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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 2025

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 2025 (the “**Reporting Period**”). The unaudited consolidated results have been reviewed by the Company’s auditors, 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 percentage figures included in this announcement have been subject to rounding adjustments or have been rounded up to one or two decimal places, as appropriate. (Important notice: This announcement is published in Chinese and English versions. In case of inconsistency, the Chinese version shall prevail.)

* For identification purposes only

FINANCIAL INFORMATION

CONSOLIDATED BALANCE SHEETS

Item	Note	2025.6.30 RMB (unaudited)	2024.12.31 RMB (audited)
Current assets:			
Cash and bank balances		886,615,327.25	652,046,262.73
Notes receivable		—	—
Accounts receivable	3	1,026,066,987.90	1,243,392,844.39
Prepayments		757,300,839.97	849,706,800.22
Other receivables		59,119,229.98	45,943,723.00
Inventories		1,348,518,720.93	1,672,686,872.12
Other current assets		210,196,501.72	235,830,286.02
Total current assets		4,287,817,607.75	4,699,606,788.48
Non-current assets:			
Other equity instrument investment		43,000,000.00	43,000,000.00
Other non-current financial assets		44,530,391.78	51,320,856.13
Investment properties		132,896,820.11	135,985,955.12
Fixed assets		626,121,229.54	655,952,078.85
Construction in progress		142,625,368.87	140,106,423.12
Right-of-use assets		559,732,842.41	678,099,099.27
Intangible assets		246,295,014.83	252,405,597.46
Goodwill		78,951,734.04	78,951,734.04
Long-term prepaid expenses		86,458,636.52	92,740,743.74
Deferred tax assets		31,191,366.82	24,258,541.02
Other non-current assets		128,793,800.16	125,173,495.36
Total non-current assets		2,120,597,205.08	2,277,994,524.11
TOTAL ASSETS		6,408,414,812.83	6,977,601,312.59

Item	Notes	2025.6.30 RMB (unaudited)	2024.12.31 RMB (audited)
Current liabilities:			
Short-term borrowings		2,645,639,091.44	2,971,227,478.02
Notes payable	4	214,246,957.80	105,750,091.50
Accounts payable	4	554,561,103.49	555,842,474.01
Advance payment		13,509,348.84	10,623,739.67
Contract liabilities		424,011,504.45	544,849,442.19
Payroll payable		1,484,898.06	1,434,835.30
Taxes payable		32,585,751.01	26,762,642.45
Other payables		284,393,977.49	312,058,500.47
Including: Interest payable		—	—
Dividends payable		7,965,855.90	71,028.00
Non-current liabilities due within one year		229,026,932.76	220,038,438.24
Other current liabilities		54,957,009.82	51,196,835.98
Total current liabilities		4,454,416,575.16	4,799,784,477.83
Non-current liabilities:			
Bonds payable		—	—
Leases liabilities		445,531,077.31	531,371,561.61
Estimated liabilities		—	—
Deferred income		9,940,299.58	11,847,105.79
Deferred tax liabilities		10,764,853.64	12,799,892.41
Other non-current liabilities		—	—
Total non-current liabilities		466,236,230.53	556,018,559.81
TOTAL LIABILITIES		4,920,652,805.69	5,355,803,037.64
Shareholders' equity:			
Share capital		412,220,000.00	412,220,000.00
Capital reserves		605,331,135.39	605,331,135.39
Other comprehensive income		—	—
Surplus reserves		169,059,880.02	169,059,880.02
Undistributed profits	5	30,033,803.19	139,088,761.53
Total equity attributable to shareholders of the parent company		1,216,644,818.60	1,325,699,776.94
Minority interests		271,117,188.54	296,098,498.01
TOTAL SHAREHOLDERS' EQUITY		1,487,762,007.14	1,621,798,274.95
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		6,408,414,812.83	6,977,601,312.59

