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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)

**ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2025**

FINANCIAL HIGHLIGHTS	2025	2024	Change
	<i>RMB'000</i>	<i>RMB'000</i>	
Revenue	1,543,962	1,350,925	14.3%
Gross profit	289,297	289,101	0.1%
Profit for the year	38,238	43,975	-13.0%
Earnings per share			
Basic and diluted (<i>in RMB</i>)	0.18	0.27	-33.3%

- The Group’s revenue increased by 14.3% or RMB193.1 million from approximately RMB1,350.9 million for the year ended 31 December 2024 to approximately RMB1,544.0 million in the Reporting Period, primarily attributable to the increase in our revenue generated from general sales from retail operations, wholesale, and supply and sales of meals. In the Reporting Period, the Group’s revenue generated from wholesale increased by 20.4% to approximately RMB878.8 million from approximately RMB729.8 million for the year ended 31 December 2024. In the Reporting Period, the Group’s revenue generated from general sales from retail increased by 9.5% to approximately RMB554.0 million from approximately RMB505.8 million for the year ended 31 December 2024. In the Reporting Period, the Group’s revenue generated from bulk sales from retail operations decreased by 8.6% to approximately RMB45.4 million from approximately RMB49.7 million for the year ended 31 December 2024. In the Reporting Period, the Group’s revenue generated from commission income from concessionaire sales and supply of goods decreased by 12.3% to approximately RMB30.7 million from approximately RMB34.9 million for the year ended 31 December 2024. In the Reporting Period, the Group’s revenue generated from supply and sales of meals increased by 38.1% to approximately RMB23.3 million from approximately RMB16.9 million for the year ended 31 December 2024. In the Reporting Period, the Group’s revenue generated from rental income from operating lease decreased by 14.6% to approximately RMB11.8 million from approximately RMB13.9 million for the year ended 31 December 2024.
- The Group’s gross profit in the Reporting Period remained stable at approximately RMB289.3 million as compared with last year; the gross profit margin was 18.7%, representing a decrease of approximately 2.7 percentage points as compared to 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 RMB38.2 million, representing a decrease of approximately 13.0% as compared to profit RMB44.0 million for the year ended 31 December 2024, mainly attributable to the increase in Listing expenses and impairment loss on trade and other receivables, and partly set off by the decrease in staff costs.
- The Group’s basic and diluted earnings per share in the Reporting Period were RMB0.18, as compared to RMB0.27 for the year ended 31 December 2024.
- The Board resolved not to declare any final 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 audited consolidated annual results of the Company and its subsidiaries (collectively, the “**Group**”, “**we**”, “**our**” or “**us**”) for the year ended 31 December 2025 (the “**Reporting Period**”).

CONSOLIDATED STATEMENT OF PROFIT OR LOSS*for the year ended 31 December 2025**(Expressed in Renminbi Yuan)*

	<i>Notes</i>	Year ended 31 December	
		2025	2024
		<i>RMB'000</i>	<i>RMB'000</i>
Revenue	4	1,543,962	1,350,925
Cost of sales		<u>(1,254,665)</u>	<u>(1,061,824)</u>
Gross profit		289,297	289,101
Other revenue	5(a)	7,190	7,657
Other net (loss)/gain	5(b)	(1,198)	1,573
Selling and distribution costs		(146,830)	(160,390)
Administrative and other operating expenses		(59,353)	(54,425)
Impairment (loss)/reversal on trade and other receivables		<u>(10,513)</u>	<u>942</u>
Profit from operations		78,593	84,458
Finance income	6(a)	2,606	1,917
Finance costs	6(a)	<u>(25,911)</u>	<u>(24,030)</u>
Net finance costs		<u>(23,305)</u>	<u>(22,113)</u>
Share of losses of associate		<u>(1,188)</u>	<u>–</u>
Profit before taxation		54,100	62,345
Income tax	7	<u>(15,862)</u>	<u>(18,370)</u>
Profit for the year		38,238	43,975
Attributable to:			
Equity shareholders of the Company		36,628	42,722
Non-controlling interests		<u>1,610</u>	<u>1,253</u>
Profit for the year		38,238	43,975
Earnings per share			
Basic and diluted (<i>RMB</i>)	8	<u>0.18</u>	<u>0.27</u>

