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北京京客隆商業集團股份有限公司
BEIJING JINGKELONG COMPANY LIMITED*

(a joint stock limited company incorporated in the People's Republic of China)

(Stock Code: 814)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

The board of directors (the "**Board**") of Beijing Jingkelong Company Limited (the "**Company**" or "**Jingkelong**") hereby announces the unaudited consolidated results of the Company and its subsidiaries (collectively the "**Group**") for the six months ended 30 June 2026 (the "**Reporting Period**"). The unaudited consolidated results have been reviewed by the auditors of the Company, BDO CHINA Shu Lun Pan Certified Public Accountants LLP (立信會計師事務所(特殊普通合夥)) and the audit committee of the Company (the "**Audit Committee**").

Certain amounts and percentages presented in this announcement have been rounded up.

(Important Notice: This announcement is published in both Chinese and English. In the event of any discrepancy between the two versions, the Chinese version shall prevail.)

* *For identification purposes only*

FINANCIAL INFORMATION

CONSOLIDATED BALANCE SHEETS

Item	*Note*	**2026.6.30** *RMB* **(unaudited)**	2025.12.31 *RMB* (audited)
Current assets:			
Cash and bank balances		**776,368,354**	821,775,702
Notes receivable		**–**	–
Accounts receivable	*3*	**849,690,328**	880,786,450
Prepayments		**693,600,303**	853,015,006
Other receivables		**47,727,243**	43,107,886
Inventories		**1,117,867,803**	1,320,044,887
Non-current assets due within one year		**–**	–
Other current assets		**190,203,504**	197,687,999
Total current assets		**3,675,457,535**	4,116,417,930
Non-current assets:			
Other equity instrument investment		**–**	43,000,000
Other non-current financial assets		**55,427,461**	18,159,931
Investment properties		**126,714,655**	133,176,540
Fixed assets		**611,715,558**	639,551,669
Construction in progress		**120,898,038**	118,873,448
Right-of-use assets		**399,644,412**	473,910,781
Intangible assets		**234,777,812**	241,345,229
Goodwill		**78,951,734**	78,951,734
Long-term prepaid expenses		**67,363,500**	75,575,147
Deferred tax assets		**31,731,637**	25,458,572
Other non-current assets		**126,925,524**	123,382,419
Total non-current assets		**1,854,150,331**	1,971,385,470
TOTAL ASSETS		**5,529,607,866**	6,087,803,400

Item	Note	**2026.6.30** **RMB** **(unaudited)**	2025.12.31 *RMB* (audited)
Current liabilities:			
Short-term borrowings		**2,404,908,672**	2,413,759,881
Notes payable		**216,490,565**	499,019,075
Accounts payables	*4*	**413,860,567**	449,012,429
Advance receipts		**8,182,331**	11,565,844
Contract liabilities		**247,813,616**	299,859,609
Payroll payable		**1,175,820**	1,252,789
Taxes payable		**28,087,626**	26,204,898
Other payables		**330,235,688**	300,795,423
Non-current liabilities due within one year		**154,214,108**	184,641,982
Other current liabilities		**47,905,580**	40,399,596
Total current liabilities		**3,852,874,573**	4,226,511,526
Non-current liabilities:			
Lease liabilities		**364,366,357**	372,801,234
Estimated liabilities		**–**	–
Deferred income		**8,157,409**	9,710,325
Deferred tax liabilities		**3,571,067**	5,168,274
Total non-current liabilities		**376,094,833**	387,679,833
TOTAL LIABILITIES		**4,228,969,406**	4,614,191,359
SHAREHOLDERS' EQUITY			
Share capital		**412,220,000**	412,220,000
Capital reserves		**605,331,135**	605,331,135
Surplus reserves		**169,059,880**	169,059,880
Undistributed profits	*5*	**(139,771,417)**	9,890,127
Total equity attributable to shareholders of the parent company		**1,046,839,598**	1,196,501,142
Minority interests		**253,798,862**	277,110,899
TOTAL SHAREHOLDERS' EQUITY		**1,300,638,460**	1,473,612,041
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**5,529,607,866**	6,087,803,400

CONSOLIDATED INCOME STATEMENT

Item		Note	**Six months ended 30 June 2026** *RMB* **(unaudited)**	Six months ended 30 June 2025 *RMB* (unaudited)
I.	**Total operating income**		**3,867,162,320**	4,390,170,245
	Including: Operating income		**3,867,162,320**	4,390,170,245
II.	**Total operating costs**		**4,010,317,248**	4,504,140,889
	Including: Operating cost	*6*	**3,234,637,649**	3,648,245,717
	Taxes and surcharges		**14,492,924**	16,306,297
	Selling expenses		**605,524,631**	658,091,743
	Administrative expenses		**120,712,785**	128,350,255
	Financial expenses		**34,949,259**	53,146,877
	Add: Other income		**4,046,474**	3,942,464
	Investment income		**(10,472,461)**	3,442,411
	Gains or losses on changes in fair value		**(5,732,470)**	(6,790,464)
	Impairment losses on credits		**(11,139,085)**	(8,276,052)
	Impairment losses on assets		**–**	–
	Gains on disposal of assets		**1,844,197**	4,076,942
III.	**Operating profit**		**(164,608,273)**	(117,575,343)
	Add: Non-operating income		**1,971,733**	1,550,798
	Less: Non-operating expenses		**252,093**	1,273,701
IV.	**Total profit**		**(162,888,633)**	(117,298,246)
	Less: Income tax expense	*7*	**(2,962,161)**	(1,943,297)
V.	**Net profit**		**(159,926,472)**	(115,354,949)
	(I) Classified by business continuity			
	1. Net profit from continued operations		**(159,926,472)**	(115,354,949)
	2. Net profit from discontinued operations		**–**	–
	(II) Classified by ownership			
	1. Net profit attributable to shareholders of the parent company		**(149,661,544)**	(109,054,958)
	2. Profit or loss attributable to minority interests		**(10,264,928)**	(6,299,991)

