



**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



**2025 INTERIM REPROT**





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# Corporate Information

## Directors

### Executive Directors

Mr. Gao Feng (高峰) (*Chairman*)  
Mr. Yuan Yuan (袁原)  
Mr. Zhang Jiaan (張佳安)  
Mr. Yao Jun (姚駿)  
Ms. Shen Zhigen (沈志艮)  
Ms. Nai Jingjing (倪晶晶)  
Mr. Wang Fei (王飛)

### Non-executive Director

Ms. Wei Yan (韋燕)

### Independent Non-executive Directors

Mr. Lam Ka Tak (林嘉德)  
Mr. Zheng Manjun (鄭滿軍)  
Mr. Zheng Yu (鄭宇)  
Mr. Zhu Bo (朱波)

## Supervisors

Ms. Zhan Mingyu (詹明玉)  
Mr. Xia Zhonglin (夏忠林)  
Ms. Zhu Aizhen (朱愛珍)

## Audit Committee

Mr. Lam Ka Tak (林嘉德) (*Chairperson*)  
Mr. Zheng Manjun (鄭滿軍)  
Mr. Zheng Yu (鄭宇)  
Mr. Zhu Bo (朱波)  
Ms. Wei Yan (韋燕)

## Nomination Committee

Mr. Zheng Manjun (鄭滿軍) (*Chairperson*)  
Mr. Lam Ka Tak (林嘉德)  
Mr. Zheng Yu (鄭宇)  
Mr. Zhu Bo (朱波)  
Ms. Wei Yan (韋燕)

## Remuneration Committee

Mr. Zheng Yu (鄭宇) (*Chairperson*)  
Mr. Lam Ka Tak (林嘉德)  
Mr. Zheng Manjun (鄭滿軍)  
Mr. Zhu Bo (朱波)  
Ms. Wei Yan (韋燕)

## Authorised Representatives

Mr. Gao Feng (高峰)  
Mr. Hui Hung Kwan (許鴻群)

## Joint Company Secretaries

Ms. Xu Chunling (徐春玲)  
Mr. Hui Hung Kwan (許鴻群) (*an associate of the Hong Kong Institute of Certified Public Accountants and a fellow of the Association of Chartered Certified Accountants*)

## Auditor

### KPMG

*Certified Public Accountants*  
*Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance*  
8th Floor, Prince's Building  
10 Chater Road, Central  
Hong Kong



# Corporate Information

## Compliance Adviser

### Red Solar Capital Limited

402B, 4/F, China Insurance Group Building  
141 Des Voeux Road Central  
Central  
Hong Kong

## Hong Kong Legal Adviser

### DeHeng Law Offices (Hong Kong) LLP

28/F, Henley Building  
5 Queen's Road Central  
Central  
Hong Kong

Room 3507, 35/F, Edinburgh Tower  
The Landmark  
15 Queen's Road Central  
Central  
Hong Kong

Room 1111, 11/F, New World Tower I  
No. 16–18 Queen's Road Central  
Central  
Hong Kong

## PRC Legal Adviser

### Beijing DHH Law Firm

12/F, Tower C  
Beijing Yintai Centre  
No. 2 Jianguomenwai Avenue  
Chaoyang District  
Beijing, PRC

## Registered Office

Shao Bo Town Industrial Park Logistics Park  
Jiangdu District, Yangzhou City  
Jiangsu Province  
PRC

## Headquarters and Principal Place of Business in the PRC

Shao Bo Town Industrial Park Logistics Park  
Jiangdu District, Yangzhou City  
Jiangsu Province  
PRC

## Principal Place of Business in Hong Kong

28/F, Henley Building  
5 Queen's Road Central  
Hong Kong

## H Share Registrar

### Computershare Hong Kong Investor Services Limited

Shops 1712–1716  
17th Floor Hopewell Centre  
183 Queen's Road East  
Wanchai  
Hong Kong

## Principal Banks

### Agricultural Bank of China Yangzhou Jiangdu Branch

No. 1289 Wenchang East Road  
Jiangdu District, Yangzhou City  
Jiangsu Province  
PRC

### Bank of China Jiangdu Branch

No. 19 Longcheng Road  
Jiangdu District, Yangzhou City  
Jiangsu Province  
PRC



# Corporate Information

## **China Construction Bank Corporation Jiangdu Branch**

No. 1 Xiancheng Road  
Jiangdu District, Yangzhou City  
Jiangsu Province  
PRC

## **Agricultural Development Bank of China Yangzhou Jiangdu Branch**

No. 10 Dong Fang Hong East Road  
Jiangdu District, Yangzhou City  
Jiangsu Province  
PRC

## **Jiangsu Jiangdu Rural Commercial Bank Co., Ltd.**

No. 21 Longcheng Road  
Jiangdu District, Yangzhou City  
Jiangsu Province  
PRC

## **Company Website**

[www.hxsupermarket.cn](http://www.hxsupermarket.cn)

## **Stock Code**

2625

## **Listing Date**

31 March 2025



# Management Discussion and Analysis

## Business Review and Outlook

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

Our business entails the following operations:

