Accounting Standards Board ("**IASB**"). It was authorised for issue on 28 August 2026.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2025 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2026 annual financial statements. Details of any changes in accounting policies are set out in note 2.

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

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of Jiumaojiu International Holdings Limited (the "**Company**") and its subsidiaries (the "**Group**") since the 2025 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with IFRS Accounting Standards.

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants.

2 CHANGES IN ACCOUNTING POLICIES

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

3 REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are restaurant operations, delivery business and sales of goods.

Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major service lines is as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Revenue from contracts with customers within the scope of IFRS 15:		
Restaurant operations	**1,742,398**	2,115,998
Delivery business	**523,762**	499,055
Sales of goods	**120,687**	132,210
Others	**4,466**	6,173
	2,391,313	2,753,436

Note: Revenue was mainly recognised at point in time when control over a product or service was transferred to the customer.

No revenue from individual customer contributing over 10% of total revenue of the Group for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

(b) Segment Reporting

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

- Tai Er: this segment mainly includes operating restaurants featuring signature dish Chinese sauerkraut fish and delivery business under Tai Er brand.
- Song Hot Pot: this segment operates restaurants featuring hot pot under Song Hot Pot brand.
- Jiu Mao Jiu: this segment operates restaurants and delivery business offering family-oriented food under Jiu Mao Jiu brand.
- Others: this segment mainly includes operating restaurants in other brands such as Fresh Wood, Chaonabian and Shanwaimian, and the operation of the Group's all other businesses.

(i) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible, intangible assets and current assets with the exception of financial assets measured at FVPL, interest in associates, other non-current financial assets, deferred tax assets and other headquarter assets. Segment liabilities include lease liabilities, provisions, trade and other payables and contract liabilities attributable to the restaurant operations activities of the individual segments and bank borrowings managed directly by the segments.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

The measure used for reporting segment profit is "Non-GAAP Operating Profit", i.e. revenue deducting the following expenses (i) raw materials and consumables used, (ii) staff costs, (iii) depreciation of right-of-use assets, (iv) other rentals and related expenses, (v) depreciation and amortisation of other assets, (vi) utility expenses, (vii) advertising and promotion expenses and (viii) other expenses, excluding unallocated headquarter expenses.

In addition to receiving segment information concerning Non-GAAP Operating Profit, management is provided with segment information concerning finance costs, net gains/(losses) on disposal of property, plant and equipment and right-of-use assets and impairment losses of property, plant and equipment.

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

	Tai Er		**Song Hot Pot**		**Jiu Mao Jiu**		**Others**		**Total**	
For the six months ended 30 June	**2026**	2025	**2026**	2025	**2026**	2025	**2026**	2025	**2026**	2025
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
Reportable segment revenue										
Revenue from external customers	**1,797,533**	1,948,593	**264,776**	416,521	**176,353**	226,232	**152,651**	162,090	**2,391,313**	2,753,436
Reportable segment profit (Non-GAAP Operating Profit)	**268,083**	262,000	**9,229**	14,893	**18,025**	28,789	**10,290**	24,092	**305,627**	329,774
Finance costs	**(33,326)**	(38,042)	**(5,655)**	(9,661)	**(3,882)**	(4,009)	**(1,316)**	(3,401)	**(44,179)**	(55,113)
Gains/(losses) on disposal of property, plant and equipment and right-of-use assets, net	**15,327**	420	**2,121**	(7,072)	**(2,173)**	(112)	**8**	(3,196)	**15,283**	(9,960)
Impairment losses of property, plant and equipment	**(1,688)**	(14,401)	**(20,553)**	(16,891)	**(102)**	(1,353)	**–**	(2,632)	**(22,343)**	(35,277)
As at 30 June/31 December										
Reportable segment assets	**2,331,647**	2,262,845	**312,830**	396,923	**763,682**	764,589	**104,016**	111,336	**3,512,175**	3,535,693
Reportable segment liabilities	**1,803,782**	1,808,866	**558,773**	605,209	**262,773**	257,883	**91,757**	96,137	**2,717,085**	2,768,095