Item	Note	**Six months ended 30 June 2026** *RMB* **(unaudited)**	Six months ended 30 June 2025 *RMB* (unaudited)
VI. Net value of other comprehensive income after tax			
Net value of other comprehensive income attributable to shareholders of the parent company after tax		**–**	–
Other comprehensive income that cannot be reclassified into profit or loss subsequently		**–**	–
Changes in fair value of other equity instrument		**–**	–
Other comprehensive income attributable to non-controlling interests, net of tax		**–**	–
VII. Total comprehensive income		**(159,926,472)**	(115,354,949)
Total comprehensive income attributable to shareholders of the parent company		**(149,661,544)**	(109,054,958)
Total comprehensive income attributable to minority interests		**(10,264,928)**	(6,299,991)
VIII. Earnings per share			
(I) Basic earnings per share	*8*	**(0.36)**	(0.26)
(II) Dilutive earnings per share		**N/A**	N/A

NOTES:

1. GENERAL INFORMATION

The Company is a joint stock limited company incorporated in the People's Republic of China (the "**PRC**"). On 1 November 2004, upon the approval of the Beijing Administration for Industry and Commerce (北京市工商局), the Company was transformed from Beijing Jingkelong Supermarket Chain Group Limited (formerly known as "**Beijing Jingkelong Supermarket Chain Company Limited**"). The registered capital of the Company is RMB412,220,000. The Company's unified social credit code is 91110000101782670P. The registered office of the Company is located at Block No. 45, Xinyuan Street, Chaoyang District, Beijing. The Group is principally engaged in the retail and wholesale distribution of daily consumer products.

On 25 September 2006, the H shares issued by the Company were listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited ("**SEHK**"). On 26 February 2008, all the H shares were transferred to the Main Board for listed trading. The Company issued a total of 412,220,000 ordinary shares as at 30 June 2026.

The controlling shareholder of the Company is Beijing Chaofu State-owned Assets Administration Company Limited ("**Chaofu**", formerly known as "**Beijing Chaoyang Auxiliary Food Company**").

2. BASIS OF PREPARATION OF INTERIM FINANCIAL STATEMENTS

The financial statements are presented on a going concern basis. The financial statements are prepared based on the actual transactions and events and in accordance with the "Accounting Standards for Business Enterprises – Basic Standard" (issued by Ministry of Finance Order No.33 and revised by Ministry of Finance Order No.76), 42 specific accounting standards, implementation guidelines and explanations of enterprise accounting standards and other relevant provisions issued on 15 February 2006 and those updated afterwards (hereafter collectively referred to as "**ASBE**"), and the disclosure requirements of the Companies Ordinance (Cap.622 of the Laws of Hong Kong) and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

In accordance with Accounting Standards for Business Enterprises, the Group has adopted the accrual basis of accounting. Except for certain financial instruments, the Company adopts the historical cost as the principle of measurement in the financial statements. When assets are impaired, provisions for asset impairment are made in accordance with relevant requirements.

3. ACCOUNTS RECEIVABLE

Item		2026.6.30 *RMB* (unaudited)		
Aging	**Carrying Amount**	**Proportion %**	**Credit loss allowance**	**Net book value**
Within 1 year	**646,292,199**	**67**	**754,375**	**645,537,824**
1-2 years	**64,550,494**	**7**	**2,041,564**	**62,508,930**
2-3 years	**36,127,223**	**4**	**4,124,281**	**32,002,942**
3-4 years	**137,362,255**	**14**	**35,820,607**	**101,541,648**
4-5 years	**16,294,603**	**2**	**8,195,619**	**8,098,984**
Over 5 years	**59,646,018**	**6**	**59,646,018**	
Total	**960,272,792**	**100**	**110,582,464**	**849,690,328**

4. NOTES AND ACCOUNTS PAYABLE

Item	**2026.6.30** ***RMB*** **(unaudited)**	2025.12.31 *RMB* (audited)
Notes Payable	**216,490,565**	499,019,075
Accounts Payable	**413,860,567**	449,012,429
Total	**630,351,132**	948,031,504

As at 30 June 2026, security deposit for the issuance of bank acceptances above amounted to RMB56,046,274 (31 December 2025: RMB130,758,866).

All of the bank acceptances of the Group will be due within one year.

The aging analysis of the accounts payable based on the transaction date is as follows:

Item	**2026.6.30** ***RMB*** **(unaudited)**	2025.12.31 *RMB* (audited)
Within 1 year	**329,258,703**	422,906,873
1 to 2 years	**67,626,734**	14,965,663
2 to 3 years	**6,317,117**	2,610,942
Above 3 years	**10,658,013**	8,528,951
Total	**413,860,567**	449,012,429

The majority of accounts payable aging over one year consists of final payments for suppliers.

