

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



JIANGSU HORIZON CHAIN SUPERMARKET COMPANY LIMITED

江蘇宏信超市連鎖股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 2625)

**INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2025**

FINANCIAL HIGHLIGHTS

	Six months ended 30 June		Change
	2025	2024	
	RMB'000 (unaudited)	RMB'000 (unaudited)	
Revenue	771,288	663,625	16.2%
Gross profit	138,879	148,860	-6.7%
Profit for the period	13,516	18,421	-26.6%
Earnings per share			
Basic and diluted (<i>in RMB</i>)	0.07	0.11	-36.4%

- The Group's revenue increased by 16.2% or RMB107.7 million from RMB663.6 million for the six months ended 30 June 2024 to RMB771.3 million in the Reporting Period, primarily attributable to the increase in our revenue generated from bulk sales from retail operations, wholesales, and supply and sales of meals. In the Reporting Period, The Group's revenue generated from wholesale increased by 24.1% to approximately RMB441.1 million from approximately RMB355.5 million for the six months ended 30 June 2024. In the Reporting Period, The Group's revenue generated from general sales from retail operations remained stable approximately RMB261.6 million from approximately RMB262.0 million for the six months ended 30 June 2024. In the Reporting Period, The Group's revenue generated from bulk sales from retail operations increased by 104.0% to approximately RMB33.9 million from approximately RMB16.6 million for the six months ended 30 June 2024. In the Reporting Period, The Group's revenue generated from supply and sales of meals increased by 409.8% to approximately RMB13.9 million from approximately RMB2.7 million for the six months ended 30 June 2024. In the Reporting Period, The Group's revenue generated from rental income from operating lease decreased by 12.9% to approximately RMB7.0 million from approximately RMB8.0 million for the six months ended 30 June 2024.
- The Group's gross profit in the Reporting Period was RMB138.9 million, representing a decrease of 6.7% as compared with the same period last year; the gross profit margin was 18.0%, decreased by 4.4 percentage points as compared with the same period last year, primarily attributable to the decrease in sales of high-end liquor and the increase in the frequency and intensity of holiday promotions in the Reporting Period.
- The Group's profit for the Reporting Period was RMB13.5 million, representing a decrease of 26.6% as compared to profit for the period of RMB18.4 million for the six months ended 30 June 2024, mainly attributable to the increase in Listing expenses.
- The Group's basic and diluted earnings per share in the Reporting Period was RMB0.07, as compared to RMB0.11 for the six months ended 30 June 2024.
- The Board resolved not to declare any interim dividend for the Reporting Period.

The board (the “**Board**”) of directors (the “**Directors**”) of Jiangsu Horizon Chain Supermarket Company Limited (the “**Company**”) hereby announces the unaudited interim results of the Company and its subsidiaries (collectively, the “**Group**”, “**we**”, “**our**” or “**us**”) for the six months ended 30 June 2025 (the “**Reporting Period**”).

CONSOLIDATED STATEMENT OF COMPREHENSIVE PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the six months ended 30 June 2025 – unaudited

(Expressed in Renminbi Yuan)

	<i>Notes</i>	Six months ended 30 June	
		2025 RMB'000 (unaudited)	2024 <i>RMB'000</i> (unaudited)
Revenue	4	771,288	663,625
Cost of sales		<u>(632,409)</u>	<u>(514,765)</u>
Gross profit		138,879	148,860
Other revenue	5(a)	3,380	2,478
Other net gain	5(b)	416	1,035
Selling and distribution costs		(75,103)	(79,468)
Administrative and other operating expenses		(32,650)	(30,485)
Impairment loss on trade and other receivables		<u>(2,873)</u>	<u>(4,335)</u>
Profit from operations		<u>32,049</u>	<u>38,085</u>
Finance income	6(a)	1,728	929
Finance costs	6(a)	<u>(10,933)</u>	<u>(12,305)</u>
Net finance costs		<u>(9,205)</u>	<u>(11,376)</u>
Profit before taxation		22,844	26,709
Income tax	7	<u>(9,328)</u>	<u>(8,288)</u>
Profit for the period		<u>13,516</u>	<u>18,421</u>
Attributable to:			
Equity shareholders of the Company		12,499	18,002
Non-controlling interests		<u>1,017</u>	<u>419</u>
Profit for the period		<u>13,516</u>	<u>18,421</u>
Earnings per share			
Basic and diluted (<i>RMB</i>)	8	<u>0.07</u>	<u>0.11</u>

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Profit for the period	13,516	18,421
Other comprehensive income for the period (after tax and reclassification adjustments)		
Item that will not be reclassified to profit or loss:		
Financial assets at fair value through other comprehensive income (FVOCI) – movement in fair value reserves (non-recycling)	1,120	1,943
Related tax	(280)	(487)
Other comprehensive income for the period	840	1,456
Total comprehensive income for the period	14,356	19,877
Attributable to:		
Equity shareholders of the Company	13,303	19,396
Non-controlling interests	1,053	481
Total comprehensive income for the period	14,356	19,877

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 30 June 2025 – unaudited

(Expressed in Renminbi Yuan)

	<i>Notes</i>	At 30 June 2025 RMB'000 (unaudited)	At 31 December 2024 RMB'000 (audited)
Non-current assets			
Property, plant and equipment		346,805	360,127
Interest in associates		18,323	–
Financial assets at FVOCI		57,830	31,710
Deferred tax assets		8,135	7,271
		431,093	399,108
Current assets			
Inventories	9	316,959	330,062
Trade and bills receivables	10	313,127	190,007
Prepayments, deposits and other receivables	11	408,235	318,053
Restricted deposits	12(a)	6,100	1,600
Cash and cash equivalents	12(b)	167,902	216,858
		1,212,323	1,056,580
Current liabilities			
Bank loans and other borrowings	13	527,959	409,688
Lease liabilities		18,242	24,720
Trade and bills payables	14	83,139	110,285
Other payables and accruals	15	99,177	88,524
Contract liabilities		115,963	120,913
Taxation payable		17,384	20,425
		861,864	774,555
Net current assets		350,459	282,025
Total assets less current liabilities		781,552	681,133