	Year ended 31 December	
	2025	2024
	RMB'000	<i>RMB'000</i>
Profit for the year	38,238	43,975
Other comprehensive income for the year (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)	(51)	4,792
Related tax	13	(1,198)
Other comprehensive income for the year	(38)	3,594
Total comprehensive income for the year	38,200	47,569
Attributable to:		
Equity shareholders of the Company	36,599	46,161
Non-controlling interests	1,601	1,408
Total comprehensive income for the year	38,200	47,569

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2025

(Expressed in Renminbi Yuan)

	Notes	As at 31 December	
		2025	2024
		RMB'000	RMB'000
Non-current assets			
Property, plant and equipment		322,737	360,127
Interest in an associate		16,877	–
Financial assets at FVOCI	9	56,659	31,710
Deferred tax assets		10,830	7,271
		<u>407,103</u>	<u>399,108</u>
Current assets			
Inventories		413,403	330,062
Trade and bills receivables	10	397,415	190,007
Prepayments, deposits and other receivables		350,182	318,053
Financial assets measured at fair value through profit or loss (“FVPL”)		20	–
Restricted deposits		4,550	1,600
Cash and cash equivalents		238,430	216,858
		<u>1,404,000</u>	<u>1,056,580</u>
Current liabilities			
Bank loans and other borrowings		543,237	409,688
Lease liabilities		22,446	24,720
Trade and bills payables	11	120,440	110,285
Other payables and accruals		72,594	88,524
Contract liabilities		171,882	120,913
Taxation payable		23,745	20,425
		<u>954,344</u>	<u>774,555</u>
Net current assets		<u>449,656</u>	<u>282,025</u>
Total assets less current liabilities		<u>856,759</u>	<u>681,133</u>

		As at 31 December	
	<i>Notes</i>	2025	2024
		RMB'000	RMB'000
Non-current liabilities			
Bank loans and other borrowings		56,140	58,829
Lease liabilities		55,768	75,901
Deferred tax liabilities		5,340	5,493
		<u>117,248</u>	<u>140,223</u>
Net assets		<u>739,511</u>	<u>540,910</u>
Capital and reserves			
	12		
Share capital		235,640	160,685
Reserves		485,149	363,104
Total equity attributable to equity shareholders of the Company		720,789	523,789
Non-controlling interests		18,722	17,121
Total equity		<u>739,511</u>	<u>540,910</u>

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi Yuan)

1 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with all applicable International Financial Reporting Standards as issued by the International Accounting Standards Board (“**IASB**”) and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). Material accounting policies adopted by the Group are disclosed below.

The IASB has issued certain amendments to IFRS Accounting Standards that are effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments, to the extent that they are relevant to the Group for the current accounting period reflected in these financial statements.

2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The consolidated financial statements of the Group for the year ended 31 December 2025 comprise the Company and its subsidiaries.

The measurement basis used in the preparation of the consolidated financial statements is the historical cost, except that certain assets and liabilities are stated at their fair value as explained in the accounting policies as set out below.

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for determining carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRS Accounting Standards that have significant effect on the financial statements, and major sources of estimation uncertainty are discussed in Note 3.

3 CHANGES IN ACCOUNTING POLICIES

The Group has applied amendments to IAS 21, The Effects of Changes in Foreign Exchange Rates – Lack of exchangeability issued by the IASB to these financial statements for the current accounting period. The amendments do not have a material impact on these financial statements 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

(a) Revenue

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).

(i) Disaggregation of revenue

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

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Revenue from contracts with customers within the scope of IFRS 15		
Sales of goods		
– retail operations		
• general sales	554,022	505,761
• bulk sales	45,382	49,669
– wholesale	878,751	729,813
Subtotal	1,478,155	1,285,243
Commission income		
– concessionaire sales	21,744	29,046
– supply of goods	8,909	5,899
Subtotal	30,653	34,945
Supply and sales of meals	23,311	16,877
	1,532,119	1,337,065
Revenue from other sources		
Rental income from operating lease	11,843	13,860
	1,543,962	1,350,925

The Group's revenue from contracts with customers were recognised at point in time for the year ended 31 December 2025 and 2024.