5. UNDISTRIBUTED PROFITS

Item	**Six months ended 30 June 2026** *RMB* **(unaudited)**	Six months ended 30 June 2025 *RMB* (unaudited)
Undistributed profits at the beginning of the period before adjustment	**9,890,127**	139,088,762
Adjustment of the total undistributed profits at the beginning of the period	**–**	–
Undistributed profits at the beginning of the period after adjustment	**9,890,127**	139,088,762
Add: Net profit attributable to the shareholders of the parent company for the period	**(149,661,544)**	(109,054,958)
Less: Withdrawal of statutory surplus reserve	**–**	–
Less: Ordinary shares' dividends payable	**–**	–
Undistributed profit at the end of the period	**(139,771,417)**	30,033,804

Dividend

The dividend distributed to the shareholders of the Company for the year ended 31 December 2025 was RMB0 per share (corresponding period last year: dividend distributed for the year ended 31 December 2024 was RMB0 per share). The total dividend distributed amounted to RMB0 (corresponding period last year: RMB0).

The Board did not recommend the distribution of any interim dividend for the six months ended 30 June 2026 (the corresponding period last year: nil).

6. OPERATING INCOME AND OPERATING COST

(1) Operating income and operating cost

	Six months ended 30 June 2026 *RMB* **(unaudited)**		Six months ended 30 June 2025 *RMB* (unaudited)	
Item	**Income**	**Cost**	Income	Cost
Principal businesses	**3,476,948,804**	**3,220,643,508**	3,984,419,068	3,641,355,895
Other businesses	**390,213,516**	**13,994,141**	405,751,177	6,889,822
Total	**3,867,162,320**	**3,234,637,649**	4,390,170,245	3,648,245,717

(2) Principal operating activities (classified by industry segments)

Item	Six months ended 30 June 2026 RMB (unaudited) Principal operating income	Six months ended 30 June 2026 RMB (unaudited) Principal operating cost	Six months ended 30 June 2025 RMB (unaudited) Principal operating income	Six months ended 30 June 2025 RMB (unaudited) Principal operating cost
Retail	**917,995,430**	**764,790,952**	1,077,392,855	898,518,562
Wholesale	**2,553,695,895**	**2,454,403,013**	2,902,661,033	2,740,106,967
Others	**5,257,479**	**1,449,543**	4,365,180	2,730,366
Total	**3,476,948,804**	**3,220,643,508**	3,984,419,068	3,641,355,895

The principal operating income mainly consists of income from selling food, non-staple food, daily consumer goods, beverages and wines, etc.

7. INCOME TAX EXPENSE

Item	Six months ended 30 June 2026 *RMB* (unaudited)	Six months ended 30 June 2025 *RMB* (unaudited)
Current income tax expense computed according to tax law and relevant requirements	**4,908,112**	7,024,567
Deferred income tax expense	**(7,870,273)**	(8,967,864)
Total	**(2,962,161)**	(1,943,297)

Reconciliation between income tax expense and accounting profit is as follows:

Item	**Six months ended 30 June 2026** ***RMB*** **(unaudited)**	Six months ended 30 June 2025 *RMB* (unaudited)
Accounting profit	**(162,888,633)**	(117,298,246)
Income tax expenses calculated at statutory/appropriate tax rate	**(40,722,158)**	(16,498,213)
Effect of subsidiary companies adopting different tax rates	**(363,331)**	(564,365)
Effect of adjusting the previous years' income tax	**442,534**	565,872
Effect of non-taxable income	**(572,087)**	(837,013)
Effect of non-deductible costs, expenses and losses	**6,719,046**	453,535
Effect of using deductible losses of previously unrecognized deferred tax assets	**6,865,581**	3,621,894
Effect of deductible temporary differences or deductible losses of unrecognized deferred tax assets in the period	**24,668,254**	11,314,993
Total	**(2,962,161)**	(1,943,297)

8. EARNINGS PER SHARE

Item	**Six months ended 30 June 2026 (unaudited)**	Six months ended 30 June 2025 (unaudited)
Net profit for the period attributable to shareholders of the parent company (RMB)	**(149,661,544)**	(109,054,958)
Number of ordinary shares used in the calculation of basic earnings per share	**412,220,000**	412,220,000

Item	**Six months ended 30 June 2026** ***RMB*** **(unaudited)**	Six months ended 30 June 2025 *RMB* (unaudited)
Calculated based on the net profit attributable to ordinary shareholders of the parent company:		
Basic earnings per share	**(0.36)**	(0.26)

9. NET CURRENT ASSETS

Item	**2026.6.30** ***RMB*** **(unaudited)**	2025.12.31 *RMB* (audited)
Current assets	**3,675,457,535**	4,116,417,930
Less: Current liabilities	**3,852,874,573**	4,226,511,526
Net current assets	**(177,417,038)**	(110,093,596)

10. TOTAL ASSETS LESS CURRENT LIABILITIES

Item	**2026.6.30** ***RMB*** **(unaudited)**	2025.12.31 *RMB* (audited)
Total assets	**5,529,607,866**	6,087,803,400
Less: Current liabilities	**3,852,874,573**	4,226,511,526
Total assets less current liabilities	**1,676,733,293**	1,861,291,874