	<i>Notes</i>	At 30 June 2025 RMB'000 (unaudited)	At 31 December 2024 RMB'000 (audited)
Non-current liabilities			
Bank loans and other borrowings	13	41,547	58,829
Lease liabilities		72,245	75,901
Deferred tax liabilities		5,304	5,493
		119,096	140,223
Net assets		662,456	540,910
Capital and reserves			
Share capital	16(a)	214,247	160,685
Reserves		430,035	363,104
Total equity attributable to equity shareholders of the Company		644,282	523,789
Non-controlling interests		18,174	17,121
Total equity		662,456	540,910

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi Yuan unless otherwise indicated)

1 GENERAL INFORMATION

Jiangsu Horizon Chain Supermarket Company Limited (the “**Company**”) was established in the People’s Republic of China (the “**PRC**”) on 19 October 2005 as a limited liability company. Upon approval by the Company’s board meeting held on 30 September 2007, the Company was converted from a limited liability company into a joint stock company.

The Company’s shares were listed on the Main Board of the Stock Exchange of Hong Kong (the “**Listing**”) on 31 March 2025. The Company and its subsidiaries (together, “**the Group**”) are principally engaged in wholesale of grains and oil with retail operations of supermarket and convenience stores on the central region of Jiangsu Province under the brand “宏信龍” (Hongxinlong).

2 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 Standards (“**IAS**”) 34, *Interim financial reporting*, issued by the International Accounting Standards Board (“**IASB**”). It was authorised for issue on 28 August 2025.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2024 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2025 annual financial statements. Details of any changes in accounting policies are set out in note 3.

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

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2024 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.

The financial information relating to the financial year ended 31 December 2024 that is included in the interim financial report as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that financial year but is derived from those financial statements.

The Company’s auditor has reported on those financial statements. The auditor’s report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report.

3 CHANGES IN ACCOUNTING POLICIES

The Group has applied the amendments to IAS 21, *The effects of changes in foreign exchange rates – Lack of exchangeability* issued by the IASB to this interim financial report for the current accounting period. The amendments do not have a material impact on this interim results announcement as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

4 REVENUE AND SEGMENT REPORTING

The Group is a wholesaler of grains and oil headquartered in Yangzhou, with retail operations of supermarket and convenience stores focusing on the central region of Jiangsu Province under the brand “宏信龍” (Hongxinlong).

(a) Disaggregation of revenue

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

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Revenue from contracts with customers within the scope of IFRS 15		
Sales of goods		
– retail operations		
• general sales	261,639	262,033
• bulk sales	33,943	16,635
– wholesales	441,087	355,509
Subtotal	736,669	634,177
Commission income		
– concessionaire sales	12,813	17,703
– supply of goods	945	1,007
Subtotal	13,758	18,710
Supply and sales of meals	13,877	2,722
	764,304	655,609
Revenue from other sources		
Rental income from operating lease	6,984	8,016
	771,288	663,625

The Group's revenue from contracts with customers were recognised at point in time for the six months ended 30 June 2025 and 2024.

(b) Segment reporting

Operating segments are identified on the basis of internal reports that the Group's most senior executive management reviews regularly in allocating resources to segments and in assessing their performances.

The Group's most senior executive management makes resources allocation decisions based on internal management functions and assess the Group's business performance as one integrated business instead of by separate business lines or geographical regions. Accordingly, the Group has only one operating segment and therefore, no segment information is presented.

IFRS 8, Operating Segments, requires identification and disclosure of information about an entity's geographical areas, regardless of the entity's organization (i.e. even if the entity has a single reportable segment). The Group operates within one geographical location because primarily all of its revenue was generated in the PRC and primarily all of its non-current operating assets and capital expenditure were located/incurred in the PRC. Accordingly, no geographical information is presented.

5 OTHER REVENUE AND OTHER NET GAIN

(a) Other revenue

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Service income	2,707	2,338
Government grants	508	61
Dividends income	165	79
	3,380	2,478

(b) Other net gain

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Net realised gain on structured deposits and wealth management products	34	152
Net foreign exchange gain	210	970
Net loss on disposal of property, plant and equipment	(2)	(51)
Others	174	(36)
	416	1,035

6 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

(a) Net finance costs

	Six months ended 30 June	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Interest income from bank deposit	(1,728)	(929)
Finance income	(1,728)	(929)
Interest expenses on bank loans and other borrowings	9,083	9,591
Interest expenses on lease liabilities	1,850	2,714
Finance costs	10,933	12,305
Net finance costs	9,205	11,376

(b) Other items

	Six months ended 30 June	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Cost of inventories recognised as expenses	624,338	509,676
Depreciation charge		
– owned property, plant and equipment	26,552	21,575
– right-of-use assets	15,266	13,961
Impairment loss on trade and other receivables	2,873	4,335
Listing expense	12,552	7,040
Auditors' remuneration		
– other services (<i>Note</i>)	1,855	1,575

Note: Other services include RMB1,155,000 (six months ended 30 June 2024: RMB1,575,000) which is also included in the listing expenses disclosed separately above.

7 INCOME TAX

Taxation in the consolidated statement of profit or loss represents:

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Current tax		
– Provision for the period	10,662	10,450
Deferred tax		
– Origination and reversal of temporary differences	(1,334)	(2,162)
	9,328	8,288

The provision for PRC income tax is based on the respective corporate income tax rates applicable to the subsidiaries located in the PRC as determined in accordance with the relevant income tax rules and regulations of the PRC. The provision for Hong Kong Profits Tax is calculated by applying the estimated annual effective tax rate of 16.5% (six months ended 30 June 2024: 16.5%) to the six months ended 30 June 2025.

8 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB12,499,000 (six months ended 30 June 2024: RMB18,002,000) respectively, and the weighted average number of 187,466,000 ordinary shares (six months ended 30 June 2024: 160,685,000 shares) in issue during the interim period.