There is no customer whose transactions has exceeded 10% of the Group's revenues for the year ended 31 December 2025 (2024: one customer).

- (ii) Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date.

The amounts of consideration received in advance as prepayments by customers are short-term as the respective revenue is expected to be recognised within a few days when the goods are delivered to customers.

Revenue is recognised when customers accept the products, so revenue from prepaid cards is recognised when the prepaid cards are redeemed by customers. Based on recent trends in redemption by customers of the prepaid cards, it is expected that most of the prepaid cards will be redeemed within one year from the date of purchase.

The Group operates a customer loyalty programme for sales to retail customers where points can be earned by customers and used to reduce the cost of future purchases. The contract liability in respect of unredeemed retail customer loyalty points will be recognised as revenue when the points are redeemed by those customers or expire, which is expected to occur before the end of the following year based on the expiry terms of the loyalty points.

Except for the disclosures above related to redemptions of prepaid cards, advance receipts from customers and customer loyalty program points, the Group has applied the practical expedient in paragraph 121 of IFRS 15 to its sales contracts for goods such that information about revenue expected to be recognised in the future is not disclosed in respect of revenue that the Group will be entitled to when it satisfies the remaining performance obligations under these contracts that had an expected duration of one year or less.

(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 resource allocation decisions based on internal management functions and assess the Group's business performance as one integrated business rather than 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 (LOSS)/GAIN

(a) Other revenue

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Service income	5,807	6,323
Government grants	1,207	1,041
Dividends income	176	293
	<u>7,190</u>	<u>7,657</u>

The Group received unconditional government grants of RMB1,207,000 and RMB1,041,000 for the year ended 31 December 2025 and 2024 mainly as rewards of the Group's contribution to secure employment for regional employees and special funds for industrial development.

(b) Other net (loss)/gain

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Net realised gain on structured deposits and wealth management products	84	242
Net foreign exchange (loss)/gain	(1,692)	1,767
Net loss on disposal of property, plant and equipment	(302)	(505)
Others	712	69
	<u>(1,198)</u>	<u>1,573</u>

6 PROFIT BEFORE TAXATION

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

(a) Net finance costs

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Interest income from bank deposits	<u>(2,606)</u>	<u>(1,917)</u>
Finance income	<u>(2,606)</u>	<u>(1,917)</u>
Interest expenses on bank loans and other borrowings	22,423	19,749
Interest expenses on lease liabilities	<u>3,488</u>	<u>4,281</u>
Finance costs	<u>25,911</u>	<u>24,030</u>
Net finance costs	<u>23,305</u>	<u>22,113</u>

(b) **Staff costs**

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Salaries, wages and other benefits	82,333	91,850
Contribution to defined retirement plans (<i>Note</i>)	8,545	9,204
	90,878	101,054

Note: The employees of the subsidiaries of the Group established in the PRC participate in a defined contribution scheme managed by the local municipal governments, whereby these companies are required to contribute to the scheme at certain rates of the employees' salaries as agreed by the local municipal governments. Employees of these companies are entitled to benefits, calculated based on a percentage of the average salary level in the PRC, from the above mentioned retirement scheme at their normal retirement age.

The Group has no further obligation for payment of other retirement benefits beyond the above contributions.

(c) **Other items**

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Cost of inventories recognised as expenses	1,238,803	1,049,646
Depreciation charge		
– owned property, plant and equipment	43,157	42,568
– right-of-use assets	28,611	28,316
Impairment loss/(reversal) on trade and other receivables	10,513	(942)
Listing expense	12,552	7,276
Auditors' remuneration		
– audit services	2,000	1,600
– other services (<i>Note</i>)	1,855	1,575

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

7 INCOME TAX

(a) Taxation in the consolidated statements of profit or loss represents:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Current tax		
– Provision for the year	19,561	20,668
Deferred tax		
– Origination and reversal of temporary differences	<u>(3,699)</u>	<u>(2,298)</u>
	<u>15,862</u>	<u>18,370</u>

Note: Pursuant to the income tax rules and regulations of Hong Kong, the subsidiaries in Hong Kong were liable to the Hong Kong Profits Tax at a rate of 16.5% during the years ended 31 December 2025 and 2024.