CONSOLIDATED INCOME STATEMENT

Item	Notes	Six months ended 30 June 2025	Six months ended 30 June 2024
		RMB (unaudited)	RMB (unaudited)
I. Total operating income	6	4,390,170,244.81	4,962,446,162.47
Including: Operating income		4,390,170,244.81	4,962,446,162.47
II. Total operating costs	6	4,504,140,888.25	5,050,161,043.36
Including: Operating cost		3,648,245,716.51	4,093,625,852.02
Taxes and surcharges		16,306,297.31	18,768,275.39
Selling expenses		658,091,743.01	737,923,759.68
Administrative expenses		128,350,254.60	141,970,371.01
Financial expenses		53,146,876.82	57,872,785.26
Add: Other income		3,942,463.74	4,721,428.10
Investment income		3,442,411.29	4,300,000.00
Gains or losses on changes in fair value		-6,790,464.35	-3,663,580.24
Impairment losses on credits		-8,276,052.21	-3,144,129.15
Asset impairment loss		—	—
Gains on disposal of assets		4,076,941.53	2,542,555.60
III. Operating profit		-117,575,343.44	-82,958,606.58
Add: Non-operating income		1,550,798.24	2,003,469.02
Less: Non-operating expenses		1,273,701.26	1,100,207.79
IV. Total profit		-117,298,246.46	-82,055,345.35
Less: Income tax expense	7	-1,943,297.15	3,681,290.91
V. Net profit		-115,354,949.31	-85,736,636.26
(I) Classified by business continuity		—	—
1. Net profit from continued operations		-115,354,949.31	-85,736,636.26
2. Net profit from discontinued operations		—	—
(II) Classified by ownership		—	—
1. Net profit attributable to shareholders of the parent company		-109,054,958.34	-91,561,995.45
2. Profit or loss attributable to minority interests		-6,299,990.97	5,825,359.19

Item	Notes	Six months ended 30 June 2025 RMB (unaudited)	Six months ended 30 June 2024 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		—	—
Gains and losses on changes in fair value of available-for-sale financial assets		—	—
Net value of other comprehensive income attributable to minority of interests after tax		—	—
VII. Total comprehensive income		-115,354,949.31	-85,736,636.26
Total comprehensive income attributable to shareholders of the parent company		-109,054,958.34	-91,561,995.45
Total comprehensive income attributable to minority interests		-6,299,990.97	5,825,359.19
VIII. Earnings per share			
(I) Basic earnings per share	8	-0.26	-0.22
(II) Dilutive earnings per share		Not applicable	Not applicable

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 by 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” before being renamed). 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 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 (the “**Stock Exchange**”). 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 2025.

The controlling shareholder of the Company is Beijing Chaofu State-owned Assets Administration Company Limited (formerly known as “Beijing Chaoyang Auxiliary Food Company” before being renamed).

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 “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 issued and updated afterwards (hereafter collectively referred to as “**Accounting Standards for Business Enterprises**”), 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

Aging	Carrying Amount	Proportion%	2025.6.30 RMB (unaudited)	Credit loss allowance	Net book value
Within 1 year	835,536,921.33	75	1,384,704.87		834,152,216.46
1-2 years	49,356,318.96	4	1,480,689.57		47,875,629.39
2-3 years	140,619,285.84	13	16,833,363.19		123,785,922.65
3-4 years	22,916,806.43	2	6,977,472.92		15,939,333.51
4-5 years	8,708,642.54	1	4,394,756.65		4,313,885.89
Over 5 years	59,975,902.64	5	59,975,902.64		—
Total	<u>1,117,113,877.74</u>	<u>100</u>	<u>91,046,889.84</u>		<u>1,026,066,987.90</u>

4. NOTES AND ACCOUNTS PAYABLE

Item	2025.6.30 RMB (unaudited)	2024.12.31 RMB (audited)
Notes Payable	214,246,957.80	105,750,091.50
Accounts Payable	<u>554,561,103.49</u>	<u>555,842,474.01</u>
Total	<u>768,808,061.29</u>	<u>661,592,565.51</u>

As at 30 June 2025, security deposit for the issuance of bank acceptances above amounted to RMB21,567,527.88 (31 December 2024: RMB21,479,478.45).