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

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

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

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

\* For identification purpose only



# Management Discussion and Analysis

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

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

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

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

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

## Market and Industry Overview

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



## Management Discussion and Analysis

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

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

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

### FINANCIAL REVIEW

#### Revenue

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

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

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

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



# Management Discussion and Analysis

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

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

## Cost of sales

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

## Gross profit and gross profit margin

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

## Other revenue

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

## Other net gain

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



# Management Discussion and Analysis

## Selling and distribution costs

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

## Administrative and other operating expenses

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

## Impairment loss on trade and other receivables

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

## Net finance costs

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

## Income tax

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

## Profit for the period

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



# Management Discussion and Analysis

## Non-IFRS measures

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

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

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

## Adjusted net profit (Non-IFRS measure)

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

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



# Management Discussion and Analysis

## Financial condition

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

## Liquidity and financial resources, treasury policies and capital structure

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

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

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

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

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

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



# Management Discussion and Analysis

## Capital expenditure

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

## Pledge of assets

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

## Contingent liabilities

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

## Share pledge

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

## Gearing ratio

The Group has bank loans and other borrowings of approximately RMB569.5 million as at 30 June 2025. As such, our gearing ratio, calculated as total borrowings divided by the total equity as at the end of the period, was approximately 86.0% (31 December 2024: 86.6%). Our asset-liability ratio, calculated as total liabilities divided by the total assets as at the end of the period, was approximately 59.7%.



# Management Discussion and Analysis

## Material Acquisition and Disposal of Subsidiaries, Associates and Joint Ventures

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

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

## Future Plans for Material Investments and Capital Assets

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

## Exposure to Fluctuations in Foreign Exchange Rates

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

## Significant Investment and Material Event During the Reporting Period

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

\* For identification purpose only



# Management Discussion and Analysis

## Events Subsequent to the Reporting Period

Save as otherwise disclosed in this report, there were no other significant events affecting the Group which occurred after 30 June 2025 and up to the Latest Practicable Date.

## Employees and Remuneration Policies

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

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

	<u>No. of employees</u>
Management	13
Administrative	104
Financial and Information Technology	42
Marketing	11
Procurement	24
Logistics	69
Operational	<u>1,149</u>
Total	<u>1,412</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 by relevant PRC labour laws. As disclosed in the section headed "Business – Non-compliance" in the Prospectus, our PRC operating subsidiaries did not pay social insurance contributions and housing provident fund contributions in full for all of the employees. During the Reporting Period and up to the Latest Practicable Date, no administrative actions, fines or penalties have been imposed by the relevant PRC government authorities with respect to such non-compliance, nor has any order been received by our operating entities to settle the outstanding amount of social insurance contributions and housing provident fund contributions.



# Management Discussion and Analysis

## Recruitment policies

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

## Training

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

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

We have labour unions. Our Directors confirmed that we have not experienced any labour strikes or material labour disputes during the Track Record Period and up to the Latest Practicable Date, and have not experienced any significant difficulties in recruiting or retaining qualified staff.



# Corporate Governance and Other Information

## Corporate Governance

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

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

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

## Material Legal Proceedings

During the Reporting Period, no member of the Group was involved in any litigation, arbitration or claim of material importance, and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

## Audit Committee

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

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



# Corporate Governance and Other Information

## Interim Dividend

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

## Compliance with Laws and Regulations

To the best of the Directors' knowledge, information and belief, save as disclosed in the section headed "Business – Non-compliance" in the Prospectus, our Group has, in all material aspects, complied with the relevant laws and regulations that have a significant impact on the Group during the Reporting Period.

## The Central Kitchen Relocation Plan

As disclosed in the Prospectus, our Group identified non-compliance incidents related to our inability to obtain land use right certificates for certain defective land of approximately 68 mu (the "Defective Land") and consequently, property ownership certificates for properties situated thereon (the "Defective Properties"). This was primarily due to changes in government land quota policies after the initial land acquisition agreement in 2010. Our Muyuan Central Kitchen (as defined in the Prospectus), a processing and distribution centre for meal supply, is located within these properties. Although competent authorities provided confirmations allowing continued use and stating no penalties would be imposed, our Group formulated a relocation plan (the "Central Kitchen Relocation Plan") in respect of our Muyuan Central Kitchen.

Pursuant to the timeline for the Central Kitchen Relocation Plan as set out in the Prospectus, key activities, including finalising equipment procurement, site finishing, equipment installation, testing, and inspections, were scheduled for completion in the first quarter of 2025, whereas the physical relocation of the Muyuan Central Kitchen was planned for the second quarter of 2025. The entire process, from commencement to full operation of the new facility, was estimated to take nine to twelve months, with the actual operational downtime during relocation expected to be around one month. The estimated cost was projected to be between RMB2 million and RMB3 million. For further details, please refer to the section headed "Business – Non-compliance – (1) Failure to obtain certain land use right certificates and property ownership certificates" in the Prospectus.