The PRC subsidiaries of the Group are subject to PRC Corporate Income Tax (“CIT”) at a statutory rate of 25%, except for the following specified subsidiaries:

According to Announcement 2022 No. 13, “The Announcement of Further Implementation of Income Tax Incentives for Small-scaled Minimal Profit Enterprise” issued by Ministry of Finance of the PRC and National Tax Bureau on 14 March 2022, small-scaled minimal profit enterprises with annual taxable income between RMB1,000,000 and RMB3,000,000 (inclusive) are entitled to a preferential tax treatment of 75% exemption of taxable income and application of income tax rate as 20% for the years from 2022 to 2025.

Certain subsidiaries in the Group met the conditions as small-scaled minimal profit enterprises and were qualified for the entitlement of such preferential tax treatment during the year ended 31 December 2025 (2024: nil).

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Profit before taxation	<u>54,100</u>	<u>62,345</u>
Notional tax on profit before taxation, calculated using the PRC statutory tax rate of 25%	13,525	15,586
Effect of different tax rates	(819)	–
Tax effect of non-deductible expenses	3,891	1,934
Tax effect of non-taxable income	(44)	(73)
Tax losses utilised from previous periods	(680)	–
Tax effect of tax losses not recognised	83	939
Tax effect of temporary differences not recognised	<u>(94)</u>	<u>(16)</u>
Actual tax expense	<u>15,862</u>	<u>18,370</u>

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 RMB36,628,000 (2024: RMB42,722,000) and the weighted average number of ordinary shares of 202,798,142 shares (2024: 160,684,910 shares) in issue during the year, calculated as follows:

Weighted-average number of ordinary shares:

	2025	2024
Issued ordinary shares at January 1	160,684,910	160,684,910
Effect of shares issued by initial public offering and placing	<u>42,113,232</u>	<u>–</u>
Weighted average number of ordinary shares at December 31	<u><u>202,798,142</u></u>	<u><u>160,684,910</u></u>

(b) Diluted earnings per share

The Company had no dilutive potential ordinary shares outstanding during the years ended 31 December 2025 and 2024, therefore diluted earnings per share were the same as the basic earnings per share.

9 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Financial assets measured at FVOCI – non-current		
– Unlisted equity securities	<u><u>56,659</u></u>	<u><u>31,710</u></u>

Note: The Group designated these investments at FVOCI (non-recycling), as the investments are held for strategic purposes. During the year ended 31 December 2025, the Group received cash dividends of RMB176,000 (2024: RMB293,000), from the investment in listed and unlisted equity securities.

10 TRADE AND BILLS RECEIVABLES

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables		
– third parties	247,415	173,007
Bills receivables	<u>150,000</u>	<u>17,000</u>
	<u><u>397,415</u></u>	<u><u>190,007</u></u>

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

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 to be of good credit quality and non-settlement of these bills by the issuing banks on maturity to be not probable. As at 31 December 2025, the Group's maximum exposure to loss and undiscounted cash outflow, which is the 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).

Ageing analysis

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

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Within 3 months	122,321	122,506
Over 3 months but within 6 months	70,618	44,062
Over 6 months but within 9 months	38,336	3,293
Over 9 months but within 12 months	15,990	3,021
Over 12 months	150	125
	247,415	173,007
	247,415	173,007

Trade receivables are due within 90 days from the date of billing.

11 TRADE AND BILLS PAYABLES

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Trade payables	111,190	110,285
Bills payables	9,250	–
	120,440	110,285
	120,440	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:

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Within 3 months	90,069	89,894
3 to 12 months	21,478	12,856
Over 12 months	8,893	7,535
	<u>120,440</u>	<u>110,285</u>

12 CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends

The directors of the Company did not propose the payment of any dividend as at 31 December 2025 (2024: Nil).