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

In the first half of 2026, the global economic environment remained complex and volatile, while the consumer market entered into a new phase value alignment and refined operational management. Within the domestic consumption sector, strong resilience and structural optimization trends were observed amid these challenging conditions; the focus of demand gradually shifted from a "commodity-dominated" model to one that equally emphasizes both commodities and services, while consumers' preferences for quality upgrades and experiential consumption continued to rise. In the innovative retail sector, digitalisation and supply chain optimization served as dual drivers, continuously unleashing economic potential. During the Reporting Period, the Group enhanced its operational service system and brand collaboration strategy, advancing initiatives such as cultural integration, product quality improvement, operational efficiency enhancement, and service upgrading; its business performance remained stable, with signs of improvement, thereby strengthening its core competitiveness to support high-quality development.

Retail Business

The Group had 77 retail outlets as at 30 June 2026, including 73 directly-operated outlets and 4 franchise-operated outlets, with a total net operating area of approximately 86,192.54 square metres. The following table sets out the number and net operating area of the Group's retail outlets as at 30 June 2026:

	Department Stores	**Hypermarkets**	**Supermarkets**	**Convenience stores**	**Total**
Number of retail outlets:					
Directly-operated	1	7	27	38	73
Franchise-operated				4	4
Total	**1**	**7**	**27**	**42**	**77**
Net operating area (square metres):					
Directly-operated	20,724	18,237	39,497	7,007.54	85,465.54
Franchise-operated				727.00	727.00
Total	**20,724**	**18,237**	**39,497**	**7,734.54**	**86,192.54**

During the Reporting Period, no new retail outlets were set up, whereas one (1) supermarket, three (3) directly-operated convenience stores, and two (2) franchise-operated convenience stores were closed due to the expiry of lease and adjustment to the business strategy.

Renewing the Brand Image

During the Reporting Period, the Group remained committed to its core corporate culture philosophy, systematically advancing its brand image revitalization initiative. The Group coordinated upgrades to store displays, wayfinding systems, and service facilities; multiple stores completed their storefront signage updates, resulting in a significant enhancement of brand recognition and scenario-based customer experience. The Group also revitalized its new media operation matrix by integrating store-specific events, community promotions, and holiday campaigns into immersive promotional activities, thereby creating a coordinated omnichannel communication strategy. The Group upgraded its membership system, effectively increasing repurchase rates through differentiated benefit offerings, while simultaneously boosting member loyalty and consumption. Furthermore, the Group continued its efforts towards age-friendly renovations, completing the designation of three "senior-friendly" supermarkets and launching "Warm Night Snack Delivery Services" at several stores – providing free late-night snacks for delivery riders and other new employment groups – earning widespread acclaim and steadily strengthening the brand's image and social recognition.

Optimizing Merchandise Management

During the Reporting Period, the Group focused on optimizing its merchandise management strategy by actively introducing high-quality new products and promptly phasing out underperforming or slow-selling items, balancing product variety with efficient product rotation. The Group adhered to a product selection approach driven by frontline service feedback, deeply integrating store service insights into procurement decisions to foster the synergistic integration of both product quality and service capabilities. Additionally, the Group established a dynamically updatable product knowledge base that provides systematic interpretations of products across dimensions such as execution standards, nutritional information, usage scenarios, purchasing and storage guidelines, and usage instructions; this approach leverages professional expertise to enhance operational management, fully utilising the product display function of its self-operated mini-program, and driving a refined operation of merchandise management.

Enhancing Service Quality Standards

During the Reporting Period, the Group focused on systematically enhancing its service quality by actively advancing the institutional transformation of its service management. The Group formulated and implemented relevant service management regulations, released accompanying service demonstration videos, refined service standards, and provided clear and explicit action guidelines for frontline service personnel to ensure that all service requirements are effectively implemented. Simultaneously, the Group launched position-specific training courses and organized specialized training sessions to facilitate the application of acquired knowledge and enhance capabilities through training, thereby promoting the efficient translation of training outcomes into practical work. With a particular emphasis on product management and customer service, the Group leveraged professional expertise to drive sales conversion, resulting in a significant improvement in service quality.

Promoting Store Upgrades and Enhancing Operational Efficiency

During the Reporting Period, the Group conducted specialized research focused on the transformation and upgrading of its retail stores to clarify the direction and implementation roadmap for transformation. Using demonstration stores as a pilot initiative, the Group has focused on establishing a standardized operational system, a refined management mechanism, and a regular supervision framework, ensuring that all improvement measures align with actual business operations and are pragmatic and effective. The Langfang store and Sanlitun store have completed their demonstration store development and team recruitment processes; these stores have demonstrated outstanding performance, with effective initial results from the transformation efforts, and relevant best practices are being steadily disseminated. Concurrently, using pilot stores as a vehicle, the Group has advanced the streamlining and optimization of its organizational structure, strengthened its fundamental management capabilities, and continuously improved the store's organizational framework, thereby accumulating valuable experience and laying a solid foundation for the subsequent expansion and deepening of store reforms.