## Corporate Governance and Other Information

In or around June 2025, the Group has obtained a formal confirmation letter (the “Confirmation Letter”) from the People’s Government of Shaobo Town, Jiangdu\* (江都市邵伯鎮人民政府) (the “Shaobo Town People’s Government”), being a competent government authority as advised by our PRC legal advisers, which noted that the Defective Land complies with village land planning requirements and is primarily utilised for vegetable processing and central kitchen purposes. In alignment with the policy guidelines of Yangzhou City’s Land Use Project for the Integrated Development of Primary, Secondary, and Tertiary Industries\* (一二三產業融合發展用地項目), preparations are underway to apply for inclusion in the aforementioned integrated industries development project and to process the conversion of agricultural land in accordance with applicable laws and regulations. Preliminary approval procedures were initiated in May 2025 and the Company is cooperating closely with Shaobo Town People’s Government and other relevant government authorities to facilitate the approval process. This position was further confirmed by the Jiangdu Branch of the Yangzhou Municipal Bureau of Natural Resources and Planning\* (揚州市自然資源和規劃局江都分局), which also formally endorsed the Confirmation Letter by having affixed its official seal thereon. The bureau affirmed its commitment to actively cooperate with the Shaobo Town People’s Government to advance the necessary planning adjustments and land conversion procedures for the project in accordance with all applicable laws and regulations.

According to the Confirmation Letter, it is expected that the land use conversion procedure will be fully completed by the end of December 2026 and the land will be supplied to the Company in accordance with applicable laws and regulations. Shaobo Town People’s Government shall assist the Company in the relevant procedures to confirm that the Company will be able to obtain the relevant land use rights and property ownership without foreseeable obstacles in accordance with applicable laws and regulations. It is also confirmed that as of the date of the Confirmation Letter, the Company does not occupy any basic farmland, and the Shaobo Town People’s Government acknowledges and consents to the continued long-term use of the Defective Land and properties in their current state. The Shaobo Town People’s Government also confirmed that the Company has not been subject to any penalties from them in relation to land, properties, building construction, fire safety, or other related matters. Furthermore, there are no potential, ongoing, or existing disputes or conflicts between the Shaobo Town People’s Government and the Company concerning these lands, properties, or buildings, and no reports or complaints from third parties regarding the same were received.

In light of the issuance of the Confirmation Letter and the pathway towards legalising the titles of the Defective Properties and the relevant land, the Company has decided to temporarily suspend the Central Kitchen Relocation Plan. The Company is cooperating closely with the Shaobo Town People’s Government and other relevant authorities to facilitate the approval process with a view to obtaining the relevant land use right and property ownership for the Defective Properties and the relevant land.

The Company will continue to monitor the progress of the aforementioned development and will make further announcement(s) to keep the Shareholders and potential investors of the Company informed of any material developments as and when appropriate.

\* For identification purpose only



# Corporate Governance and Other Information

## The Gongnong Road Defective Properties

The Gongnong Road Defective Parts (as defined in the Prospectus) comprise approximately 2,500 sq.m. within a building used by Hongxin Trading. These areas lack property ownership certificates primarily because the necessary construction permits, planning approvals, and completion acceptance procedures were not obtained for temporary structures added over time. Some of these structures existed before Hongxin Trading acquired the building (injected as capital in 1994), while others were built by our Group around 2002. For the 2002 additions, the contracted construction company failed to secure the required approvals prior to building, and our Group later understood these could not be obtained retrospectively without demolition and rebuilding. These defective parts were mainly used for storage. For further details, please refer to the section headed “Business – Non-compliance – (1) Failure to obtain certain land use right certificates and property ownership certificates” in the Prospectus.

As disclosed in the Prospectus, we planned to relocate the storage activities from the Gongnong Road Defective Parts to other areas within the same building that possess valid property ownership certificates. Following the relocation, the Gongnong Road Defective Parts were intended to become idle properties.

The relocation of storage functions from the Gongnong Road Defective Parts was completed before the Listing Date. Consequently, the Gongnong Road Defective Parts have become idle properties, and no operational activities are being conducted within these specific areas.

## Continuing Disclosure Obligations Pursuant to the Listing Rules

Save as disclosed in this report, the Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

## Purchase, Sale or Redemption of the Company’s Listed Securities

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

## Model Code for Securities Transactions by Directors and Supervisors

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

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



# Corporate Governance and Other Information

## Global Offering

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

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

## Use of Proceeds from the Global Offering

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

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

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

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



## Corporate Governance and Other Information

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

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



## Corporate Governance and Other Information

### Interests and Short Position of each of our Directors, Supervisors and Chief Executives in Shares, Underlying Shares and Debentures

As of 30 June 2025, the interests or short positions of the Directors, Supervisors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which was required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which was required pursuant to Section 352 of the SFO to be entered in the register referred to therein or which was otherwise required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code were as follows:

#### Interest in our Company

Name of Director, Supervisor or chief executive	Nature of interest <sup>(1)</sup>	Number of Shares	Approximate percentage of shareholding interest (%)
Mr. Gao Feng (高峰先生) ("Mr. Gao") <sup>(2)</sup>	Beneficial owner, interest in controlled corporation, interest of concert parties	66,674,976	31.11
Mr. Yuan Yuan (袁原先生) ("Mr. Yuan") <sup>(3)</sup>	Beneficial owner, interest of concert parties	66,674,976	31.11
Mr. Zhang Jiaan (張佳安先生) ("Mr. Zhang") <sup>(4)</sup>	Beneficial owner, interest of concert parties	66,674,976	31.11
Mr. Yao Jun (姚駿先生) <sup>(5)</sup>	Beneficial owner	500,000	0.23
Ms. Shen Zhigen (沈志艮女士) <sup>(6)</sup>	Beneficial owner	600,000	0.28
Ms. Zhan Mingyu (詹明玉女士) <sup>(7)</sup>	Beneficial owner	2,700,000	1.26
Mr. Xia Zhonglin (夏忠林先生) <sup>(8)</sup>	Beneficial owner	550,000	0.26
Ms. Zhu Aizhen (朱愛珍女士) <sup>(9)</sup>	Beneficial owner	200,000	0.09



