

2024 Interim Results Conference

Zhou Hei Ya International Holdings Company Limited
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Financial summary

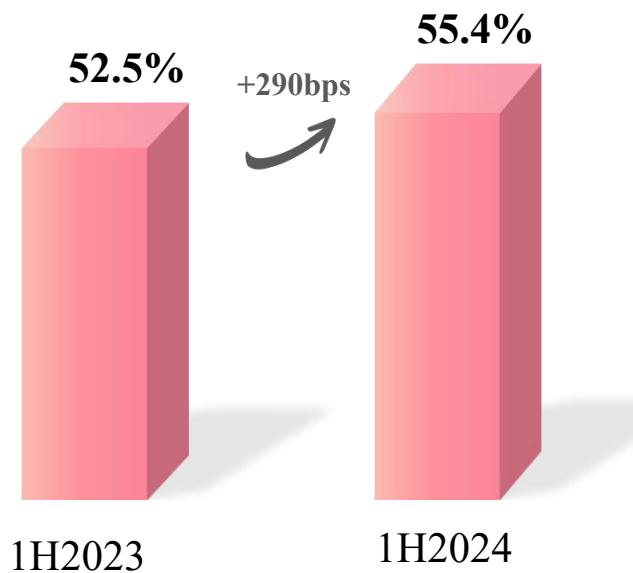
	1H2023 (RMB Thousand)	1H2024 (RMB Thousand)	1H2023-1H2024 YoY Growth
Revenue	1,414,764	1,259,511	-11.0%
Gross profit	742,813	697,657	-6.1%
Profit before tax	147,396	56,769	-61.5%
Net profit	101,742	32,913	-67.7%
Operating-Related Net Profit*	102,308	58,673	-42.7%
Net Operating Cash Flow	156,604	193,753	+23.7%

*Note: Excludes share of profits and losses of associates

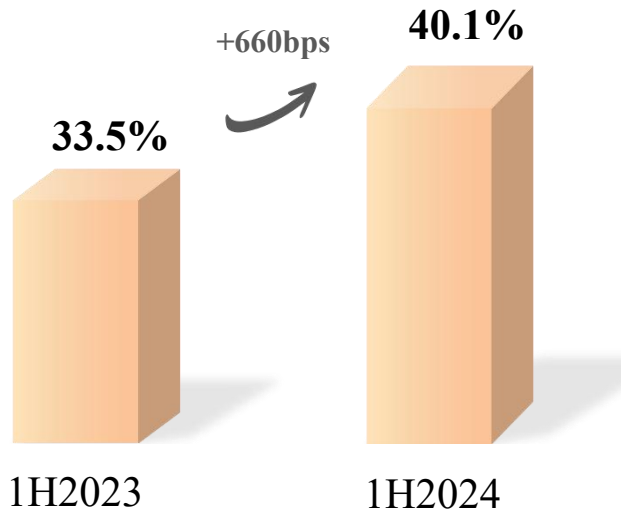


Core financial indicators

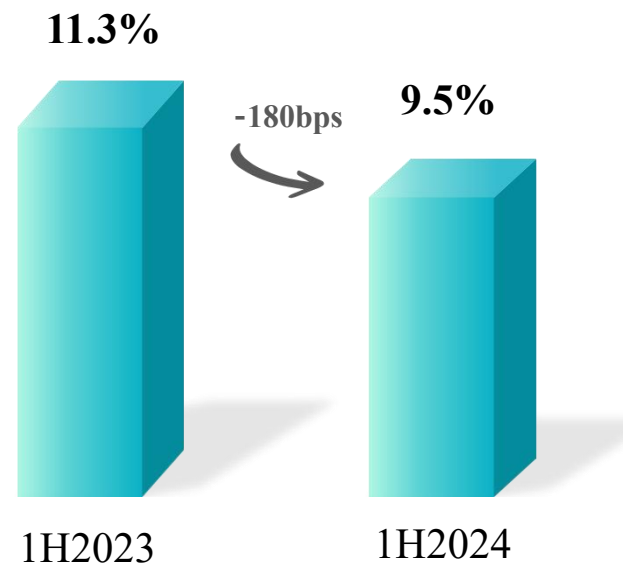
Gross Profit Margin



Selling and Distribution Expense Ratio



Administrative Expense Ratio





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2019-2024

FUTURE

The right decisions we've made in the past

- > **“Self-operated+ Franchised” dual-drive business model is more sustainable and resilient to risk**
- > **Brand penetration increased significantly, become a truly national brand**
- > **Optimizing and integrating the supply chain capabilities continuously, GPM maintains at an advanced level in the industry**



The deficiencies to be improved in the future

- > **Brand aging: no precision marketing, innovation is not enough, ignoring the cultivation of the young customer base**
- > **Ignoring to enhance the membership system and private domain operation**
- > **Lack of focus on high-value markets; lack of differentiated design for different store scenarios**
- > **Unrefined store management, non-vital front-line employees without full motivation and unsatisfactory customer consumption experience**





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Brand Marketing: younger, more fashionable, more contextualized, and focus on emotionally valuable



Target the cultivation of the key customer base



Special marketing targeted for university students

Deeper interaction during the start of the school and graduation seasons

Exclusive offer for university students

Specialized marketing plan, increasing funding support



Enhance the membership system and private domain operation



System Upgrade

- The Mini Program has been successfully integrated into multiple scenarios such as home delivery, retail stores and product browsing