Technology-Driven Breakthroughs in Efficiency

During the Reporting Period, the Group actively promoted the deep integration of AI technologies by developing business assistant models, exploring AI-powered Q&A and data query scenarios, and building various types of business support tools to enhance intelligent operational capabilities. The Group continued to optimize system functionalities, completed the establishment of a membership tiering and points-based mall system, and enabled differentiated allocation of benefits and multi-channel redemption mechanisms, thereby supporting the implementation of precision marketing. Additionally, the Group optimized the automatic replenishment model, the main dispatch approval process, and the gift acceptance function; established an inventory comparison mechanism; and developed automated reports for seasonal promotions, effectively reducing labor costs. The Data Middle Platform completed the configuration of relevant core indicators, providing a unified data support for decision-making and significantly improving system efficiency.

Strengthening Quality Control Safeguards

During the Reporting Period, the Group established a standardized quality control system covering all product categories. The Group adhered to a dual-track approach combining real-time spot checks with tiered quality management, strengthened the management of vegetables, fruits, cold-chain logistics, and rapid testing processes, and maintained strict quality controls. With freshness management and supply stability as core priorities, the Group enhanced direct sourcing from suppliers and improved supplier evaluation mechanisms, while adding several new categories of directly sourced vegetables and fruits. The Group implemented monthly sales review processes and quarterly category optimization initiatives to continuously expand its range of ready-to-eat, ready-to-heat, and ready-to-cook products, introduced seasonal new products in alignment with consumption patterns, and developed flexible combinations of auxiliary ingredients. Through these multi-dimensional efforts, the Group supported product optimization and strengthened safeguards for quality and safety.

Enhancing the Supply Chain System

During the Reporting Period, the Group focused on upgrading its supply chain services and optimizing operational efficiency, prioritizing frontline service as its primary objective and vigorously advancing the increasing upstream processing of fresh and processed goods. The Group developed and launched multiple categories of processed products, enabling these items to be placed directly on shelves for sale after receipt at stores without requiring secondary sorting, thereby effectively simplifying the replenishment process and reducing the labor burden on frontline staff. By implementing on-demand delivery of both products and packaging materials, the Group successfully prevented material stockpiling at stores and accelerated the standardization of the preparation and sales operations for ready-made products. Furthermore, by leveraging intelligent systems to optimize scheduling decisions, the overall operational efficiency of the supply chain was significantly enhanced.

RETAIL OPERATING RESULTS

An analysis of the principal operating income contributed by the Group's directly-operated hypermarkets, supermarkets and convenience stores is set out as follows:

	For the six months ended 30 June		
	2026	2025	Variance
	RMB'000	*RMB'000*	
Directly-operated retail outlets:			
Hypermarkets	**267,275**	328,233	(18.6%)
Supermarkets	**565,641**	673,232	(16.0%)
Convenience stores	**85,079**	75,927	12.1%
Total retail principal operating income	**917,995**	1,077,392	(14.8%)
Gross profit margin of directly-operated hypermarkets, supermarkets and convenience stores (%)	**16.7%**	16.6%	0.1 percentage point

During the Reporting Period, the principal operating income of the Group's retail business decreased by approximately 14.8%: The decrease was mainly driven by: (i) weaker same-store sales amid shifting consumer behaviour and escalating competitive pressures; and (ii) a deliberate rationalization of store footprint, including the closure of select outlets, which led to a decrease in sales as compared to the corresponding period last year.

During the Reporting Period, the gross profit margin of the directly-operated retail business (excluding department stores) increased from approximately 16.6% in the same period of 2025 to 16.7%, remaining essentially flat.

WHOLESALE BUSINESS

Implementing Multiple Measures to Expand Business Operations

During the Reporting Period, the Group focused its efforts on transformation and upgrading, with improving quality and efficiency as its core objectives, leveraging a comprehensive strategy to empower business development. It continued to deepen supply chain collaborations, aligned with the trend of healthy consumption, introduced zero-additive premium products, and optimized its product category portfolio. The Group advanced the integrated operation of both online and offline channels, while continuously refining its presence in markets such as supermarkets, wholesale sectors, e-commerce platforms, centralized procurement systems, and community retail stores. The Group progressed in an orderly manner with the construction of central kitchens, implemented two processing lines for premium meat and pre-washed vegetables, and collaborated with partner brands to expand into the institutional catering market. The Group upgraded its high-end alcoholic beverage sales channels, established new specialty stores, strengthened coordination with key suppliers, and continuously enhanced its overall competitive position in the market.

Enhancing the Overall Efficiency of Logistics Operations

During the Reporting Period, the Group continued to strengthen its overall logistics operational capabilities by scientifically planning the warehouse layout, continuously optimizing warehousing space, and enhancing warehousing utilization efficiency. By leveraging the TMS (Transportation Management System), the Group implemented intelligent scheduling to coordinate key processes such as cargo allocation, loading, and route planning, thereby reducing unit logistics costs. The Group actively expanded its third-party logistics business, extended its value-added service offerings, and provided integrated warehousing and distribution solutions for its clients. Additionally, the Group continued to optimize the allocation of logistics resources, reinforced its control over loading rates and shipment frequencies, promoted the integration of logistics services, fully leveraged its supporting role, and contributed to the high-quality development of its logistics business.