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	2025.6.30 RMB (unaudited)	2024.12.31 RMB (audited)
Within 1 year	519,024,022.75	536,086,543.57
1 to 2 years	21,237,771.27	7,097,079.85
2 to 3 years	2,655,143.02	4,499,232.55
Above 3 years	<u>11,644,166.45</u>	<u>8,159,618.04</u>
Total	<u>554,561,103.49</u>	<u>555,842,474.01</u>

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

5. UNDISTRIBUTED PROFITS

Item	Six months ended 30 June 2025 RMB (unaudited)	Six months ended 30 June 2024 RMB (unaudited)
Undistributed profits at the beginning of the period before adjustment	139,088,761.53	299,762,293.04
Adjustment of the total undistributed profits at the beginning of the period	—	—
Undistributed profits at the beginning of the period after adjustment	139,088,761.53	299,762,293.04
Add: Net profit attributable to the shareholders of the parent company for the period	-109,054,958.34	-91,561,995.45
Less: Withdrawal of statutory surplus reserve	—	—
Less: Ordinary shares' dividends payable	—	—
Undistributed profit at the end of the period	<u>30,033,803.19</u>	<u>208,200,297.59</u>

Dividend

A final dividend of RMB0 per share, in respect of year ended at 31 December 2024 (the corresponding period last year: RMB0 per share in respect of the year ended at 31 December 2023) was declared and paid to the shareholders of the Company. The aggregated amount of the final dividend declared and paid for the year ended 31 December 2024 was RMB0 (the corresponding period last year: RMB0).

The Board did not recommend the distribution of any interim dividend for the six months ended 30 June 2025 (the corresponding period last year: nil).

6. OPERATING INCOME AND OPERATING COST

(1) Operating income and operating cost

Item	Six months ended 30 June 2025 RMB (unaudited)		Six months ended 30 June 2024 RMB (unaudited)	
	Income	Cost	Income	Cost
Principal businesses	3,984,419,068.29	3,641,355,894.98	4,418,443,343.08	4,079,117,792.86
Other businesses	<u>405,751,176.52</u>	<u>6,889,821.53</u>	<u>544,002,819.39</u>	<u>14,508,059.16</u>
Total	<u>4,390,170,244.81</u>	<u>3,648,245,716.51</u>	<u>4,962,446,162.47</u>	<u>4,093,625,852.02</u>

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

Item	Six months ended 30 June 2025 RMB (unaudited)		Six months ended 30 June 2024 RMB (unaudited)	
	Principal operating income	Principal operating cost	Principal operating income	Principal operating cost
Retail	1,077,392,855.23	898,518,562.59	1,362,551,512.41	1,154,135,306.95
Wholesale	2,902,661,033.46	2,740,106,967.61	3,054,007,202.96	2,923,596,770.93
Others	<u>4,365,179.60</u>	<u>2,730,364.78</u>	<u>1,884,627.71</u>	<u>1,385,714.98</u>
Total	<u><u>3,984,419,068.29</u></u>	<u><u>3,641,355,894.98</u></u>	<u><u>4,418,443,343.08</u></u>	<u><u>4,079,117,792.86</u></u>

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 2025 RMB (unaudited)	Six months ended 30 June 2024 RMB (unaudited)
Current income tax expense	7,024,567.42	16,862,376.00
Deferred income tax expense	<u>-8,967,864.57</u>	<u>-13,181,085.09</u>
Total	<u><u>-1,943,297.15</u></u>	<u><u>3,681,290.91</u></u>

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

Item	Six months ended 30 June 2025 RMB (unaudited)	Six months ended 30 June 2024 RMB (unaudited)
Accounting profit	-117,298,246.46	-82,055,345.35
Income tax expenses calculated at statutory/appropriate tax rate	-16,498,213.10	-20,513,836.00
Effect of subsidiary companies adopting different tax rates	-564,365.83	436,720.04
Effect of adjusting the previous periods' income tax	565,872.66	-239,556.00
Effect of non-taxable income	-837,013.27	—
Effect of non-deductible costs, expenses and losses	453,535.18	3,753,715.05
Effect of using deductible losses of previously unrecognized deferred tax assets	3,621,893.73	-2,404,829.16
Effect of deductible temporary difference or deductible losses of unrecognized deferred tax assets in the period	11,314,993.48	22,649,076.98
Total	<u>-1,943,297.15</u>	<u>3,681,290.91</u>