(ii) Reconciliations of reportable segment profit or loss

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Reportable segment profit (Non-GAAP Operating Profit)	**305,627**	329,774
Other revenue	**18,665**	26,857
Travelling and related expenses	**(5,981)**	(8,770)
Share of gains/(losses) of associates	**4,966**	(3,012)
Other net income	**39,361**	15,669
Finance costs	**(44,179)**	(55,113)
Impairment losses of property, plant and equipment	**(22,343)**	(35,277)
Unallocated headquarter expenses	**(192,426)**	(192,262)
Consolidated profit before taxation	**103,690**	77,866

4 SEASONALITY OF OPERATIONS

The Group's restaurant operations business is subject to seasonal factors. Customer traffic in restaurants is usually higher during the Chinese New Year holidays, peak summer season and National Day holidays than the rest of the year. Any decrease in customer traffic in restaurants during these periods may have an adverse impact on revenue. For the twelve months ended 30 June 2026, the Group reported revenue of RMB4,870,870,000 (twelve months ended 30 June 2025: RMB5,762,853,000).

5 INCOME TAX

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Current tax		
Provision for the period		
– PRC income tax	**10,801**	7,410
– PRC withholding tax (note (v))	**139**	208
– Other jurisdictions	**5,734**	9,208
Under/(over)-provision for the PRC income tax in respect of prior years	**269**	(252)
	16,943	16,574
Deferred tax		
Reversal accumulated tax loss and temporary differences	**8,504**	2,578
	25,447	19,152

Notes:

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

(ii) The provision for Hong Kong Profits Tax is calculated by applying the estimated annual effective tax rate of 16.5% (2025: 16.5%) to the six months ended 30 June 2026, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered Profits Tax rate regime.

For this subsidiary, the first HK$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. The provision for Hong Kong Profits Tax for this subsidiary was calculated at the same basis in 2025.

(iii) Taxable income for the Group's subsidiaries in the PRC are subject to PRC income tax rate of 25% for the six months ended 30 June 2026 (six months ended 30 June 2025: 25%), unless otherwise specified below.

Certain subsidiaries met the criteria for enterprises/branches in catering industry established in Hainan Province in the PRC and were entitled to the preferential income tax rate of 15% from 2020 to 2027.

Certain subsidiaries met the criteria required for preferential income tax rate granted to small and low profit-making enterprise in the PRC, and were entitled to a preferential income tax rate of 5% on taxable income.

A subsidiary met the criteria required for preferential income tax rate granted to the encouraged industry that operates in Nansha district, Guangzhou in the PRC, and was entitled to a preferential income tax rate of 15% from 2023 to 2026.

A subsidiary met the criteria for software enterprises encouraged in the PRC, and was entitled to be exempted from income tax from 2022 to 2023 and a 50% reduction in income tax from 2024 to 2026.

(iv) Taxation for overseas subsidiaries is similarly calculated using the statutory annual effective rates of taxation that are expected to be applicable in the relevant countries.

(v) According to the Corporate Income Tax Law and its implementation rules, dividends and interest receivable by non-PRC corporate residents from PRC enterprises are subject to withholding tax at a rate of 10%, unless reduced by tax treaties or arrangements, for profits earned since 1 January 2008. The withholding tax rate of 10% was applicable for the Group for the six months ended 30 June 2026 (six months ended 30 June 2025: 10%).

6 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share for the six months ended 30 June 2026 is based on the profit attributable to equity shareholders of the Company of RMB75,804,000 (six months ended 30 June 2025: RMB60,691,000) and the weighted average of 1,358,671,982 shares (six months ended 30 June 2025: 1,397,633,700 shares) in issue during the interim period.