(b) Diluted earnings per share

The Company had no dilutive potential ordinary shares outstanding during the six months ended 30 June 2025 and 2024, diluted earnings per share is the same as the basic earnings per share.

9 INVENTORIES

During six months ended 30 June 2025, RMB1,590,000 (2024: RMB152,000) has been recognised as a reduction in the amount of inventories recognised as an expense in profit or loss during the period, being the amount of reversal of a write-down of inventories to the estimated net realisable value.

10 TRADE AND BILLS RECEIVABLES

	At 30 June 2025 RMB'000 (unaudited)	At 31 December 2024 RMB'000 (audited)
Trade receivables – third parties	213,841	173,007
Bills receivables	<u>99,286</u>	<u>17,000</u>
	<u>313,127</u>	<u>190,007</u>

All of the trade and bills receivables are expected to be recovered within one year.

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

	At 30 June 2025 RMB'000 (unaudited)	At 31 December 2024 RMB'000 (audited)
Within 3 months	200,614	122,506
Over 3 months but within 6 months	11,980	44,062
Over 6 months but within 9 months	1,051	3,293
Over 9 months but within 12 months	196	3,021
Over 12 months	<u>–</u>	<u>125</u>
	<u>213,841</u>	<u>173,007</u>

The Group endorsed certain bank acceptance bills to suppliers for settling trade and other payables of the same amount on a full recourse basis. The Group has derecognised these bills receivable and payables to suppliers in their entirety. These derecognised bank acceptance bills had a maturity date of less than six months from the end of the reporting period. In the opinion of the directors of the Company, the Group has transferred substantially all the risks and rewards of ownership of these bills and has discharged its obligation of the payables to its suppliers, and the Group has limited exposure in respect of the settlement obligation of these bills receivable under the relevant PRC rules and regulations, should the issuing banks fail to settle the bills on maturity date. The Group considered the issuing banks of these bills are of good credit quality and non-settlement of these bills by the issuing banks on maturity is not probable. As at 30 June 2025, the Group's maximum exposure to loss and undiscounted cash outflow, which is same as the amount payable by the Group to suppliers in respect of the endorsed bills, should the issuing banks fail to settle the bills on maturity date, amounted to nil (2024: RMB107,608,000) respectively.

11 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	At 30 June 2025 RMB'000 (unaudited)	At 31 December 2024 RMB'000 (audited)
Prepayments	378,670	295,909
Value added tax recoverable	1,666	488
Other deposits and receivables	30,067	23,824
	410,403	320,221
Less: loss allowance	(2,168)	(2,168)
	408,235	318,053

All prepayments, deposits and other receivables are expected to be recovered or recognised as expense within one year.

12 RESTRICTED DEPOSITS AND CASH AND CASH EQUIVALENTS

(a) Restricted deposits comprise:

	At 30 June 2025 RMB'000 (unaudited)	At 31 December 2024 RMB'000 (audited)
Restricted deposits – pledged for letter of credit	6,100	1,600

(b) Cash and cash equivalents comprise:

	At 30 June 2025 RMB'000 (unaudited)	At 31 December 2024 RMB'000 (audited)
Cash at bank	167,054	215,959
Cash in hand	848	899
	167,902	216,858

As at 30 June 2025, the Group's cash included cash at bank and on hand of RMB167,902,000 (2024: RMB216,858,000) held in the PRC. Remittance of funds out of Mainland China is subject to relevant rules and regulations of foreign exchange control.

13 BANK LOANS AND OTHER BORROWINGS

	At 30 June 2025 RMB'000 (unaudited)	At 31 December 2024 RMB'000 (audited)
Short-term bank loans and other borrowings	527,463	409,265
Accrued interest	496	423
Bank loans and other borrowing – current	527,959	409,688
Long-term bank loans and other borrowings	41,523	58,775
Accrued interest	24	54
Bank loans and other borrowing- non-current	41,547	58,829
Total	569,506	468,517

The maturity profile for the interest-bearing bank loans and other borrowing of the Group at the end of each reporting period is as follows:

	At 30 June 2025 RMB'000 (unaudited)	At 31 December 2024 RMB'000 (audited)
Within 1 year or on demand	527,959	409,688
After 1 year but within 2 years	37,397	48,787
After 2 years but within 5 years	4,150	10,042
Total	569,506	468,517

14 TRADE AND BILLS PAYABLES

	At 30 June 2025 RMB'000 (unaudited)	At 31 December 2024 RMB'000 (audited)
Trade payables	83,039	110,285
Bills payable	100	–
	83,139	110,285

All of the trade and bills payables are expected to be settled within one year or repayable on demand.

As of the end of each reporting period, the ageing analysis of the Group's trade payables and bills payable (which are included in trade and other payables), based on the invoice date, is as follows:

	At 30 June 2025 RMB'000 (unaudited)	At 31 December 2024 RMB'000 (audited)
Within 3 months	63,664	89,894
3 to 12 months	12,809	12,856
Over 12 months	6,666	7,535
	<u>83,139</u>	<u>110,285</u>

15 OTHER PAYABLES AND ACCRUALS

	At 30 June 2025 RMB'000 (unaudited)	At 31 December 2024 RMB'000 (audited)
Payable for staff related costs	5,982	15,878
Deposits received	14,054	12,423
Other taxes payable	22,542	12,169
Others	56,599	48,054
	<u>99,177</u>	<u>88,524</u>

All of the other payables and accruals are expected to be settled within one year or repayable on demand.

16 CAPITAL, RESERVES AND DIVIDENDS

(a) Share capital and capital reserves

	Numbers of ordinary shares	Share capital RMB'000	Capital reserve RMB'000	Total RMB'000
Issued and fully paid				
At 1 December 2024 and 31 December 2024	160,684,910	160,685	147,996	308,681
Issuance of H Shares through initial public offering (<i>Note</i>)	53,562,000	53,562	53,628	107,190
At 30 June 2025	<u>214,246,910</u>	<u>214,247</u>	<u>201,624</u>	<u>415,871</u>

Note: On 31 March 2025, the Company issued 53,562,000 new H shares of RMB1.0 each at a price of HK\$2.5 per share by way of the Hong Kong public offering and international placement (the “**Offering**”). Consequently, RMB53,562,000 was recorded in share capital. The amount of total proceeds raised from the Offering was HK\$133,905,000 (equivalent to approximately RMB123,568,000). The share capital increased by RMB53,562,000 and corresponding premium of RMB53,628,000 (after deduction of listing expense) was recognized in capital reserve.