## Corporate Governance and Other Information

Notes:

1. All interests stated are long positions.
2. As at the Latest Practicable Date, Mr. Gao directly holds 26,292,302 Shares in our Company. Ruichuanda Investment, a company directly wholly-owned by Mr. Gao, directly holds 21,410,776 Shares in our Company. Under the SFO, the deemed interest of Mr. Gao consists of (i) 47,703,078 Shares in our Company held directly and beneficially, and through Ruichuanda Investment, and (ii) Shares held by other Concert Parties as they are parties acting in concert.
3. As at the Latest Practicable Date, Mr. Yuan directly holds 11,171,898 Shares in our Company. Under the SFO, the deemed interest of Mr. Yuan consists of (i) 11,171,898 Shares in our Company held directly and beneficially, and (ii) Shares held by other Concert Parties as they are parties acting in concert.
4. As at the Latest Practicable Date, Mr. Zhang directly holds 7,800,000 Shares in our Company. Under the SFO, the deemed interest of Mr. Zhang consists of (i) 7,800,000 Shares in our Company held directly and beneficially, and (ii) Shares held by other Concert Parties as they are parties acting in concert.
5. Mr. Yao Jun (姚駿先生) is an executive Director and a deputy general manager of our Company.
6. Ms. Shen Zhigen (沈志艮女士) is an executive Director, a deputy general manager and financial controller of our Company.
7. Ms. Zhan Mingyu (詹明玉女士) is the chairman of our Supervisory Committee, and a shareholder Supervisor.
8. Mr. Xia Zhonglin (夏忠林先生) is a shareholder Supervisor and the group purchase department manager.
9. Ms. Zhu Aizhen (朱愛珍女士) is an employee Supervisor, and the store manager of Jianying store.

Save as disclosed above, as at the Latest Practicable Date, none of our Directors, Supervisors or the chief executives of our Company had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of our Company or its associated corporations (within the meaning of Part XV of the SFO) that was required to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or required to be recorded in the register required to be kept by our Company under Section 352 of the SFO, or as otherwise notified to the our Company and the Stock Exchange pursuant to the Model Code.

As at the Latest Practicable Date, except Mr. Gao, the chairman of our Board and an executive Director who is a director of Ruichuanda Investment, none of the Directors or the Supervisors was a director or an employee of a company which had an interest or a short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.



## Corporate Governance and Other Information

### Interests and Short Position of each of Substantial Shareholders and Other Persons in Shares, Underlying Shares and Debentures

As of 30 June 2025, to the knowledge of the Directors, the following persons (other than a Director, Supervisor or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or recorded in the register required to be kept by the Company under Section 336 of the SFO:

Name of Shareholder	Nature of Interest	Number of Shares <sup>(1),(2)</sup>	Approximate percentage of interest in our Company (%)
Mr. Gao <sup>(3)</sup>	Beneficial owner, interest in controlled corporation, interest of concert parties	66,674,976	31.11
Ruichuanda Investment <sup>(3)</sup>	Beneficial owner, interest of concert parties	66,674,976	31.11
Ms. Leng Yuemei (冷月梅女士) ("Ms. Leng") <sup>(4)</sup>	Interest of spouse	66,674,976	31.11
Mr. Yuan <sup>(5)</sup>	Beneficial owner, interest of concert parties	66,674,976	31.11
Ms. Gu Xia (古霞女士) ("Ms. Gu") <sup>(6)</sup>	Interest of spouse	66,674,976	31.11
Mr. Zhang <sup>(7)</sup>	Beneficial owner, interest of concert parties	66,674,976	31.11
Ms. Wang Xia (王霞女士) ("Ms. Wang") <sup>(8)</sup>	Interest of spouse	66,674,976	31.11
Jiequan Fund <sup>(9)</sup>	Beneficial owner	21,558,441	10.07
NSM Fund <sup>(9)</sup>	Interest in controlled corporation	21,558,441	10.07