(b) Share capital

	No. of shares	Share capital <i>RMB'000</i>	Capital reserve <i>RMB'000</i>	Total <i>RMB'000</i>
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)</i>)	53,562,000	53,562	53,628	107,190
Issue of ordinary shares by placing (<i>Note (ii)</i>)	21,392,655	21,393	31,818	53,211
At 31 December 2025	<u>235,639,565</u>	<u>235,640</u>	<u>233,442</u>	<u>469,082</u>

Notes:

- (i) 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.
- (ii) On 2 December 2025, the Company issued a total of 21,392,655 Placing Shares of RMB1.0 each at a price HK\$2.90 per H Share placed to not less than six Placees. Consequently, RMB21,393,000 was recorded in share capital. The amount of total proceeds raised from the Offering was HK\$62,039,000 (equivalent to approximately RMB56,381,000). The share capital increased by RMB21,393,000 and corresponding premium of RMB31,818,000 (after deduction of issuance costs) was recognized in capital reserve.

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 focused 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 a 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 certain shop floor areas and shop premises in our retail stores and malls to other retail operators such as restaurants, hotels and pharmacies, etc. and receive rental income.
- **Supply and sales of meals:** We operate a central kitchen that produces meals and delivers to local corporates, schools or government entities.

* For identification purpose only

In the year 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 year ended 31 December 2025 was RMB1,544.0 million, representing an increase of 14.3% from 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 2024, with gross domestic product (GDP) growing 5.0% 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 (31.8% in 2024) while offline channels continued to 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 particularly 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 experienced robust 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 14.3% from RMB1,350.9 million for the year ended 31 December 2024 to RMB1,544.0 million for the year ended 31 December 2025, primarily attributable to the increase in our revenue generated from (i) sales of goods from both retail and wholesale operations and (ii) supply and sales of meals.

For the year ended 31 December 2025, our revenue generated from wholesale increased by 20.4% to approximately RMB878.8 million from approximately RMB729.8 million for the year ended 31 December 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 year ended 31 December 2025, our revenue generated from general sales from retail operations increased by 9.5% to approximately RMB554.0 million from approximately RMB505.8 million for the year ended 31 December 2024. Such increase was mainly driven by that we optimized our store structure, making adjustments to some inefficient stores while opening new experiential stores, thereby boosting customer traffic and average transaction value.

For the year ended 31 December 2025, our revenue generated from bulk sales from retail operations decreased by 8.6% to approximately RMB45.4 million from approximately RMB49.7 million for the year ended 31 December 2024. Such decrease was mainly driven by that we proactively scaled back some of our low-margin and high-risk bulk sales from retail operations.

For the year ended 31 December 2025, our revenue generated from commission income from concessionaire sales and supply of goods decreased by 12.3% to approximately RMB30.7 million from approximately RMB34.9 million for the year ended 31 December 2024. Such decrease was mainly driven by the decline in concessionaire sales led to a relative decrease in corresponding commission income.

For the year ended 31 December 2025, our revenue generated from supply and sales of meals increased by 38.1% to approximately RMB23.3 million from approximately RMB16.9 million for the year ended 31 December 2024. Such increase was mainly driven by the increase in number of contracts produce meals and deliver to local schools.

For the year ended 31 December 2025, our revenue generated from rental income from operating lease decreased by 14.6% to approximately RMB11.8 million from approximately RMB13.9 million for the year ended 31 December 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 year ended 31 December 2025 was RMB1,254.7 million, representing an increase of RMB192.8 million or 18.2% compared with last year; primarily attributable to the increase in the costs of wholesale, general sales from retail operations and supply and sales of meals.

Gross profit and gross profit margin

As a result of the above, our gross profit for the year ended 31 December 2025 was RMB289.3 million, remaining stable as compared with last year; while our gross profit margin was 18.7%, representing a decrease by 2.7 percentage points compared with last year, primarily attributable to (i) 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 year 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 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 decreased from RMB7.7 million for the year ended 31 December 2024 to RMB7.2 million for the year ended 31 December 2025, primarily as a result of a decrease in our service income.

Other net (loss)/gain

Our other net loss was approximately RMB1.2 million for the year ended 31 December 2025, while our other net gain was approximately RMB1.6 million for the year ended 31 December 2024. Such decrease was mainly driven by the change in net foreign exchange gain in 2024 to loss in 2025.

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 year ended 31 December 2025 were RMB146.8 million, representing a decrease of 8.5% compared with 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 9.1% from RMB54.4 million for the year ended 31 December 2024 to RMB59.4 million for the year ended 31 December 2025, primarily because of the increase in Listing expenses, and partly set off by the decrease in staff costs.