(b) Dividends

No dividend was paid or declared by the Company for the six months ended 30 June 2025 and 2024.

17 COMMITMENTS

Commitments outstanding at 30 June 2025 not provided for in the interim financial report.

	At 30 June 2025 RMB'000 (unaudited)	At 31 December 2024 RMB'000 (audited)
Authorised and contracted for	15,786	1,453

18 MATERIAL RELATED PARTY TRANSACTIONS

	At 30 June 2025 RMB'000 (unaudited)	At 31 December 2024 RMB'000 (audited)
Guarantees for granting bank loans and other borrowings	328,186	327,040

As at 30 June 2025 and 31 December 2024, certain facilities granted to the Group in Note 13 were guaranteed by Mr. Gao Feng, the controlling shareholder, and his spouse Ms. Leng Yuemei, Mr. Zhang Jiaan, the controlling shareholder, and Ms. Yin Qin, the key management personnel.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

We are a wholesaler of grains and oil headquartered in Yangzhou, with retail operations of supermarkets and convenience stores focusing on the central region of Jiangsu Province under our brand “宏信龍” (Hongxinlong*). Leveraging our ability to source and supply quality and fresh food ingredients, we also operate a central kitchen to produce meals and deliver them to local corporates, schools or government entities.

Our business entails the following operations:

- **Wholesale operations:** We sell grains and oil, food products and other products to resellers and other retail operators, including other operators of supermarkets and convenience stores as well as catering business operators. We also sell garments and wooden products to overseas customers and household appliances to distributors and retailers.
- **Retail operations:** We operate our supermarkets and convenience stores under our brand “宏信龍” (Hongxinlong*), as well as two malls, with geographical focus in the central region of Jiangsu Province. We receive sales proceeds from (i) general sales to consumers at our retail stores and malls; and (ii) bulk sales to customers, including corporate and government entities. We also receive sales amounts for concessionaire sales at our retail stores and malls and charge the concessionaires a certain percentage of gross sale amounts or the agreed sales target, whichever is the higher, as commissions.

Our supermarkets provide a wide range of daily consumer products to cater for the daily needs of our customers, which could be broadly categorised as raw and fresh food, grains and oil, non-staple food and household products, while our convenience stores open for 16 or 24 hours a day to cater for quick purchases of everyday consumable products.

Apart from supermarkets and convenience stores, we also operate two malls located in Yangzhou, namely Jiangdu Mall* (江都商城) and Hongxinlong Mall* (宏信龍購物中心). We sell fashion and apparel, children’s wear, cosmetics and personal care, jewellery, accessories, footwear, household appliances, consumer electronics, liquor and miscellaneous products at our malls.

- **Rental operations:** Ancillary to our retail operations, we lease some shop floor area or shop premises in our retail stores and malls to other retail operators like restaurants, hotels and pharmacies, etc. and receive rental income.
- **Supply and sales of meals:** We operate a central kitchen to produce meals and deliver to local corporates, schools or government entities.

* For identification purpose only

In the first half of 2025, the Company has adopted the following measures to actively explore its new retail business:

- Strengthening the omni-channel layout of “offline stores + online platforms” and launching multiple platform operating windows to meet the instant retail needs of consumers;
- Actively preparing for unmanned smart stores to enhance operational efficiency;
- Introducing unmanned logistics vehicles to improve delivery efficiency;
- Enhancing the level of informatisation, integrating online and offline merchandise and inventory management, and achieving warehouse-store integration; and
- Investing in the research and development of new types of equipment such as unmanned coffee robots.

Going forward, we plan to implement the following strategies, which we believe will strengthen our market position, increase our market share and capture the growth in the PRC retail industry:

- expanding our presence and number of retail stores;
- expanding our warehousing capacity by establishing a new distribution centre;
- expanding our processing capacity of meals by establishing a new central kitchen; and
- enhancing our Enterprise Resource Planning (ERP) system and infrastructure systems to improve our operational efficiency.

The total revenue of the Company for the six months ended 30 June 2025 was RMB771.3 million, representing an increase of 16.2% from the same period of last year. The Group’s revenue was principally derived from sales of goods from retail operations and wholesale, commission income, and supply and sales of meals.

Market and Industry Overview

China’s economy continued its recovery in 2023, with gross domestic product (GDP) growing 5.2% and per capita disposable income rising, supporting consumer spending, particularly on food and household goods. The retail landscape is increasingly shaped by omni-channel strategies, with online retail’s share growing (32.7% in 2023) while offline channels adapt.

China's chain supermarket market experienced a decline (-1.28% compound annual growth rate (CAGR) during the period from 2017 to 2023) due to competition from e-commerce and evolving formats, but a modest recovery is projected (1.43% CAGR for the period from 2024 to 2027). Notably, large supermarkets face contraction, whereas small and medium-sized supermarkets demonstrate resilience and growth potential, driven by convenience and focus on fresh products. This trend is pronounced in Jiangsu, where retail sales of small and medium-sized chain supermarkets saw strong growth (15.7% CAGR during the period from 2017 to 2023) with positive forecasts (8.7% CAGR for the period from 2024 to 2027). In Yangzhou, this segment grew at 14.6% CAGR during the period from 2017 to 2023 and is projected to grow at 4.7% CAGR for the period from 2024 to 2027.

The convenience store market exhibits strong growth nationally (14.3% CAGR during the period from 2017 to 2023) and in Yangzhou (14.3% CAGR during the period from 2017 to 2023), fuelled by demand for convenience and digital integration, with continued expansion forecast (9.0% and 8.0% CAGR for the period from 2024 to 2027, respectively). Conversely, the department store sector faces ongoing decline nationally and regionally.