## Corporate Governance and Other Information

Name of Shareholder	Nature of Interest	Number of Shares <sup>(1),(2)</sup>	Approximate percentage of interest in our Company (%)
NSM Industry Development <sup>(9)</sup>	Interest in controlled corporation	21,558,441	10.07
China S&M <sup>(9)</sup>	Interest in controlled corporation	21,558,441	10.07
Suhe Digital <sup>(9)</sup>	Interest in controlled corporation	21,558,441	10.07
Houji PE <sup>(9)</sup>	Interest in controlled corporation	21,558,441	10.07
Houji Investment <sup>(9)</sup>	Interest in controlled corporation	21,558,441	10.07
Wang Xiaoming <sup>(9)</sup>	Interest in controlled corporation	21,558,441	10.07
Jiangsu Equity Investment <sup>(9)</sup>	Interest in controlled corporation	21,558,441	10.07
NSM Enterprise Management <sup>(9)</sup>	Interest in controlled corporation	21,558,441	10.07
Suhe Investment <sup>(9)</sup>	Interest in controlled corporation	21,558,441	10.07
Beijing Zhonghe <sup>(9)</sup>	Interest in controlled corporation	21,558,441	10.07
Jiangdu Fund <sup>(10)</sup>	Beneficial owner	16,393,442	7.65
Cinda Capital <sup>(10)</sup>	Interest in controlled corporation	16,393,442	7.65
Mr. Xu Shihe (許世和先生) ("Mr. Xu")	Beneficial owner	10,870,051	5.07
Ms. Yu Qin (禹琴女士) ("Ms. Yu") <sup>(11)</sup>	Interest of spouse	10,870,051	5.07

Notes:

1. All interests stated are long positions.
2. For the avoidance of doubt, both Domestic Unlisted Shares and H Shares are ordinary Shares in the share capital of our Company, and are considered as one class of Shares.



## Corporate Governance and Other Information

3. As at the Latest Practicable Date, Mr. Gao directly holds 26,292,302 Shares in our Company. Ruichuanda Investment, a company directly wholly-owned by Mr. Gao, directly holds 21,410,776 Shares in our Company. Under the SFO, the deemed interest of Mr. Gao consists of (i) 47,703,078 Shares in our Company held directly and beneficially, and through Ruichuanda Investment, and (ii) Shares held by other Concert Parties as they are parties acting in concert.
4. Ms. Leng is the spouse of Mr. Gao. By virtue of the SFO, Ms. Leng is deemed to be interested in the equity interests held by Mr. Gao.
5. As at the Latest Practicable Date, Mr. Yuan directly holds 11,171,898 Shares in our Company. Under the SFO, the deemed interest of Mr. Yuan consists of (i) 11,171,898 Shares in our Company held directly and beneficially, and (ii) Shares held by other Concert Parties as they are parties acting in concert.
6. Ms. Gu is the spouse of Mr. Yuan. By virtue of the SFO, Ms. Gu is deemed to be interested in the equity interests held by Mr. Yuan.
7. As at the Latest Practicable Date, Mr. Zhang directly holds 7,800,000 Shares in our Company. Under the SFO, the deemed interest of Mr. Zhang consists of (i) 7,800,000 Shares in our Company held directly and beneficially, and (ii) Shares held by other Concert Parties as they are parties acting in concert.
8. Ms. Wang is the spouse of Mr. Zhang. By virtue of the SFO, Ms. Wang is deemed to be interested in the equity interests held by Mr. Zhang.
9. Jiangsu Jiequan Supply and Marketing Cooperative Industrial Development Fund (Limited Partnership)\* (江蘇省漣泉供銷合作產業發展基金(有限合夥)) ("Jiequan Fund") is a limited partnership established in the PRC. The general partners of Jiequan Fund are Jiangsu New Supply and Marketing Fund Management Co., Ltd.\* (江蘇新供銷基金管理有限公司) ("NSM Fund"), which held 0.74% partnership interest in Jiequan Fund, and Jiangsu Houji Private Equity Fund Management Co., Ltd.\* (江蘇厚積私募基金管理有限公司) ("Houji PE"), which held 0.26% partnership interest in Jiequan Fund and is also the fund manager of Jiequan Fund. The limited partner of Jiequan Fund who contributed more than one third of the capital to the limited partnership is Nanjing New Supply and Marketing Enterprise Management Co., Ltd.\* (南京新供銷企業管理有限公司) ("NSM Enterprise Management"), holding approximately 49.60% of the partnership interest in Jiequan Fund.

NSM Fund is owned as to 51% by New Supply and Marketing Industry Development Fund Management Co., Ltd.\* (新供銷產業發展基金管理有限責任公司) ("NSM Industry Development"), 34% by Jiangsu Suhe Digital Economy Integrated Management Co., Ltd.\* (江蘇蘇合數字經濟綜合管理有限公司) ("Suhe Digital") and another shareholder holding less than one-third of shareholding in NSM Fund. NSM Industry Development is owned as to approximately 80.2% by China Supply and Marketing Group Co., Ltd.\* (中國供銷集團有限公司) ("China S&M"), and other 13 shareholders each holding less than one-third of shareholding in NSM Industry Development. China S&M is wholly-owned by All China Federation of Supply and Marketing Cooperatives\* (中華全國供銷合作總社). Suhe Digital is indirectly wholly-owned by Jiangsu Federation of Supply and Marketing Cooperatives\* (江蘇省供銷合作總社) ("Jiangsu S&M").

Houji PE is owned as to 65% by Jiangsu Houji Investment Management Co., Ltd.\* (江蘇厚積投資管理有限公司) ("Houji Investment") and 35% by Jiangsu Province Equity Investment Centre Co., Ltd. (江蘇省股權投資中心有限公司) ("Jiangsu Equity Investment"). Houji Investment is in turn owned by Wang Xiaoming (王曉明) as to 40% and two other shareholders each holding less than one-third of its equity interest. Jiangsu Equity Investment is ultimately wholly-owned by the Department of Finance of Jiangsu Province (江蘇省財政廳).