	Six months ended 30 June	
	2026	2025
	shares	*shares*
Issued shares at 1 January	**1,391,782,700**	1,397,633,700
Effect of shares repurchased	**(33,110,718)**	–
Weighted average number of shares at 30 June	**1,358,671,982**	1,397,633,700

(b) Diluted earnings per share

The effect of share options of the Group were anti-dilutive for the six months ended 30 June 2026.

7 TRADE AND OTHER RECEIVABLES

	At 30 June 2026	At 31 December 2025
	RMB'000	*RMB'000*
Trade debtors	**72,710**	61,976
Input value-added tax recoverable	**448,412**	449,334
Deposits	**64,585**	63,216
Other receivables	**24,976**	27,339
Prepayments to vendors	**31,706**	47,639
Prepayments to an associate	**–**	2,146
Amounts due from related parties	**135,784**	134,098
Loans to BIG WAY GROUP INC.	**–**	21,086
	778,173	806,834

Note: All of the trade and other receivables are expected to be recovered or recognised as expense within one year or are recovered on demand.

Ageing analysis:

As at the end of the reporting period, the ageing analysis of trade debtors (which are included in trade and other receivables), based on the revenue recognition date, is as follows:

	At 30 June 2026	At 31 December 2025
	RMB'000	*RMB'000*
Within 1 month	**50,589**	46,530
1 to 2 months	**13,916**	4,201
2 to 3 months	**3,905**	6,328
Over 3 months	**4,300**	4,917
	72,710	61,976

Trade debtors are due within 30-60 days from the date of revenue recognition.

8 CASH AND CASH EQUIVALENTS

	At 30 June 2026 *RMB'000*	At 31 December 2025 *RMB'000*
Cash on hand	**34**	36
Cash at bank	**970,682**	1,313,721
Less: restricted bank deposits	**(160,024)**	(207,379)
Less: deposits with banks with original maturity date over three months	**(222,790)**	(88,397)
Cash and cash equivalents in the consolidated statement of financial position and the condensed consolidated cash flow statement	**587,902**	1,017,981

As at 30 June 2026, restricted bank deposits mainly were pledged as securities for bank loans and currency forward contracts.

9 TRADE AND OTHER PAYABLES

	At 30 June 2026 *RMB'000*	At 31 December 2025 *RMB'000*
Trade payables	**138,464**	154,430
Construction fee payables	**101,777**	164,007
Staff cost payable	**110,473**	118,329
Accrued charges	**56,099**	65,986
Other taxes payables	**6,971**	8,363
Other payables	**38,213**	63,650
Amounts due to related parties	**4,448**	–
	456,445	574,765

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

	At 30 June 2026 *RMB'000*	At 31 December 2025 *RMB'000*
Within 1 year	**138,464**	154,430

10 EQUITY SETTLED SHARE-BASED PAYMENTS

The Company has a share option scheme which was adopted on 6 December 2019 whereby the directors of the Company are authorised, at their discretion, to invite employees of the Group, including directors of any company in the Group, to take up options at predetermined consideration to subscribe for shares of the Company. The options vest after one year from the date of grant and are then exercisable within a period of certain years. Each option gives the holder the right to subscribe for one ordinary share in the Company and is settled gross in shares.

The number and weighted average exercise prices of share options are as follows:

	2026		2025	
	Weighted average exercise price	**Number of options**	Weighted average exercise price	Number of options
	HKD		*HKD*	
Outstanding at 1 January	**3.12**	**49,314,000**	6.76	25,042,000
Forfeited during the period	**2.81**	**(3,970,000)**	6.57	(1,615,000)
Outstanding at 30 June	**3.15**	**45,344,000**	6.76	23,427,000
Exercisable at 30 June	**4.79**	**17,053,000**	11.67	9,483,000
Non vested at 30 June	**2.16**	**28,291,000**	3.44	13,944,000

The weighted-average remaining contractual life of outstanding share options are as follows:

	At 30 June 2026	At 31 December 2025
Weighted-average remaining contractual life of share options	**3.6 years**	4.1 years

The Group recognised share option expenses of RMB10,778,000 during the six months ended 30 June 2026 (six months ended 30 June 2025: RMB9,784,000).