Key opportunities lie in China's large consumer base, urbanisation, rising demand for quality and fresh goods, and technological integration (omni-channel). Challenges include intense market competition, particularly from e-commerce, shifting consumer preferences, and managing operational costs like labour and rent, despite some easing in commercial property rents. The outlook for regional small and medium-sized supermarkets and convenience stores remains positive, leveraging local presence and convenience.

FINANCIAL REVIEW

Revenue

Our revenue increased by 16.2% from RMB663.6 million for the six months ended 30 June 2024 to RMB771.3 million for the six months ended 30 June 2025, primarily attributable to the increase in our revenue generated from bulk sales from retail operations, wholesale and supply and sales of meals.

For the six months ended 30 June 2025, our revenue generated from wholesale increased by 24.1% to approximately RMB441.1 million from approximately RMB355.5 million for the six months ended 30 June 2024. Such increase was mainly driven by the introduction of grains and oil of various brands and specifications, and the beginning to gradually expand the grains and oil wholesale market in northern Jiangsu Province.

For the six months ended 30 June 2025, our revenue generated from general sales from retail operations remained stable approximately RMB261.6 million from approximately RMB262.0 million for the six months ended 30 June 2024.

For the six months ended 30 June 2025, our revenue generated from bulk sales from retail operations increased by 104.0% to approximately RMB33.9 million from approximately RMB16.6 million for the six months ended 30 June 2024. Such increase was mainly driven by the active expansion of our group purchasing business for local corporates and government entities to maintain business growth.

For the six months ended 30 June 2025, our revenue generated from supply and sales of meals increased by 409.8% to approximately RMB13.9 million from approximately RMB2.7 million for the six months ended 30 June 2024. Such increase was mainly driven by the resumption by some schools to reopen the bidding process for meal provision in the second half of 2024.

For the six months ended 30 June 2025, our revenue generated from rental income from operating lease decreased by 12.9% to approximately RMB7.0 million from approximately RMB8.0 million for the six months ended 30 June 2024. Such decrease was mainly driven by the cancellation of leases by certain customers.

Cost of sales

Our cost of sales mainly comprised the cost of inventories sold. Our cost of sales for the six months ended 30 June 2025 was RMB632.4 million, representing an increase of RMB117.6 million or 22.9% compared with the same period last year; primarily attributable to the increase in the costs of wholesale and bulk sales from retail operations.

Gross profit and gross profit margin

As a result of the above, our gross profit for the six months ended 30 June 2025 was RMB138.9 million, representing a decrease of 6.7% compared with the same period last year; the gross profit margin was 18.0%, decreased by 4.4 percentage points compared with the same period last year, primarily attributable to (i) the cost of grains and oil increased slightly, and the gross profit margin of the newly added grains and oil categories was lower than that of the existing grains and oil categories; (ii) the sales of high-end liquor with higher gross profit margin declined due to the Chinese central government's ban on alcohol; and (iii) the Group increased the frequency and intensity of holiday promotions in the first half of 2025, and held a week-long "promotional carnival" after the Company's listing, resulting in a decline in the gross profit margin of the retail operations compared with the same period last year.

Other revenue

Our other revenue mainly comprised service income for processing meals for two catering business operators in Yangzhou and government grants. Our other revenue increased from RMB2.5 million for the six months ended 30 June 2024 to RMB3.4 million for the six months ended 30 June 2025, primarily as a result of an increase in our service income and government grants.

Other net gain

Our other net gain decreased from approximately RMB1.0 million for the six months ended 30 June 2024 to approximately RMB0.4 million for the six months ended 30 June 2025. Such decrease was mainly driven by the decrease in net foreign exchange gain.

Selling and distribution costs

Our selling and distribution costs mainly comprised staff costs and depreciation and amortisation expenses. Our selling and distribution costs for the six months ended 30 June 2025 were RMB75.1 million, representing a decrease of 5.5% compared with the same period last year, mainly due to the decrease in staff costs.

Administrative and other operating expenses

Our administrative and other operating expenses mainly comprised staff costs, depreciation and amortisation expenses and Listing expenses. Our administrative and other operating expenses increased by 7.1% from RMB30.5 million for the six months ended 30 June 2024 to RMB32.7 million for the six months ended 30 June 2025, primarily because of the increase in Listing expenses, and partly set off by the decrease in staff costs.

Impairment loss on trade and other receivables

Our impairment on financial assets refers to the credit loss assessment and movement in allowance for the impairment of trade receivables and other receivables. The impairment loss of financial assets for the six months ended 30 June 2025 was RMB2.9 million, representing a decrease of RMB1.5 million compared with the same period last year, which was mainly driven by the decrease in trade receivables compared with the same period last year.

Net finance costs

Our finance costs – net for the six months ended 30 June 2025 was RMB9.2 million, representing a decrease of RMB2.2 million compared with the same period last year, mainly due to the increase in interest income from bank deposit and the decrease in interest expense in lease liabilities.

Income tax

The income tax expenses increased from RMB8.3 million for the six months ended 30 June 2024 to RMB9.3 million for the six months ended 30 June 2025, mainly due to the increase in Listing expenses which were non-deductible for tax.

Profit for the period

For the forgoing reasons, we recorded a profit of RMB13.5 million for the six months ended 30 June 2025 representing a decrease of 26.6%, compared to a profit of RMB18.4 million for the six months ended 30 June 2024. Such a decrease is mainly attributable to the increase in Listing expenses.

Non-IFRS measures

To supplement our consolidated financial statements which are presented in accordance with IFRSs, we also presented the adjusted net profit (Non-IFRS measure) and adjusted net profit margin (Non-IFRS measure) as additional financial measures, which are not required by, or presented in accordance with IFRSs. We believe that the presentation of non-IFRS financial measures when shown in conjunction with the corresponding IFRS financial measures provides useful information to potential investors and management in facilitating a comparison of our operating performance from period to period. Such non-IFRS financial measures allow investors to consider matrices used by our management in evaluating our performance.