WHOLESALE OPERATING RESULTS

The wholesale principal operating income and gross profit margin are set out as follows:

	For the six months ended 30 June		
	2026	2025	Variance
	RMB'000	*RMB'000*	
Principal operating income recognised by Chaopi Group*	**2,633,696**	3,042,576	(13.4%)
Less: Intersegment sales	**(80,000)**	(139,915)	(42.8%)
Consolidated wholesale principal operating income	**2,553,696**	2,902,661	(12.0%)
Gross profit margin ** (%)	**3.9%**	5.6%	(1.7 percentage points)

* *Chaopi Group refers to Beijing Chaopi Trading Company Limited and its subsidiaries.*

** *This represents a gross profit margin recognised by Chaopi Group including intersegment sales.*

During the Reporting Period, the core revenue of the wholesale business decreased by approximately 12.0%, primarily due to: (i) a decline in cross-border business revenue caused by brands shifting to direct operation and Vipshop procuring directly from various duty-free channels; and (ii) a decrease in revenue from the department store category resulting from the termination of cooperation with clients such as JD.com and Vipshop.

During the Reporting Period, the gross profit margin of Chaopi Group was 3.9%, compared to 5.6% in the corresponding period of 2025, representing a decrease of 1.7 percentage points, mainly attributable to an overall sales decline amid a weak market environment. Specifically, the alcohol segment was affected by market prices and price adjustments by distilleries, preventing effective price increases and narrowing profit margins. While for the Yili brand, lower sales led to lower manufacturer discounts and subsidies, thereby decreasing the gross profit margin.

FINANCIAL RESULTS

	For the six months ended 30 June		
	2026	2025	Variance
	RMB'000	*RMB'000*	
Principal operating income	**3,476,949**	3,984,419	(12.7%)
Gross profit	**256,305**	343,063	(25.3%)
Gross profit margin (%)	**7.4%**	8.6%	(1.2 percentage points)
Earnings/(losses) before interest and tax	**(123,630)**	(64,831)	(90.7%)
Net profit/(loss)	**(159,926)**	(115,355)	(38.6%)
Net profit/(loss) margin (%)	**(4.1%)**	(2.9%)	(1.3 percentage points)
Net profit/(loss) attributable to shareholders of the parent company	**(149,662)**	(109,055)	(37.2%)
Net profit/(loss) margin attributable to shareholders of the parent company (%)	**(3.9%)**	(2.7%)	(1.2 percentage points)

PRINCIPAL OPERATING INCOME

During the Reporting Period, the Group's principal operating income decreased by approximately 12.7%, of which principal operating income of the retail business decreased by approximately 14.8%, and principal operating income of the wholesale business decreased by approximately 12.0%.

GROSS PROFIT AND GROSS PROFIT MARGIN

During the Reporting Period, the gross profit of the Group decreased by approximately 25.3% compared to the corresponding period last year. During the Reporting Period, the gross profit margin was 7.4% (corresponding period last year: 8.6%).

NET LOSS ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY

During the Reporting Period, net loss attributable to shareholders of the parent company increased by approximately 37.2% compared with the corresponding period last year. The loss before interest and tax of this period amounted to approximately RMB123,630,417, representing an increase of RMB58,799,121 compared with the corresponding period last year, and the net loss attributable to shareholders of the parent company increased from RMB109,054,958 of the corresponding period last year to RMB149,661,544.

LIQUIDITY AND FINANCIAL RESOURCES

During the Reporting Period, the Group mainly financed its operations through internally generated cash flows and bank borrowings.

As at 30 June 2026, the Group had non-current assets of RMB1,854,150,331 (comprising mainly fixed assets, investment properties, and land use rights for a total of RMB955,242,421), and non-current liabilities of RMB376,094,833 (mainly comprising of lease liabilities of RMB364,366,357).

As at 30 June 2026, the Group had current assets of RMB3,675,457,535. Current assets mainly comprised of cash and cash equivalents of RMB776,368,354, inventories of RMB1,117,867,803, notes receivable and accounts receivable of RMB849,690,328, prepayments and other receivables of RMB741,327,546, and other current assets of RMB190,203,504. The Group had total current liabilities of RMB3,852,874,573. Current liabilities mainly comprised of notes payable and accounts payable of RMB630,351,132, short-term bank loans of RMB2,404,908,672 and contract liabilities of RMB247,813,616, and other payables of RMB330,235,688.

INDEBTEDNESS AND PLEDGE OF ASSETS

As at 30 June 2026, the Group had a total loan amount of RMB2,404,908,672, which consisted of accounts receivable factored bank loans of RMB1,851,029, accrued interest payable of RMB1,349,986 and unsecured bank loans of RMB2,401,707,657. All bank loans of the Group's bear interest rates ranging from 1.50% to 4.35% per annum.

Certain margin deposit of the Group's of RMB56,046,274 were pledged for notes payable of RMB216,490,565 as at 30 June 2026.

The Group's gearing ratio* was approximately 76.5% as at 30 June 2026, which was slightly lower than that as at 30 June 2025 (approximately 76.8%).

* *Represented by: Total Liabilities/Total Assets*

FOREIGN CURRENCY RISK

The Group's operating revenues and expenditures are principally denominated in Renminbi.

During the Reporting Period, the Group did not encounter any material effect on its operations or liquidity as a result of fluctuation in currency exchange rates.