11 CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends

(i) No interim dividends were proposed to equity shareholders of the Company attributable to the interim period after the end of the reporting period (six months ended 30 June 2025: Nil).

(ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the interim period.

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Final dividend in respect of the previous financial year, approved during the following interim period, of HKD0.02 per ordinary share (six months ended 30 June 2025: HKD0.02 per ordinary share)	**24,477**	25,813
No special dividend in respect of the previous financial year, approved during the following interim period (six months ended 30 June 2025: HKD0.02 per ordinary share)	**–**	25,813
	24,477	51,626

(b) Share capital

(i) Issued share capital

	Six months ended 30 June 2026			Six months ended 30 June 2025		
	No. of shares	**Nominal value of fully paid shares** ***USD***	**Nominal value of fully paid shares** ***RMB***	No. of shares	Nominal value of fully paid shares *USD*	Nominal value of fully paid shares *RMB*
Ordinary shares, issued and fully paid:						
At 1 January	**1,391,782,700**	**139.18**	**941**	1,397,633,700	139.77	945
Shares repurchased and cancelled (note 11(b)(ii))	**(54,199,000)**	**(5.42)**	**(38)**	–	–	–
At 30 June	**1,337,583,700**	**133.76**	**903**	1,397,633,700	139.77	945

The ordinary shares of the Company have a par value of USD0.0000001 each.

(ii) Purchase of own shares

During the six months ended 30 June 2026, the Company repurchased its own shares on The Stock Exchange of Hong Kong Limited, as follows:

Month/year	**Number of shares repurchased**	**Highest price paid per share**	**Lowest price paid per share**	**Aggregate price paid**	**Aggregate price paid**
		HKD	*HKD*	*HKD*	*RMB equivalent*
Jan 2026	18,832,000	2.27	1.83	37,985,000	34,116,000
Feb 2026	11,643,000	2.32	2.05	25,527,000	22,702,000
Mar 2026	1,211,000	1.67	1.63	2,001,000	1,767,000
Apr 2026	8,624,000	1.97	1.70	16,042,000	14,063,000
May 2026	9,609,000	1.82	1.48	15,708,000	13,720,000
June 2026	7,844,000	1.60	1.16	10,692,000	9,297,000
	57,763,000				95,665,000

During the six months ended 30 June 2026, 57,763,000 shares were repurchased by the Company, and 54,199,000 shares purchased by the Company were cancelled during the period.

12 COMMITMENTS

Capital commitments outstanding at 30 June 2026 not provided for in the interim financial report

	At 30 June 2026	At 31 December 2025
	RMB'000	*RMB'000*
Contracted for acquisition of property, plant and equipment and right-of-use assets	**156,550**	209,216

OTHER INFORMATION

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

During the six months ended June 30, 2026, the Company has utilized an aggregate of approximately HKD108.0 million (equivalent to approximately RMB95.7 million, excluding expenses) to repurchase 57,763,000 Shares on market at prices ranging from HKD1.16 to HKD2.32 per Share. The Shares repurchased during such period represented 4.3% of issued Shares as of June 30, 2026. Of the Shares repurchased during the six months ended June 30, 2026, 53,085,000 Shares have been cancelled by the Company and 4,678,000 Shares repurchased have not yet been cancelled. Additionally, 1,114,000 Shares repurchased in 2025 were cancelled during the six months ended June 30, 2026. The repurchase was based on the Company's operational growth outlook while acknowledging market conditions and macroeconomic performance indicators. Given the strong showing of the Group's financial performance, the Board believes that the repurchase demonstrates the Company's confidence in its long-term business prospects and would ultimately benefit the Company and create value for the Shareholders as a whole.