The use of non-IFRS financial measures has limitations as an analytical tool, and investors should not consider these in isolation from, or as a substitute for, or superior to, analysis of our results of operations or financial conditions as reported in accordance with IFRSs. In addition, the non-IFRS financial measures may be defined differently from similar terms used by other companies.

We adjusted for certain items as our non-IFRS financial measures, in order to provide potential investors with an overall and fair understanding of our operating results and financial performance, especially in making period-to-period comparisons of, and assessing the profile of, our operating and financial performance. Listing expenses are mainly expenses related to the Listing and are added back because they were incurred only for the purposes of the Listing.

Adjusted net profit (Non-IFRS measure)

We defined adjusted net profit (Non-IFRS measure) as net profit for the six months ended 30 June 2025 adjusted by adding back Listing expenses. The table below sets forth the adjusted net profit (Non-IFRS measure) and the adjusted net profit margin (Non-IFRS measure) for the six months ended 30 June 2024 and 30 June 2025, respectively:

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Profit for the period	13,516	18,421
<i>Adjusted:</i>		
Listing expenses	12,552	7,040
Adjusted net profit (Non-IFRS measure) for the period	<u>26,068</u>	<u>25,461</u>
Adjusted net profit margin (Non-IFRS measure)	<u>3.4%</u>	<u>3.8%</u>

Financial condition

Shareholders' equity increased from RMB540.9 million as at 31 December 2024 to RMB662.5 million as at 30 June 2025, mainly due to the Global Offering and the profit for the Reporting Period.

Liquidity and financial resources, treasury policies and capital structure

The Group has maintained a sound financial position during the Reporting Period. As at 30 June 2025, the Group's cash and cash equivalents amounted to approximately RMB167.9 million (31 December 2024: RMB216.9 million). For the six months ended 30 June 2025, our net cash used in operating activities was approximately RMB141.8 million (six months ended 30 June 2024: RMB45.4 million).

The Group recorded total current assets of approximately RMB1,212.3 million as at 30 June 2025 (31 December 2024: approximately RMB1,056.6 million) and total current liabilities of approximately RMB861.9 million as at 30 June 2025 (31 December 2024: approximately RMB774.6 million). The current ratio (calculated by dividing the current assets by the current liabilities) of the Group was approximately 1.41 as at 30 June 2025 (31 December 2024: approximately 1.36).

As at 30 June 2025, the sum of long-term bank loans and other borrowings amounted to RMB41.5 million, with rate of 4.35% per annum, which should be repaid within 2 years to 5 years. While the sum of short-term bank loans and other borrowings amounted to RMB528.0 million, with the maturity of one year or less and the interest rates ranging from 3.45% to 4.35% per annum. As at 30 June 2025, we had unutilised banking facilities of approximately RMB20.1 million. Bank borrowings are denominated in RMB. The Group has complied with the loan financial contract during the Reporting Period. The Company does not use any financial instruments for hedging. The Group maintains sufficient liquidity to meet its daily administrative and capital expenditure requirements and can control its internal operating cash flow.

As at 30 June 2025, the Group has not provided guarantees and pledges to related parties.

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the period under review. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers debtors. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that sufficient financial resources are available in order to meet its funding requirements and commitment in a timely manner.

The H Shares have been listed on the Stock Exchange since the Listing Date. There has been no change in the capital structure of the Company since the Listing Date and up to the date of this announcement. The capital of the Company comprises ordinary shares of the Company including H Shares and Unlisted Shares.

Capital expenditure

During the Reporting Period, the capital expenditure of the Group was RMB71.3 million, which mainly includes the purchase of property, plant and equipment, financial assets measured at fair value through other comprehensive income, and interests in associates. The Company mainly uses cash from operating activities to fund capital expenditures. The Company intends to use the Company's existing cash balances, bank and other borrowings and proceeds from the Global Offering to finance the Company's future capital expenditures and long-term investments. The Company may reallocate funds for capital expenditure and long-term investment based on continuing business needs.

Pledge of assets

As of 30 June 2025, the Group pledged (i) land use rights with a net book value of RMB27.6 million, and (ii) plants and buildings with a net book value of RMB28.7 million, for the Group's bank loans and other borrowings of RMB376.8 million. These borrowings are for general business operation purposes.

Contingent liabilities

As of 30 June 2025, we did not have any contingent liabilities.

Share pledge

During the Reporting Period, there was no pledge by our Controlling Shareholders of their interests in the Shares to secure our debts or to secure guarantees or other support of their obligations.

Gearing ratio

The Group has bank loans and other borrowings of approximately RMB569.5 million as at 30 June 2025. As such, our gearing ratio, calculated as total borrowings divided by the total equity as at the end of the period, was approximately 86.0% (31 December 2024: 86.6%).

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

During the Reporting Period, the Group made investments of RMB25.0 million and HKD20.0 million (equivalent to RMB18.3 million) in 海科宏信數字科技(江蘇)有限公司 (Haike Hongxin Digital Technology (Jiangsu) Co. Ltd.*) (“**Haike**”) and Hon Wang Holdings Limited (漢宏控股有限公司) (“**Hon Wang**”), respectively. As a result, the Group holds equity interests of 18% and 40%, respectively, in Haike and Hon Wang. The investment in Haike is accounted for as a financial asset measured at fair value through other comprehensive income. Due to the Group’s significant influence, Hon Wang is classified as an associate for financial reporting purposes and accounted for using the equity method. Haike is mainly engaged in the provision of IT-related information services. Hon Wang is mainly engaged in the provision of business consultancy. Immediately prior to the acquisitions, both Haike and Hon Wang were independent third parties. As all applicable percentage ratios under the Listing Rules for each investment were below 5%, these transactions did not constitute notifiable transactions under Chapter 14, nor did they constitute connected transactions under Chapter 14A of the Listing Rules.