8. EARNINGS PER SHARE

Item	Six months ended 30 June 2025 (unaudited)	Six months ended 30 June 2024 (unaudited)
Net profit for the period attributable to shareholders of the parent company (RMB)	-109,054,958.34	-91,561,995.45
Number of ordinary shares used in the calculation of basic earnings per share	<u>412,220,000.00</u>	<u>412,220,000.00</u>
Calculated based on the net profit attributable to ordinary shareholders of the parent company:		
Basic earnings per share	<u>-0.26</u>	<u>-0.22</u>

9. NET CURRENT ASSETS

	2025.6.30	2024.12.31
	<i>RMB</i>	<i>RMB</i>
Item	(unaudited)	(audited)
Current assets	4,287,817,607.75	4,699,606,788.48
Less: Current liabilities	<u>4,454,416,575.16</u>	<u>4,799,784,477.83</u>
Net current assets	<u>-166,598,967.41</u>	<u>-100,177,689.35</u>

10. TOTAL ASSETS LESS CURRENT LIABILITIES

	2025.6.30	2024.12.31
	<i>RMB</i>	<i>RMB</i>
Item	(unaudited)	(audited)
Total assets	6,408,414,812.83	6,977,601,312.59
Less: Current liabilities	<u>4,454,416,575.16</u>	<u>4,799,784,477.83</u>
Total assets less current liabilities	<u>1,953,998,237.67</u>	<u>2,177,816,834.76</u>

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

In the first half of 2025, amid a complex global trade landscape, China implemented comprehensive measures to boost domestic demand and unleash household consumption potential. In terms of consumption expenditure structure, during the Reporting Period, household consumption expenditure on daily necessities and services, transportation and communications, education, culture, and entertainment etc. increased rapidly, but the proportion of food, tobacco and alcohol consumption expenditure in per capita consumption expenditure decreased compared with the same period last year. With the implementation of various policies taking effect, the consumer market demonstrated strong resilience and vitality, though external uncertainties and instabilities remain significant. Faced with the extremely severe external environment and fierce market competition, the Group focused on brand building as a key strategy to enhance the value proposition for its target customers, strengthened and optimized the core business through the two-way empowerment of commodity power and service power, and increased its efforts to promote new breakthroughs in corporate transformation and upgrading.

Retail Business

The Group had 91 retail outlets as at 30 June 2025, including 83 directly-operated outlets and 8 franchise-operated outlets, with total net operating area of approximately 99,218 square metres. The following table sets out the number and net operating area of the Group's retail outlets as at 30 June 2025:

	Department Stores	Hypermarkets	Supermarkets	Convenience stores	Total
Number of retail outlets:					
Directly-operated	1	8	34	40	83
Franchise-operated				8	8
Total	<u>1</u>	<u>8</u>	<u>34</u>	<u>48</u>	<u>91</u>
Net operating area (square metres):					
Directly-operated	20,724	23,722	46,611	6,485	97,542
Franchise-operated				1,676	1,676
Total	<u>20,724</u>	<u>23,722</u>	<u>46,611</u>	<u>8,161</u>	<u>99,218</u>

During the Reporting Period, no new retail outlets were set up, whereas four (4) supermarkets and five (5) directly-operated convenience stores were closed due to lease expirations and adjustment of business strategy.

Deepening the Creation of Purposeful Categories

During the Reporting Period, the Group continuously optimized its supply chain and improved cost performance of fruits, vegetables, meat, and eggs, with the penetration rate of vegetables, fruits, meat and fresh eggs increasing year-on-year, and the creation of purposeful categories was comprehensively upgraded. The Group increased the quantity and specifications of quantitative packaged products of fruit and vegetable products, implemented a model of direct sourcing from production bases, established direct supply channels for key products in many places across the country, and introduced products with geographical indications and selected high-quality items to enhance product competitiveness. In terms of pork products, the Group deepened its self-operated system, and added a variety of refined cuts and deep-processed products, formed an initial scenario-specific portfolio from fresh meat to semi-finished dishes, enhancing its competitive advantage in freshness management.