The table below sets forth a monthly breakdown of share repurchases of the Company during the six months ended June 30, 2026:

Month of repurchase during the six months ended June 30, 2026	**No. of Shares repurchased**	**Highest price paid per Share** *HKD*	**Lowest price paid per Share** *HKD*	**Aggregate consideration paid** *HKD*
January	18,832,000	2.27	1.83	37,985,000
February	11,643,000	2.32	2.05	25,527,000
March	1,211,000	1.67	1.63	2,001,000
April	8,624,000	1.97	1.70	16,042,000
May	9,609,000	1.82	1.48	15,708,000
June	7,844,000	1.60	1.16	10,692,000
Total	57,763,000			107,955,000

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities (including sale of treasury shares (as defined under the Listing Rules)) of the Company for the six months ended June 30, 2026. As of June 30, 2026, there were no treasury shares held by the Company.

Compliance with the Corporate Governance Code

The Company is committed to maintaining and promoting stringent corporate governance. The principle of the Company's corporate governance is to promote effective internal control measures, uphold a high standard of ethics, transparency, responsibility and integrity in all aspects of business, to ensure that its affairs are conducted in accordance with applicable laws and regulations and to enhance the transparency and accountability of the Board to all Shareholders. The Company has applied the principles as set out in the Corporate Governance Code (the "**CG Code**") contained in Part 2 of Appendix C1 to the Listing Rules.

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

Compliance with the 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 the Group's code of conduct regarding the Directors' securities transactions. Having made specific enquiry of all the Directors, all Directors confirmed that they have strictly complied with the Model Code during the six months ended June 30, 2026.

The Board has also established written guidelines on terms no less exacting than the Model Code (the "**Guidelines**") for securities transactions by relevant employees who are likely to be in possession of unpublished inside information of the Company in respect of securities in the Company as referred to in code provision C.1.3 of the CG Code. No incident of non-compliance with the Guidelines by the Company's relevant employees has been noted during the six months ended June 30, 2026 after making reasonable enquiry.

Audit Committee and Review of Financial Statements

The Company established an audit committee (the "**Audit Committee**") with written terms of reference in compliance with the CG Code. As of the date of this announcement, the Audit Committee consists of three independent non-executive Directors, namely Ms. Wang Xiaomei (Chairman), Ms. Tang Zhihui and Ms. Zhu Rui (with Ms. Wang Xiaomei possessing the appropriate professional qualifications and accounting and related financial management expertise). The main duties of the Audit Committee are to assist the Board in providing an independent review of the completeness, accuracy and fairness of the financial information of the Group, as well as the efficiency and effectiveness of the Group's operations and internal controls.

The Audit Committee has reviewed the accounting principles and practices adopted by the Group and discussed auditing, internal control, risk management and financial reporting matters including the review of the unaudited interim results of the Group for the six months ended June 30, 2026.

The unaudited interim results of the Group for the six months ended June 30, 2026 have been reviewed by the Company's external auditor, KPMG, in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants.

Publication of Interim Results Announcement and Interim Report

This interim results announcement is published on the website of the Stock Exchange (*www.hkexnews.hk*) and the website of the Company (*www.jiumaojiu.com*). The interim report of the Company for the six months ended June 30, 2026 containing all the information required by the Listing Rules will be dispatched to the Shareholders and made available on the same websites in due course.

APPRECIATION

The Board would like to express its sincere gratitude to the Shareholders, suppliers and customers of the Company for their continued support and trust. The Board would also like to thank all the employees and management team for executing the Group's strategies with professionalism, integrity and dedication.

By order of the Board
Jiumaojiu International Holdings Limited
Guan Yihong
Chairman

Hong Kong, August 28, 2026

As at the date of this announcement, the Board comprises Mr. Guan Yihong as chairman and executive Director, Mr. He Chengxiao as chief executive officer and executive Director, Ms. Cui Longyu and Mr. Su Danman as executive Directors, and Ms. Tang Zhihui, Ms. Zhu Rui and Ms. Wang Xiaomei as independent non-executive Directors.