Impairment (loss)/reversal 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 year ended 31 December 2025 was RMB10.5 million, compared with the impairment reversal of RMB0.9 million for the year ended 31 December 2024. Such change was mainly driven by the increase in trade receivables compared with last year, mainly due to an increase in trade receivables aged 3 to 12 months. Our management has strengthened contractual terms, clarified payment milestones, payment terms, and liabilities for breach of contract, and adjusted payment terms in real time based on customer payment performance, in order to reduce bad debts.

Net finance costs

Our net finance costs for the year ended 31 December 2025 was RMB23.3 million, representing an increase of RMB1.2 million compared with last year, mainly due to the increase in interest expenses on bank loans and other borrowings.

Income tax

The income tax expenses decreased from RMB18.4 million for the year ended 31 December 2024 to RMB15.9 million for the year ended 31 December 2025, mainly due to the decrease in profit before taxation for the year ended 31 December 2025 as compared with last year.

Profit for the year

For the foregoing reasons, we recorded a profit of RMB38.2 million for the year ended 31 December 2025, representing a decrease of 13.0%, compared to a profit of RMB44.0 million for the year ended 31 December 2024. Such decrease is mainly attributable to the increase in Listing expenses and impairment loss on trade and other receivables, and partly set off by the decrease in staff costs.

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 metrics 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 definitions of non-IFRS financial measures may differ among companies.

We adjusted for certain items as our non-IFRS financial measures, in order to provide potential investors with a complete 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 mainly represent expenses incurred in connection with the Listing and are added back because they were incurred solely 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 year ended 31 December 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 year ended 31 December 2024 and 31 December 2025, respectively:

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Profit for the year	38,238	43,975
<i>Adjusted:</i>		
Listing expenses	12,552	7,276
Adjusted net profit (Non-IFRS measure) for the year	<u>50,790</u>	<u>51,251</u>
Adjusted net profit margin (Non-IFRS measure)	<u>3.3%</u>	<u>3.8%</u>

Financial condition

Shareholders' equity increased from RMB540.9 million as at 31 December 2024 to RMB739.5 million as at 31 December 2025, mainly due to the Global Offering and the profit for the year.

Liquidity and financial resources, treasury policies and capital structure

The Group has maintained a sound financial position during the Reporting Period. As at 31 December 2025, the Group's cash and cash equivalents amounted to approximately RMB238.4 million (2024: RMB216.9 million). For the year ended 31 December 2025, our net cash used in operating activities was approximately RMB77.0 million (2024: RMB140.1 million generated from operating activities).

The Group recorded total current assets of approximately RMB1,404.0 million as at 31 December 2025 (2024: approximately RMB1,056.6 million) and total current liabilities of approximately RMB954.3 million as at 31 December 2025 (2024: approximately RMB774.6 million). The current ratio (calculated by dividing the current assets by the current liabilities) of the Group was approximately 1.47 as at 31 December 2025 (2024: approximately 1.36).

As at 31 December 2025, the sum of long-term bank loans and other borrowings amounted to RMB56.1 million, which should be repaid within 2 years to 5 years. The sum of short-term bank loans and other borrowings amounted to RMB543.2 million, with maturities of one year or less. 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 31 December 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 31 March 2025 (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 RMB74.5 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 31 December 2025, the Group pledged (i) land use rights with a net book value of RMB27.8 million, (ii) plants and buildings with a net book value of RMB27.3 million; and (iii) machinery and equipment, office and other equipment, and motor vehicles with a net book value of RMB1.8 million, for the Group's bank loans and other borrowings of RMB579.4 million. These borrowings are for general business operation purposes.

Contingent liabilities

As of 31 December 2025, the Group 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 RMB599.4 million as at 31 December 2025. As such, our gearing ratio, calculated as total borrowings divided by the total equity as at the end of the year, was approximately 81.1% (2024: 86.6%).