\* For identification purpose only



## Corporate Governance and Other Information

NSM Enterprise Management is owned as to approximately 40.2% by Jiangsu Suhe Investment and Operation Group Co., Ltd.\* (江蘇省蘇合投資運營集團有限公司) (“Suhe Investment”), 39.8% by Beijing Zhonghe Guoneng Investment Management Partnership (Limited Partnership)\* (北京中合國能投資管理合夥企業(有限合夥)) (“Beijing Zhonghe”), and two other shareholders holding less than one-third of shareholding in NSM Enterprise Management. Suhe Investment is directly wholly-owned by Jiangsu S&M. Beijing Zhonghe is a limited partnership established in the PRC, with NSM Industry Development as its general partner, holding approximately 99.3% of partnership interest in Beijing Zhonghe.

As such, under the SFO, NSM Fund, NSM Industry Development, China S&M, Suhe Digital, Houji PE, Houji Investment, Wang Xiaoming, Jiangsu Equity Investment, NSM Enterprise Management, Suhe Investment and Beijing Zhonghe are deemed to be interested in the equity interests held by Jiequan Fund.

10. Yangzhou Jiangdu District Major Projects Special Investment Fund Co., Ltd.\* (揚州市江都區重大項目專項投資基金有限公司) (“Jiangdu Fund”) is owned as to approximately 99.9% by Wuhu Xinning Investment Partnership Enterprise (Limited Partnership)\* (蕪湖信寧投資合夥企業(有限合夥)) (“Wuhu Xinning”) and another shareholding holding less than one-third of shareholding in Jiangdu Fund. Wuhu Xinning is a limited partnership established in the PRC, whose general partner is Cinda Capital Management Co., Ltd.\* (信達資本管理有限公司) (“Cinda Capital”), holding approximately 0.17% of the partnership interest in Wuhu Xinning. The limited partner of Wuhu Xinning who contributed more than one third of the capital to the limited partnership is China Cinda Asset Management Co., Ltd. (中國信達資產管理股份有限公司) (whose shares are listed on the Stock Exchange (stock code: 1359)) (“China Cinda”), holding approximately 69.75% of the partnership interest in Wuhu Xinning. Cinda Capital is indirectly wholly-owned by China Cinda.

As such, under the SFO, Cinda Capital is deemed to be interested in the equity interests held by Jiangdu Fund.

11. Ms. Yu is the spouse of Mr. Xu. By virtue of the SFO, Ms. Yu is deemed to be interested in the equity interests held by Mr. Xu.

## Changes In Information of the Directors, and Supervisors and Chief Executive of the Company

The Company has no change of the information of Directors, Supervisors and chief executive during the Reporting Period which is required to be disclosed pursuant to Rules 13.51B(1) and 13.51B(2) of the Listing Rules.

## Change in Constitutional Documents

The Company has adopted the Articles of Association on 12 March 2025, which has been effective since the Listing Date. No changes were made to the Articles of Association during the Reporting Period.

The latest version of the Articles of Association is also available on the Company’s website and the Stock Exchange’s website.

\* For identification purpose only



# Consolidated Statement of Comprehensive Profit or Loss and Other Comprehensive Income

for the six months ended 30 June 2025 – unaudited  
(Expressed in Renminbi Yuan)

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

The notes on pages 36 to 49 form part of this interim financial report. Details of dividends payable to equity shareholders of the Company are set out in note 16.



# Consolidated Statement of Comprehensive Profit or Loss and Other Comprehensive Income

for the six months ended 30 June 2025 – unaudited  
(Expressed in Renminbi Yuan)

	Six months ended 30 June	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
<b>Profit for the period</b>	<b>13,516</b>	18,421
<b>Other comprehensive income for the period (after tax and reclassification adjustments)</b>		
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)	<b>1,120</b>	1,943
Related tax	<b>(280)</b>	(487)
<b>Other comprehensive income for the period</b>	<b>840</b>	1,456
<b>Total comprehensive income for the period</b>	<b>14,356</b>	19,877
<b>Attributable to:</b>		
Equity shareholders of the Company	<b>13,303</b>	19,396
Non-controlling interests	<b>1,053</b>	481
<b>Total comprehensive income for the period</b>	<b>14,356</b>	19,877

The notes on pages 36 to 49 form part of this interim financial report.



# Consolidated Statement of Financial Position

at 30 June 2025 – unaudited  
(Expressed in Renminbi Yuan)

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



# Consolidated Statement of Financial Position

at 30 June 2025 – unaudited  
(Expressed in Renminbi Yuan)

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

The notes on pages 36 to 49 form part of this interim financial report.