Deepening Product Upgrades to Improve Efficiency

During the Reporting Period, the Group continued to enrich irreplaceable products and streamline replaceable products, and adjusted the new product strategy from an extensive approach to a selective approach. The Group promoted the launch of new products and simultaneously implemented a “last-place elimination” mechanism to eliminate inefficient suppliers and slow-moving products, further optimizing the product structure. The Group deepened the integration of resources in the entire pipeline supply chain and realized full product warehousing to improve operational efficiency. The Group continued to develop member products, increased the product offerings and achieved full category coverage, further enhancing the appeal of membership. During the Reporting Period, stores steadily increased the proportion of on-site and self-operated products, systematically streamlined and established operating standards for on-site regular goods, and effectively integrated and standardized operational processes.

Deepening Store Operations to Strengthen Competition

During the Reporting Period, the Group adjusted the layout of several stores by optimizing product placement and display, standardizing stack heights, and unifying display standards to shift resources to key areas of weakness, resulting in clearer store layouts, improved sightlines, and more centralized merchandise display, enhancing shopping comfort. Furthermore, the Group closed stores deemed unprofitable to quickly stem losses and focused management efforts on high-potential stores, striving to enhance its brand image and customer experience. The Group actively carried out the special campaign of “Jingkelong Supermarkets enter the Communities”, integrating various convenient services and organizing nearly 200 community outreach activities for its stores, further expanding its brand influence.

Deepening Basic Management to Increase Efficiency

During the Reporting Period, the Group standardized store management by refining operational standards for fresh product operation, basic management, in-store services, workflow implementation and safety work, while enhancing daily supervision and performance evaluation. The Group established clear product freshness and quality benchmarks, adopted a “zero-tolerance” policy toward quality issues, and strengthened sanitation management to comprehensively improve cleanliness standards. The Group upgraded the membership program, combined product labeling systems and promotional materials, and improved pricing tag regulations and marketing requirements. The Group improved its inventory management and replenishment capabilities by refining its standards and measures for stock shortages and stockouts. Through strengthening basic management, stores achieved continuous improvements in customer experience, foot traffic stabilized and showed an upward trend, with daily average customer flow recording a year-on-year increase.

Deepening Science and Technology to Improve Efficiency

During the Reporting Period, the Group completed the infrastructure and core functionality upgrade of its retail business system. At the store level, the Group offered multiple functions, including automatic replenishment of room temperature and fresh goods, direct delivery and automatic acceptance of goods, and one-click checkout. At the customer level, the Group achieved offline QR code payment processing, stored-value card and digital membership integration, simplified returns, and enabled omni-channel order tracking for members. At the headquarter level, the Group optimized merchandise databases and settlement systems, enhanced arrears recovery mechanisms and dynamic pricing algorithms, and introduced digital dashboards with advanced analytics reporting. Focusing on business scenario requirements, the Group improved management and data analysis capabilities and continuously strengthened the fundamental management of system operations.

Deepening Full-coverage of Safety Control

During the Reporting Period, the Group insisted on implementing risk prevention and control measures over food safety, to solidify the defence line of food safety. The Group steadily promoted food safety training, upholding national standards, while enhancing specialized corporate training, to enhance the professional competence of food industry personnel and further reinforce their primary responsibility for food safety. The Group conducted its first group-wide food safety emergency drill to simulate a food safety incident, tested the practicality of emergency response plans, enhanced interdepartmental coordination, and continuously strengthened all employees’ awareness of food safety risk prevention and response.

Deepening Value-added Logistics with Concrete Effects

During the Reporting Period, the fresh food distribution center and the ambient distribution center actively shifted their mentality from a “service guarantee model” to a “service benefit model”. The Group merged the two distribution centers, and established a logistics division, to fully leverage the logistics resources and capabilities, promote all products warehousing, and increase warehousing rate. The Group adjusted the inventory structure to accelerate turnover rate. The Group fully tapped into its capabilities in warehouse distribution, dismantling, transportation and storage, to further release space for creating value. The Group leveraged its fresh food processing capability to develop a variety of semi-finished products for its stores, and enhanced the processing efficiency and unified control of food safety, making store operations simpler and more efficient, and food sales safer.