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

During the Reporting Period, the Group made investment of RMB25.0 million in 海科宏信數字科技(深圳)有限公司 (Haike Hongxin Digital Technology (Shenzhen) Co. Ltd.*) (“**Haike**”). As a result, the Group holds equity interest of 18% in Haike. The investment in Haike is accounted for as a financial asset measured at fair value through other comprehensive income. Haike is mainly engaged in digital technology services, including the development and application of artificial intelligence, intelligent robotics, software, and blockchain solutions. Its business also covers data processing, ecommerce, import and export, advertising, and related consulting and technical services. On 1 December 2025, the Company entered into a capital increase agreement, pursuant to which, the Company conditionally agreed to contribute a capital increase of RMB53.2 million in cash to Haike and subscribe for the corresponding amount of new registered capital (the “**Capital Increase**”). Upon completion of the Capital Increase, the Company’s shareholding in Haike will increase from the current approximately 18% to approximately 40.71%, and Haike will be regarded as an associate of the Company. Immediately prior to the initial investment and the Capital Increase, Haike was an independent third party. As one of the applicable percentage ratios in respect of the investment in Haike and the Capital Increase on an aggregated basis exceeds 5% but is less than 25% as determined in accordance with Rule 14.07 of the Listing Rules, the investment in Haike constitutes a discloseable transaction of the Company for the purpose of Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements but is exempt from the circular and shareholders’ approval requirements under Chapter 14 of the Listing Rules. Please refer to the announcement of the Company dated 1 December 2025 for details. The transaction did not constitute connected transaction under Chapter 14A of the Listing Rules.

* For identification purpose only

During the Reporting Period, the Group also made investment of HKD20.0 million (equivalent to RMB18.3 million) in Hon Wang Holdings Limited (漢宏控股有限公司) (“**Hon Wang**”). As a result, the Group holds equity interest of 40% in Hon Wang. 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. Hon Wang is mainly engaged in the investment holding of consumer goods business. Immediately prior to the investment, Hon Wang was an independent third party. As all applicable percentage ratios under the Listing Rules for the investment in Hon Wang were below 5%, this transaction did not constitute notifiable transactions under Chapter 14, nor did it constitute connected transaction 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 of the Company dated 21 March 2025 (the “**Prospectus**”), as of 31 December 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 year ended 31 December 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 year ended 31 December 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 31 December 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 31 December 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 31 December 2025 and up to the date of this announcement.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2025, we had a total of 1,335 employees, all of whom were based in Jiangsu Province. For the year ended 31 December 2025, the total employee benefits (including directors' remuneration) amounted to RMB90.9 million (2024: RMB101.1 million).

The following table sets forth a breakdown of our employees categorised by function as of 31 December 2025.

	No. of employees
Management	14
Administrative	117
Financial and Information Technology	45
Marketing	23
Procurement	26
Logistics	71
Operational	<u>1,039</u>
Total	<u><u>1,335</u></u>

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 under relevant PRC labour laws. As disclosed in the section headed "Business – Non-compliance" in the Prospectus, our PRC operating subsidiaries did not make full social insurance contributions and housing provident fund contributions for all of their 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 have our operating entities received any order 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 an ongoing basis and determine whether additional personnel are required to support the business development of our Group.

TRAINING

Our human resources department introduces our standards and culture to our new staff and prepare a series of compulsory trainings for them, with a focus on hard skills such as company introduction and working procedures. Our store managers also provide training to 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 suitable management personnel as required for our business expansion.

We have established 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 encountered any significant difficulties in recruiting or retaining qualified staff.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