# Consolidated Statement of Changes in Equity

for the six months ended 30 June 2025 – unaudited

(Expressed in Renminbi Yuan)

	Attributable to equity shareholders of the Company							Total equity RMB'000
	Share capital RMB'000	Capital reserve RMB'000	PRC statutory reserve RMB'000	Fair value reserve (non-recycling) RMB'000	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	
<b>Balance at 1 January 2024</b>	160,685	147,996	25,404	16,633	126,910	477,628	15,713	493,341
<b>Changes in equity for the six months ended 30 June 2024:</b>								
Profit for the period	–	–	–	–	18,002	18,002	419	18,421
Other comprehensive income	–	–	–	1,394	–	1,394	62	1,456
Total comprehensive income	–	–	–	1,394	18,002	19,396	481	19,877
<b>Balance at 30 June 2024 and 1 July 2024</b>	160,685	147,996	25,404	18,027	144,912	497,024	16,194	513,218
<b>Changes in equity for the six months ended 31 December 2024:</b>								
Profit for the period	–	–	–	–	24,720	24,720	834	25,554
Other comprehensive income	–	–	–	2,045	–	2,045	93	2,138
Total comprehensive income	–	–	–	2,045	24,720	26,765	927	27,692
Appropriation of reserve	–	–	3,487	–	(3,487)	–	–	–
<b>Balance at 31 December 2024</b>	160,685	147,996	28,891	20,072	166,145	523,789	17,121	540,910



# Consolidated Statement of Changes in Equity

for the six months ended 30 June 2025 – unaudited  
(Expressed in Renminbi Yuan)

		Attributable to equity shareholders of the Company							
		Share capital	Capital reserve	PRC statutory reserve	Fair value reserve (non-recycling)	Retained profits	Total	Non-controlling interests	Total equity
	Note	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2025		160,685	147,996	28,891	20,072	166,145	523,789	17,121	540,910
Changes in equity for the six months ended 30 June 2025:									
Profit for the period		-	-	-	-	12,499	12,499	1,017	13,516
Other comprehensive income		-	-	-	804	-	804	36	840
Total comprehensive income		-	-	-	804	12,499	13,303	1,053	14,356
Shares issued upon the completion of initial public offering	16(a)	53,562	53,628	-	-	-	107,190	-	107,190
Balance at 30 June 2025		214,247	201,624	28,891	20,876	178,644	644,282	18,174	662,456

The notes on pages 36 to 49 form part of this interim financial report.



# Condensed Consolidated Cash Flow Statement

for the six months ended 30 June 2025 – unaudited  
(Expressed in Renminbi Yuan)

	Note	Six months ended 30 June	
		2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
<b>Operating activities</b>			
Cash used in from operations		(128,080)	(31,228)
Income tax paid		(13,703)	(14,197)
<b>Net cash used in from operating activities</b>		<b>(141,783)</b>	<b>(45,425)</b>
<b>Investing activities</b>			
Payment for the acquisition of property, plant and equipment		(28,000)	(26,999)
Proceeds from disposal of property, plant and equipment		24	29
Payment for purchases of structured deposits and wealth management products		(141,000)	(395,000)
Proceeds from disposal of structured deposits and wealth management products		141,034	395,152
Payment for purchases of financial assets measured at fair value through other comprehensive income		(25,000)	–
Payment for the acquisition of interests in associates		(18,323)	–
Dividends received		165	79
Interest received		1,728	929
<b>Net cash used in investing activities</b>		<b>(69,372)</b>	<b>(25,810)</b>
<b>Financing activities</b>			
Capital element of lease rental paid		(10,656)	(9,154)
Interest element of lease rental paid		(1,850)	(2,714)
Proceeds from bank loans and other borrowings		363,071	287,027
Repayment of bank loans and other borrowings		(286,042)	(300,170)
Interest paid		(9,123)	(8,468)
Proceeds from issue of ordinary shares by initial public offering, net of issuance costs		107,190	–
<b>Net cash generated from/(used in) financing activities</b>		<b>162,590</b>	<b>(33,479)</b>



## Condensed Consolidated Cash Flow Statement

for the six months ended 30 June 2025 – unaudited  
(Expressed in Renminbi Yuan)

	Note	Six months ended 30 June	
		2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Net decrease in cash and cash equivalents		(48,565)	(104,714)
Cash and cash equivalents at the beginning of the period		216,858	236,226
Effect of foreign exchange rate changes		(391)	161
Cash and cash equivalents at the end of the period	12(b)	167,902	131,673

The notes on pages 36 to 49 form part of this interim financial report.



# Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi Yuan unless otherwise indicated)

## 1 General information

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

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

## 2 Basis of preparation

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with International Accounting Standards (“IAS”) 34, *Interim financial reporting*, issued by the International Accounting Standards Board (“IASB”). It was authorised for issue on 28 August 2025.

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

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

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2024 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with IFRS Accounting Standards.

The interim financial report is unaudited.



# Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi Yuan unless otherwise indicated)

## 2 Basis of preparation (Continued)

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

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

## 3 Changes in accounting policies

The Group has applied the amendments to IAS 21, *The effects of changes in foreign exchange rates – Lack of exchangeability* issued by the IASB to this interim financial report for the current accounting period. The amendments do not have a material impact on this interim report 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.



# Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi Yuan unless otherwise indicated)

## 4 Revenue and segment reporting

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

### (a) Disaggregation of revenue

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

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

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



# Notes to the Unaudited Interim Financial Report

*(Expressed in Renminbi Yuan unless otherwise indicated)*

## 4 Revenue and segment reporting (Continued)

### (b) Segment reporting

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

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

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



# Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi Yuan unless otherwise indicated)

## 5 Other revenue and other net gain

### (a) Other revenue

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

### (b) Other net gain

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



# Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi Yuan unless otherwise indicated)

## 6 Profit before taxation

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

### (a) Net finance costs

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

### (b) Other items

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

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



# Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi Yuan unless otherwise indicated)

## 7 Income tax

Taxation in the consolidated statement of profit or loss represents:

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

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

## 8 Earnings per share

### (a) Basic earnings per share

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

### (b) Diluted earnings per share

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



# Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi Yuan unless otherwise indicated)

## 9 Inventories

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

## 10 Trade and bills receivables

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

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

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

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



# Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi Yuan unless otherwise indicated)

## 10 Trade and bills receivables (Continued)

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

## 11 Prepayments, deposits and other receivables

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

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



# Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi Yuan unless otherwise indicated)

## 12 Restricted deposits and cash and cash equivalents

### (a) Restricted deposits comprise:

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

### (b) Cash and cash equivalents comprise:

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

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



# Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi Yuan unless otherwise indicated)

## 13 Bank loans and other borrowings

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

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

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



# Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi Yuan unless otherwise indicated)

## 14 Trade and bills payables

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

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

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

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



# Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi Yuan unless otherwise indicated)

## 15 Other payables and accruals

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

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

## 16 Capital, reserves and dividends

### (a) Share capital and capital reserves

	Numbers of ordinary shares	Share capital RMB'000	Capital reserve RMB'000	Total RMB'000
<b>Issued and fully paid</b>				
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 (Note)	53,562,000	53,562	53,628	107,190
At 30 June 2025	214,246,910	214,247	201,624	415,871

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



# Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi Yuan unless otherwise indicated)

## 16 Capital, reserves and dividends (Continued)

### (b) Dividends

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

## 17 Commitments

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

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

## 18 Material related party transactions

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

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



# Definitions

In this interim report, the following expressions have the meanings set out below unless the context otherwise requires:

"AGM"	the annual general meeting of the Company held on 10 June 2025
"Articles" or "Articles of Association"	the articles of association of our Company adopted on 12 March 2025 with effect on the Listing Date, as amended from time to time
"Audit Committee"	the audit committee of the Board
"Auditor"	KPMG, the external auditor of the Company
"Board" or "Board of Directors"	board of directors of the Company
"CG Code"	the Corporate Governance Code as set out in of Appendix C1 to the Listing Rules
"Chairman"	chairman of the Board
"China" or "PRC"	the People's Republic of China, unless otherwise stated, excludes the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan of China herein
"Company", "our Company" or "the Company"	Jiangsu Horizon Chain Supermarket Company Limited (江蘇宏信超市連鎖股份有限公司) (formerly known as Jiangdu Mall Hongxin Supermarket Chain Co., Ltd.* (江都商城宏信超市連鎖有限公司)), a limited liability company established in the PRC on 19 October 2005 and subsequently converted into a joint stock company with limited liability on 30 September 2007, whose H Shares are listed on the Stock Exchange on 31 March 2025 (stock code: 2625)
"Controlling Shareholder(s)"	has the meaning ascribed to it under the Listing Rules and in the context of this interim report, refers to the controlling shareholders of our Company, namely, Mr. Gao Feng (高峰), Ruichuanda Investment, Mr. Yuan Yuan (袁原) and Mr. Zhang Jiaan (張佳安)
"Director(s)"	director(s) of the Company
"Global Offering"	an 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



## Definitions

“Group”, “our Group”, “the Group”, “we”, “us”, or “our”	our Company and our subsidiaries
“H Share(s)”	the ordinary share(s) in the share capital of our Company, with a nominal value of RMB1.00 each, which is/are subscribed for and traded in Hong Kong dollars and listed and traded on the Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong dollars”, “HK dollars”, “HK\$” or “HK cents”	Hong Kong dollars and cents, respectively, the lawful currency of Hong Kong
“IFRS”	International Financial Reporting Standards
“Latest Practicable Date”	9 September 2025, being the latest practicable date prior to the publication of this interim report for ascertaining certain information contained herein
“Listing”	listing of the H Shares on the Main Board of the Stock Exchange
“Listing Date”	31 March 2025, the date on which the H Shares of the Company were listed on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the GEM of the Stock Exchange
“Model Code”	the Model Code for Securities Transaction by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
“Nomination Committee”	the nomination committee of the Board
“Prospectus”	the prospectus of the Company dated 21 March 2025
“Remuneration Committee”	the remuneration committee of the Board
“Reporting Period”	the six months ended 30 June 2025



## Definitions

"RMB"	Renminbi, the lawful currency of the PRC
"Ruichuanda Investment"	Jiangsu Ruichuanda Investment Co., Ltd.* (江蘇瑞川達投資有限公司), a limited liability company established in the PRC on 23 November 2009, which is owned as to 100% by Mr. Gao Feng (高峰), and is one of our Controlling Shareholders
"SFO"	Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
"Share(s)"	ordinary share(s) of the Company with nominal value of RMB1.00 each, including our domestic unlisted Shares and H Shares
"Shareholder(s)"	holder(s) of the Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Supervisor(s)"	member(s) of the Supervisory Committee of the Company
"Supervisory Committee"	the supervisory committee of our Company
"%"	per cent

\* For identification purpose only