EMPLOYEES

As at 30 June 2026, the Group employed 3,347 employees domestically (as at 30 June 2025: 3,837 employees). The total staffing costs (including directors' remuneration) of the Group for the Reporting Period amounted to RMB269,960,496 (corresponding period of 2025: RMB327,370,218). The staff emoluments (including directors' emoluments) of the Group are based on position, duty, experience, performance and market rates, in order to maintain their remuneration at a competitive level.

CONTINGENT LIABILITIES

As at 30 June 2026, the Group did not have any significant contingent liabilities.

LITIGATION

In 2002, the Company entered into a land acquisition and compensation agreement with the People's Government of Guanzhuang Township, Chaoyang District, Beijing* (北京市朝陽區管莊鄉人民政府) (the "**Guanzhuang Township Government**"), pursuant to which the Guanzhuang Township Government transferred 243.71 unit of area (in mu) of collective land under the jurisdiction of Guanzhuang Township Government to the Company for the construction of a distribution and fresh food processing center, and the Company shall pay the total compensation of RMB60,440,000 to the Guanzhuang Township Government. On 13 November 2006, the Company and the Guanzhuang Township Government entered into a supplementary agreement in respect of the above land transfer, and the Guanzhuang Township Government increased the compensation to RMB97,484,000. On 20 November 2006, the Company entered into a supplementary agreement with the Guanzhuang Township Government and the Guanzhuang Agricultural, Industrial and Commercial Joint Corporation of Chaoyang District, Beijing* (北京市朝陽區管莊農工商聯合公司) (the "**AICC**") in respect of the above land transfer matters, and the Guanzhuang Township Government authorized the AICC to collect the compensation. Upon the signing of the above agreements, the Company paid a total compensation of RMB45,132,000 to Guanzhuang Township Government and the AICC. Due to the change of planned use and other reasons, the contract purpose of the Company (i.e construction of distribution and fresh food processing center) cannot be fulfilled, and the above agreements could no longer be performed. In order to recover the compensation paid and safeguard the legal rights of the Company, the Company filed a lawsuit against the Guanzhuang Township Government and the AICC with the Beijing Chaoyang District People's Court* (北京市朝陽區人民法院) in July 2022, requiring that the land compensation agreement and supplementary agreement entered into with the Guanzhuang Township Government be held invalid, and requiring the Guanzhuang Township Government and AICC to return the compensation fee of RMB45,132,000 and related interest accrued during the period of their retention of the compensation fee. The Company returned the land to Guanzhuang Township Government on 24 November 2022. On 27 May 2024, the Company received a judgment from the Beijing Chaoyang District People's Court (being the first instance court), which required the Company to pay the land leveling fees in an amount of RMB206,700 to the Guanzhuang Township Government and restore the land to conditions suitable for cultivation, and dismissed all claims of the Company and other counterclaims of Guanzhuang Township Government. On 9 May 2025, the Beijing Third Intermediate People's Court (北京市第三中級人民法院) issued the second-instance ruling on this case, ruling to revoke the judgment issued by the first instance court. The case was remitted to the first-instance court for retrial. As of the date of this announcement, the retrial legal proceedings of this case remain ongoing.

OUTLOOK

In the second half of 2026, China's consumer market is expected to develop steadily amid structural adjustments, with vast potential for economic growth. The Group will actively seize opportunities arising from innovation and transformation, accelerate its digital and intelligent transformation and supply chain optimization, and explore new business models to enhance operational efficiency. Simultaneously, the Group will closely monitor evolving consumer demands, optimize its product portfolio, deepen its engagement with community-based scenarios, proactively foster integrated new business formats, and strive to provide consumers with higher-quality and more convenient products and services, thereby driving the Group toward high-quality and sustainable development while continuously strengthening its corporate resilience and endogenous momentum.

In terms of retail business: The Group will explore innovative retail business models, comprehensively strengthen standardization efforts, and enhance the quality and efficiency of its store operations. By establishing a dedicated project team, the Group will actively advance the development and refinement of a standardized discount retail operating system; simultaneously, it will deepen brand building by setting up a specialized brand department to implement its proprietary brand strategy, fully transform its operational model, expand the development and introduction of differentiated products, optimize its brand portfolio, enhance the overall competitiveness of its product range, and systematically drive the transformation and growth of its retail business.

In terms of wholesale business: The Group will remain steadfastly committed to the overarching goal of high-quality development, deepen its focus on its core business operations, precisely align with market and consumer demands, continuously expand its portfolio of premium brands, strengthen its omnichannel matrix integrating online and offline channels, and enhance its core supply chain competitiveness. Building upon this foundation, the Group will further deepen digital empowerment and advance the development of a smart logistics system; accelerate the construction of standardized production lines for its central kitchen projects, strengthen capacity assurance and quality control capabilities, simultaneously refine its group meal distribution system, and explore new avenues for business growth. The Group will continue to optimize the allocation of logistics resources and elevate operational service standards, leveraging refined operational practices to drive cost reduction and efficiency improvement, thereby laying a solid foundation for the Group's high-quality development.

EVENTS AFTER THE REPORTING PERIOD

As at the date of this announcement, no material events affecting the operation and financial performance of the Group significantly have occurred after the Reporting Period.