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 31 December 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 its 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 in each financial year.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2025 (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 for 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, the actual Net Proceeds amounted 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\$22.9 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 <i>(approximate HK\$ million)</i>	Revised allocated Net Proceeds from the Global Offering based on the Actual Listing Expenses <i>(approximate HK\$ million)</i>	Net Proceeds utilised since the Listing and up to the date of this announcement <i>(approximate HK\$ million)</i>	Expected timeline of full utilisation of Net Proceeds	Remaining amount as at the date of this announcement <i>(approximate HK\$ million)</i>
To open new retail stores	30.9%	32.5	27.5	21.9	By 31 March 2027	5.6
(i) Store renovation	9.2%	9.7	8.2	8.2	Not applicable	–
(ii) Purchase of shelves	8.9%	9.4	7.9	5.2	By 31 March 2027	2.7
(iii) Purchase of cold storage facilities, lightings, air-conditioning, CCTV surveillance system and POS system	8.4%	8.8	7.5	4.6	By 31 March 2027	2.9
(iv) Installation of fire safety system	4.4%	4.6	3.9	3.9	Not applicable	–
To establish a new distribution centre	41.2%	43.3	36.7	–	By 31 March 2027	36.7
(i) Acquisition of a parcel of land located in Jiangu District, Jiangsu Province, the PRC	14.8%	15.6	13.2	–	By 31 March 2027	13.2
(ii) Construction of the new distribution centre	18.3%	19.2	16.3	–	By 31 March 2027	16.3
(iii) Acquisition of shelves, lightings and ancillary facilities and installing fire safety system	8.1%	8.5	7.2	–	By 31 March 2027	7.2
To establish a new central kitchen	26.8%	28.1	23.9	–	By 31 March 2027	23.9
(i) Construction of the new central kitchen	5.0%	5.2	4.5	–	By 31 March 2027	4.5
(ii) Acquisition of machines and equipment	10.0%	10.5	8.9	–	By 31 March 2027	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 2027	9.2
(iv) Acquisition of additional vehicles for the delivery of meals	1.5%	1.6	1.3	–	By 31 March 2027	1.3
To enhance our ERP system and infrastructure systems	1.1%	1.2	1.0	1.0	Not applicable	–

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

FUND RAISING AND USE OF PROCEEDS

During the Reporting Period, the Company issued and allotted 21,392,655 new H Shares at placing price of HK\$2.9 per H Share through placing of new H Shares on 2 December 2025 (the “**Placing**”). The gross proceeds and net proceeds (after deducting the commission and estimated expenses) from the Placing amounted to approximately HK\$62.04 million and approximately HK\$58.55 million, respectively. The net proceeds from the Placing is expected to be entirely applied towards the capital injection into Haike. Further details of the Placing were disclosed in the announcements of the Company dated 11 November 2025, 17 November 2025 and 2 December 2025.

The net proceeds from the Placing will be entirely applied towards the capital injection into Haike. As at the date of this announcement, the net proceeds have not yet been utilized and expected to be utilized by June 2026.

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 31 December 2025, the Company did not hold any treasury shares.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transaction by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules to regulate all dealings by the Directors and relevant employees of securities in the Company and other matters covered by the Model Code since the Listing Date. Having made specific enquiries with all the Directors of the Company, all the Directors 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 31 December 2025.

AUDIT COMMITTEE

The Board has established an Audit Committee, which comprises four independent non-executive Directors, namely, Ms. Jia Meng (賈夢) (chairperson of the Audit Committee), Mr. Zheng Manjun (鄭滿軍), Mr. Zheng Yu (鄭宇) and Ms. Zhang Yan (張燕), 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 reviewed the audited consolidated annual results for the year ended 31 December 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 has also discussed the auditing, internal control and financial reporting matters.

SCOPE OF WORK OF KPMG

The financial figures in respect of the preliminary announcement of the Group's annual results for the year ended 31 December 2025 have been agreed by the Company's auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group's audited consolidated financial statements for the year and the amounts were found to be in agreement. The work performed by KPMG in this respect did not constitute an audit, review or other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by KPMG.

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The annual general meeting (the "AGM") will be held on Tuesday, 2 June 2026. For the purpose of determining the identity of the H Shareholders who are entitled to attend and vote at the AGM, the register of members of the Company will be closed from Thursday, 28 May 2026 to Tuesday, 2 June 2026, both days inclusive, during which period no transfer of shares of the Company will be effected. H Shareholders whose names appear on the register of members of the Company on Tuesday, 2 June 2026 are entitled to attend the AGM. All transfers accompanied by the relevant share certificates must be lodged with the Company's H share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, by no later than 4:30 p.m. on Wednesday, 27 May 2026.

PUBLICATION OF THE ANNUAL RESULTS AND ANNUAL REPORT

The annual 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 annual 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, 20 March 2026

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 Ms. Jia Meng, Mr. Zheng Manjun, Mr. Zheng Yu and Ms. Zhang Yan as independent non-executive directors.