Upgrade of Member Rights

- Build a better membership system to enhance member activity and improve repurchase rate

Operation Upgrade

- Expand entry of the private domain traffic pool and improve the efficiency of private domain operation

➤ Increase member stored value, repurchase, number of members, and the proportion of member consumption

Refine the store management and motivate the vitality of front-line employees



PK motivates the innovation of front-line employees



Unmanned on duty store

Benchmark case sharing, replicate nationally



High-frequency review, healthy competition, reward for winning



Ground promotion & Food testing events



Bulk products back to store, diversified products suit with different store scenarios



As of June 30

“ There are **127** two-in-one stores in Hubei

“ The number of customer orders has increased significantly

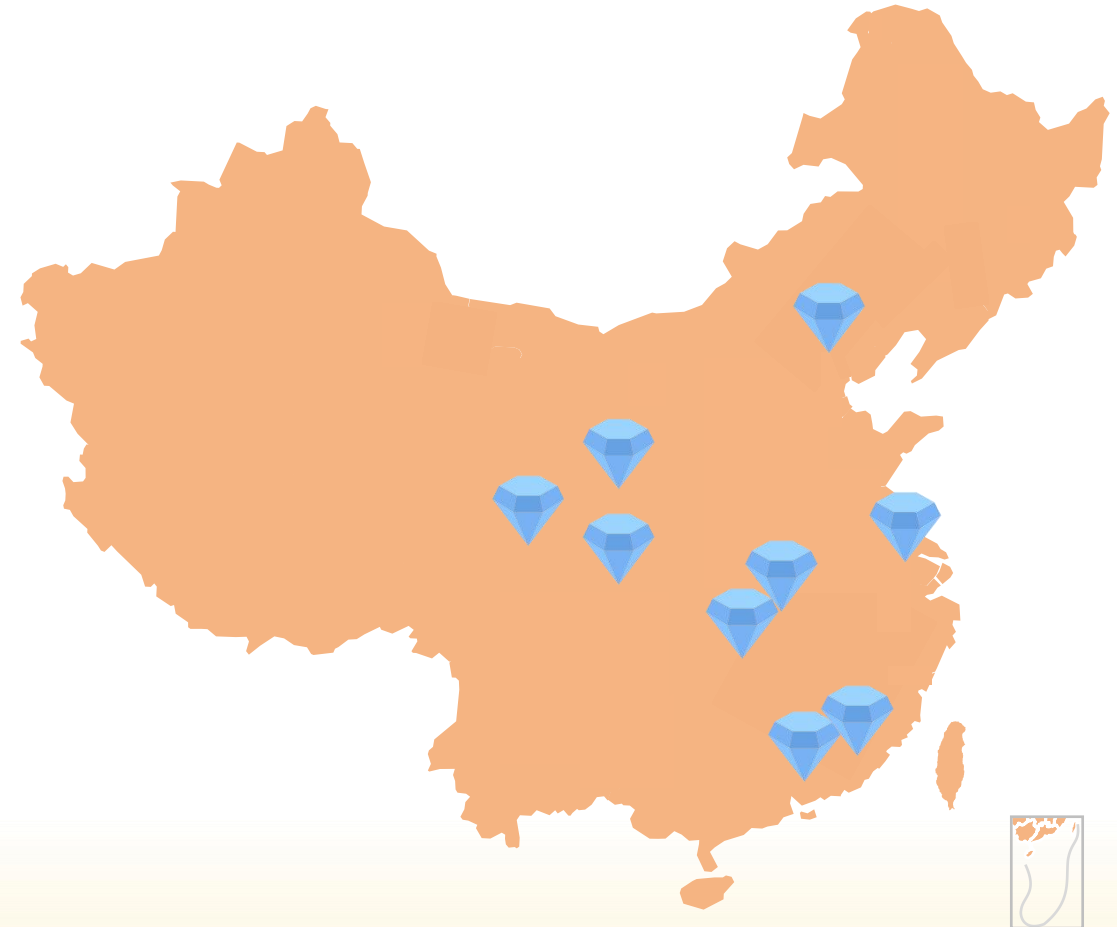
“ Continuous testing to polish the best store model for national expansion



Focus on high-value markets

Market classification	Main considerations
 Core markets	High revenue share, significant profit contribution, low supply chain costs, advantageous market share, high brand potential, strong organizational capability
 Key markets	High revenue share, significant profit contribution, great market growth potential, low supply chain costs, good brand potential, and relatively strong organizational ability
 Developing markets	Large market, high growth potential, low supply chain cost, the high product matching, the brand can be cultivated, high organization capabilities or good customer resources, but the current revenue share is still low
 Emerging markets	High market potential, medium to low organizational capacity, low cost, moderate profit, and large expansion investment, but can be developed with external resources and flexible channel strategies
 Strategic shrinking markets	There is a certain supply chain advantage, but the brand and team have no advantage. Focus on local markets or choose flexible channel development strategies
 Exit the markets	No significant growth opportunities, no supply chain advantages; strategic exit from the market within 2-3 years

Adopt differentiation strategies according to market classification





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Medium-to-long term outlook

Leading the trend of snack brands in China

The most popular snack brand among young people

Let Zhou Hei Ya go global





THANK YOU