Save as disclosed above, we did not have other material acquisitions or disposals of subsidiaries, associates and joint ventures.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in the section headed “Future Plans and Use of Proceeds” in the Prospectus, as of 30 June 2025, we did not have plans for material investments and capital assets.

EXPOSURE TO FLUCTUATIONS IN FOREIGN EXCHANGE RATES

Our Group primarily generates all of its revenue in the PRC. Majorities of our Group's assets, liabilities and cash flows were denominated in RMB and part of the Group's assets were denominated in HK\$. During the six months ended 30 June 2025, the depreciation of RMB against HK\$ had no significant impact from translation as the reporting currency of our Group was RMB. Apart from that, the management of our Company viewed that the change in exchange rate for RMB against foreign currencies did not have a significant impact on our Group's financial position nor performance given that the functional currency of the Group was RMB. During the six months ended 30 June 2025, our Group did not engage in any hedging activities and our Group had no intention to carry out any hedging activities in the near future. The management of our Group will continue to closely monitor the foreign currency market and consider carrying out hedging activities when necessary.

SIGNIFICANT INVESTMENT AND MATERIAL EVENT DURING THE REPORTING PERIOD

As of 30 June 2025, the Group did not make any significant investments (including any investment in an investee company with a value of 5% or more of the Group's total assets as of 30 June 2025).

EVENTS SUBSEQUENT TO THE REPORTING PERIOD

Save as otherwise disclosed in this announcement, there were no other significant events affecting the Group which occurred after 30 June 2025 and up to the date of this announcement.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2025, we had a total of 1,412 employees, all of them are based in Jiangsu Province. For the six months ended 30 June 2025, the total employee benefits (including directors' remuneration) amounted to RMB43.7 million (six months ended 30 June 2024: RMB52.2 million).

The following table sets forth a breakdown of our employees categorised by function as of 30 June 2025.

	No. of employees
Management	13
Administrative	104
Financial and Information Technology	42
Marketing	11
Procurement	24
Logistics	69
Operational	1,149
Total	1,412

We make contributions for our employees towards five categories of social insurance, including pension, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance in accordance with the PRC social insurance system, as well as housing provident fund in compliance with the relevant PRC laws and regulations.

We enter into separate employment contracts with each of our employees, the terms and conditions of which are in full compliance with the relevant PRC labour laws and employment decrees. The remuneration of our employees consists of basic salary and quarterly and annual discretionary bonuses. The bonus amount is based on the employee's performance. In addition, we provide our employees with various insurance policies and housing pensions as required by relevant PRC labour laws. As disclosed in the section headed "Business – Non-compliance" in the Prospectus, our PRC operating subsidiaries did not pay social insurance contributions and housing provident fund contributions in full for all of the employees. During the Reporting Period and up to the date of this announcement, no administrative actions, fines or penalties have been imposed by the relevant PRC government authorities with respect to such non-compliance, nor has any order been received by our operating entities to settle the outstanding amount of social insurance contributions and housing provident fund contributions.

RECRUITMENT POLICIES

We generally recruit our employees from the open market through placing recruitment advertisements. We endeavour to attract and retain appropriate and suitable personnel to serve our Group. We assess the available human resources on a continuous basis and will determine whether additional personnel are required to cope with the business development of our Group.

TRAINING

Our human resources department will introduce our standards and culture to our new staff and prepare a series of compulsory trainings for them focusing on hard skills such as company introduction and working procedures. Our store managers will also train up our newly recruited staff to cater for the needs of our retail stores and malls.

We also offer regular and tailor-made training to our management and front-line personnel and identify suitable and promising candidates for future promotion to store managers. We believe our internal training programmes not only improve our staff retention rates as a result of the upward mobility prospect, but also cultivate the right kind of candidates as our management personnel as required for our business expansion.

We have labour unions. Our Directors confirmed that we have not experienced any labour strikes or material labour disputes during the Reporting Period and up to the date of this announcement, and have not experienced any significant difficulties in recruiting or retaining qualified staff.

CORPORATE GOVERNANCE

Our Company is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. Our Company has adopted the code provisions of the CG Code as set out in Appendix C1 to the Listing Rules as its own code of corporate governance with effect from the Listing Date.

During the period from the Listing Date to 30 June 2025, the Company has complied with all the principles and applicable code provisions contained in Part 2 of the CG Code.

The Directors will continue to review the corporate governance policies and compliance with the CG Code and other applicable legal and regulatory requirements so as to maintain a high standard of corporate governance of the Company each financial year.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2025 (for the six months ended 30 June 2024: Nil).

GLOBAL OFFERING

On 31 March 2025, the H Shares of the Company were listed on the Main Board of the Stock Exchange in a global offering of 53,562,000 H Shares, comprising a final Hong Kong public offering of 8,892,000 H Shares and a final international public offering of 44,670,000 H Shares (as adjusted in the Company's allotment results announcement dated 28 March 2025). The H Shares were issued and subscribed by Hong Kong and overseas investors at an Offer Price of HK\$2.50 per H Share (excluding brokerage of 1.0%, SFC transaction levy of 0.0027%, the Stock Exchange transaction fee of 0.00565% and Accounting and Financial Reporting Council transaction levy of 0.00015%) by way of an initial public offering. The over-allotment option as described in the Prospectus was not exercised by the overall coordinators (for themselves and on behalf of the international underwriters).

For details of the Global Offering, please refer to the Prospectus and the allotment results announcement of the Company dated 28 March 2025.

Use of Proceeds from the Global Offering

According to the announcement of the Company dated 28 March 2025 relating to the offer price and allotment results (the “**Allotment Results Announcement**”), the net proceeds from the Global Offering (after deducting the underwriting fees and commissions and estimated expenses payable by us in connection with the Listing) amounted to approximately HK\$92.55 million (the “**Net Proceeds**”).

As disclosed in the prospectus of the Company dated 21 March 2025 (the “**Prospectus**”), the estimated amount of the Listing expenses is approximately RMB38.9 million (based on the mid-point of the then indicative offer price range of HK\$2.50 to HK\$3.00 per H share of the Company). The actual Listing expenses incurred are approximately RMB41.4 million (equivalent to approximately HK\$44.9 million) (the “**Actual Listing Expenses**”), which was higher than the estimated amount of the Listing expenses.