OTHER INFORMATION

Corporate Governance

In the opinion of the Board, the Company has applied the principles of and complied with all the code provisions of the Corporate Governance Code (the "**Corporate Governance Code**") set out in Part 2 of Appendix C1 of the Listing Rules during the Reporting Period, save for the directors' retirement by rotation as set out below.

Code provision B.2.2 of Part 2 of the Corporate Governance Code requires that every director (including those appointed for a specific term) of a listed issuer shall be subject to retirement by rotation at least once every three years. The Company's Articles of Association stipulate that each director shall be elected at the shareholders' meeting of the Company for a term of not more than three years, and is eligible for re-election upon the expiry of the term. Having taken into account the continuity of the Group's operation and management policies, the Company's Articles of Association currently contain no express provision for the directors' retirement by rotation and thus deviate from the aforementioned provision of the Corporate Governance Code.

Directors' Securities Transactions

The Company has adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard of dealings as set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix C3 of the Listing Rules. Having made specific enquiries with all directors, all the directors have confirmed that they have complied with the required standard of dealings as set out in the Model Code and the code of conduct regarding their securities transactions throughout the Reporting Period.

Audit Committee

The Audit Committee together with the management of the Company and the independent auditors have considered and reviewed the accounting principles and practices adopted by the Group and discussed matters in relation to internal control and financial reporting, including the review of the Group's 2026 unaudited interim consolidated results. The Audit Committee considered that this interim results announcement for the six months ended 30 June 2026 was in compliance with the relevant accounting standards, requirements of the Stock Exchange and the Laws of Hong Kong, and appropriate disclosures have been made.

Disclosure of Interests

Directors' and Chief Executives' Interests in Shares, Underlying Shares and Debentures

As at 30 June 2026, the interests and positions of the directors and chief executive of the Company in the shares, underlying shares or debentures of the Company and any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the "**SFO**")), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code set out in Appendix C3 of the Listing Rules, were as follows:

Long positions in the domestic shares of the Company

Name	Capacity	Number of domestic shares held	Approximate percentage of total issued domestic shares *(%)*	Approximate percentage of total issued shares *(%)*
Zhang Liwei	Personal	400,100	0.17	0.10
Wang Hong	Personal	186,696	0.08	0.05
Zhang Hongbo	Personal	100,000	0.04	0.02

Save as disclosed above, as at 30 June 2026, none of the directors or chief executive of the Company nor any of their associates had any interest and short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code set out in Appendix C3 of the Listing Rules.

Substantial Shareholders

As at 30 June 2026, so far as is known to the directors or chief executive of the Company, the persons (other than a director or chief executive of the Company) who had, or who were deemed or taken to have interests or short positions in the shares, underlying shares or debentures of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Long positions in the domestic shares of the Company

Name	**Capacity**	**Number of domestic shares held**	**Approximate percentage of total issued domestic shares** *(%)*	**Approximate percentage of total issued shares** *(%)*
Beijing Chaofu State-owned Assets Administration Company Limited*	Beneficial owner	167,409,808	72.77	40.61

* *Formerly known as "Beijing Chaoyang Auxiliary Food Company".*

Long positions in the H shares of the Company

Name	Total number of H shares held	Approximate percentage of total issued H shares *(%)*	Approximate percentage of total issued shares *(%)*
China Galaxy International Asset Management (Hong Kong) Co., Limited *(Note 1)*	24,970,000(L)	13.71	6.06
China Galaxy International SPC (acting for and on behalf of China Galaxy Value Fund I SP) *(Note 2)*	24,970,000(L)	13.71	6.06

(L) – Long Position

Note:

1. These 24,970,000 H shares were held by China Galaxy International Asset Management (Hong Kong) Co., Limited in its capacity as an investment manager.

2. These 24,970,000 H shares were held by China Galaxy International SPC (acting for and on behalf of China Galaxy Value Fund I SP) in its capacity as an investment manager.

Save as disclosed above, as far as is known to the directors or chief executives of the Company, as at 30 June 2026, no other persons (not being a director or chief executive of the Company) had, or were deemed or taken to have any interests or short positions in the shares, underlying shares or debentures of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During the Reporting Period, the Company did not hold any treasury shares. Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the Reporting Period.

SIGNIFICANT INVESTMENTS

The Company did not have any significant investments (including significant investments which accounted for 5% or more of the total assets of the Group) during the Reporting Period.

MATERIAL ACQUISITIONS AND DISPOSALS

During the Reporting Period, the Group did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures. The winding-up petition of Chaopi International Trading (Shanghai) Co., Ltd.* ("**Chaopi Shanghai International**"), an indirect subsidiary of the Company, was accepted by the Shanghai Pudong New Area People's Court on 22 June 2026, and a liquidator has been appointed. As a result, the Company ceased to have control over Chaopi Shanghai International, and accordingly, it has been excluded from the Group's consolidated financial statements.

By Order of the Board
Beijing Jingkelong Company Limited
Zhang Liwei
Chairman

Beijing, PRC
25 August 2026

As at the date of this announcement, the executive directors of the Company are Mr. Zhang Liwei, Ms. Wang Hong, Mr. Zhang Hongbo and Mr. Yang Wensheng; the non-executive directors are Ms. Zhang Yan and Ms. Li Ying; and the independent non-executive directors are Mr. Kot Man Tat, Mr. Wang Liping and Mr. He Mingke.