In light of the difference between the Actual Listing Expenses and the estimated amount of the Listing expenses as disclosed in the Prospectus and the Allotment Results Announcement, resulting in the actual Net Proceeds amounting to approximately HK\$89.04 million, the Group has adjusted the intended use of the actual amount of the Net Proceeds on a pro-rata basis as disclosed in the Prospectus. Save for the aforesaid, there is no other change to the intended use of Net Proceeds and the expected implementation timetable as previously disclosed in the section headed “Future Plans and Use of Proceeds” in the Prospectus.

As at the date of this announcement, the Company had utilised approximately HK\$21.7 million of Net Proceeds from the Global Offering. The following table sets out breakdown of the use of Net Proceeds from the Global Offering.

Use of Net Proceeds	Percentage of Net Proceeds	Estimated Net Proceeds allocated as disclosed in the Prospectus (approximate HK\$ million)	Revised allocated Net Proceeds from the Global Offering based on the Actual Listing Expenses (approximate HK\$ million)	Net Proceeds utilised since the Listing and up to the date of this announcement (approximate HK\$ million)	Expected timeline of full utilisation of Net Proceeds	Remaining amount as at the date of this announcement (approximate HK\$ million)
To open new retail stores	30.9%	32.5	27.5	20.7	By 31 March 2026	6.8
(i) Store renovation	9.2%	9.7	8.2	8.2	By 31 March 2026	–
(ii) Purchase of shelves	8.9%	9.4	7.9	5.2	By 31 March 2026	2.7
(iii) Purchase of cold storage facilities, lightings, air-conditioning, CCTV surveillance system and POS system	8.4%	8.8	7.5	3.4	By 31 March 2026	4.1
(iv) Installation of fire safety system	4.4%	4.6	3.9	3.9	By 31 March 2026	–
To establish a new distribution centre	41.2%	43.3	36.7	–	By 31 March 2026	36.7
(i) Acquisition of a parcel of land located in Jiangdu District, Jiangsu Province, the PRC	14.8%	15.6	13.2	–	By 31 March 2026	13.2
(ii) Construction of the new distribution centre	18.3%	19.2	16.3	–	By 31 March 2026	16.3
(iii) Acquisition of shelves, lightings and ancillary facilities and installing fire safety system	8.1%	8.5	7.2	–	By 31 March 2026	7.2
To establish a new central kitchen	26.8%	28.1	23.9	–	By 31 March 2026	23.9
(i) Construction of the new central kitchen	5.0%	5.2	4.5	–	By 31 March 2026	4.5
(ii) Acquisition of machines and equipment	10.0%	10.5	8.9	–	By 31 March 2026	8.9
(iii) Acquisition and installation of fire safety system, ventilation system, cold storage facilities, utilities, air-conditioning, CCTV surveillance system and ancillary facilities	10.3%	10.8	9.2	–	By 31 March 2026	9.2
(iv) Acquisition of additional vehicles for the delivery of meals	1.5%	1.6	1.3	–	By 31 March 2026	1.3
To enhance our ERP system and infrastructure systems	1.1%	1.2	1.0	1.0	By 31 March 2026	–

For further details, please refer to the section headed “Future Plans and Use of Proceeds” in the Prospectus.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

During the period from the Listing Date to the date of this announcement, there was no purchase, sale or redemption of any listed securities (including sale of treasury shares (as defined under the Listing Rules)) of the Company by the Company or any of its subsidiaries. As at 30 June 2025, the Company did not hold any treasury shares.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

The Company has adopted the Model Code to regulate all dealings by the Directors, the Supervisors and relevant employees of securities in the Company and other matters covered by the Model Code since the Listing Date. Having made specific enquiry with all the Directors and Supervisors of the Company, all the Directors and Supervisors confirmed that they have strictly complied with the required standards set out in the Model Code during the period from the Listing Date to the date of this announcement.

No incident of non-compliance of the Model Code by the Company's relevant employees was noted by the Company during the period from the Listing Date to 30 June 2025.

AUDIT COMMITTEE

The Board has established an Audit Committee, which comprises four independent non-executive Directors, namely, Mr. Lam Ka Tak (林嘉德) (chairperson of the Audit Committee), Mr. Zheng Manjun (鄭滿軍), Mr. Zheng Yu (鄭宇) and Mr. Zhu Bo (朱波), and one non-executive Director, namely, Ms. Wei Yan (韋燕). The Audit Committee has also adopted written terms of reference which clearly set out its duties and obligations (the terms of reference are available on the websites of the Company and the Stock Exchange).

The Audit Committee has considered and reviewed, with no disagreement with the management, the unaudited interim consolidated results for the six months ended 30 June 2025 and confirmed that the applicable accounting principles, standards and requirements have been complied with, and that adequate disclosures have been made. The Audit Committee considers that the interim consolidated results for the six months ended 30 June 2025 are in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been duly made.

PUBLICATION OF THE INTERIM RESULTS AND INTERIM REPORT

The interim results announcement is published on the website of the Stock Exchange (www.hkexnews.hk) as well as the website of the Company (www.hxsupermarket.cn). The Group's 2025 interim report will be made available to the Shareholders and will be published on the aforementioned websites in due course.

By order of the Board
Jiangsu Horizon Chain Supermarket Company Limited
Gao Feng
Chairman

Jiangsu, PRC, 28 August 2025

As at the date of this announcement, the Board comprises Mr. Gao Feng, Mr. Yuan Yuan, Mr. Zhang Jiaan, Mr. Yao Jun, Ms. Shen Zhigen, Ms. Nai Jingjing and Mr. Wang Fei as executive directors, Ms. Wei Yan as non-executive director, and Mr. Lam Ka Tak, Mr. Zheng Manjun, Mr. Zheng Yu and Mr. Zhu Bo as independent non-executive directors.