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		
	2025	2024	Variance
	<i>RMB'000</i>	<i>RMB'000</i>	
	(unaudited)	(unaudited)	
Directly-operated retail outlets:			
Hypermarkets	328,233	394,558	-16.8%
Supermarkets	673,232	869,689	-22.6%
Convenience stores	75,927	98,305	-22.8%
Total retail principal operating income	1,077,392	1,362,552	-20.9%
Gross profit margin of directly-operated hypermarkets, supermarkets and convenience stores (%)	16.6%	15.3%	1.3%

During the Reporting Period, the principal operating income of the Group’s retail business decreased by approximately 20.9% mainly due to the closure of certain stores resulting from lease expirations and operational strategy adjustments, which consequently led to a year-on-year sales decline.

During the Reporting Period, the gross profit margin of directly-operated retail business (excluding department stores) increased from approximately 15.3% in the same period of 2024 to 16.6%. The primary reasons for improvement were: (i) the strengthened development of purpose-driven categories, enhancing the cost-effectiveness of fruits, vegetables, meat, and eggs, and optimizing the supply chain, which effectively contributed to the increased gross profit margin; (ii) through upgrading the product mix, integrating omni-channel supply chains, developing member-exclusive products, and increasing the proportion of self-operated fresh/prepared food offerings, gross profit margin growth is achieved.

WHOLESALE BUSINESS

Deepening Full Chain Synergy to Promote Development

During the Reporting Period, the Group continued its full channel construction, and thoroughly engaged in the refined processing and supply of group meals. The Group deepened cooperation with suppliers, and worked with famous brands to release more than 30 joint SKUs through our exhibitions in Chengdu, Shanghai and other cities, to increase publicity and brand influence, and consolidate traditional supermarket channel, while expanding new business forms. The Group introduced quality brands, and insisted on a “full category + full channel” marketing dual-driven strategy, to further build our product matrix and enhance our supply chain ecologic synergy.

Strengthening Overall Logistics Capabilities

During the Reporting Period, the Group reasonably adjusted the logistics warehouse layout, dynamically optimized warehouse space utilization, and regularly analyzed warehouse and turnover data, to maximize the warehouse utilization rate. By relying on the logistics TMS, the Group swiftly dispatched transport resources, and improved vehicle loading rate and daily average loading rate. The Group continued to provide end-to-end warehouse storage and distribution services to third party customers, and reduced customer’s supply chain cost by offering specialized logistics solutions such as optimizing inventory management and shortening inventory turnover days, to increase logistics service efficiency and improve our overall logistics capabilities.

WHOLESALE OPERATING RESULTS

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

	For the six months ended 30 June		
	2025	2024	Variance
	RMB'000	RMB'000	
	(unaudited)	(unaudited)	
Principal operating income recognised by Chaopi Group*	3,042,576	3,193,246	-4.7%
Less: Intersegment sales			
Sales to franchisees	<u>-139,915</u>	<u>-139,239</u>	<u>-0.5%</u>
Consolidated wholesale principal operating income	<u>2,902,661</u>	<u>3,054,007</u>	<u>-5.0%</u>
Gross profit margin ** (%)	<u>5.6%</u>	<u>4.3%</u>	<u>1.3%</u>

* *Chaopi Group means Beijing Chaopi Trading Company Limited and its subsidiaries.*

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

During the Reporting Period, the principal operating income of the wholesale business decreased by 5.0%, which was mainly due to the following reasons: (i) the alcoholic beverage business experienced a decline in sales revenue due to upstream supply chain volatility and market price adjustments; (ii) the grains and oils segment reported a lower core business revenue, primarily resulting from the shift of certain distribution channels to direct-operation models and decreased sales through the Wumart system.

During the Reporting Period, the gross profit margin of Chaopi Group was 5.6%. The gross profit margin during the corresponding period in 2024 was 4.3%. There is an increase of 1.3%, mainly because of: (i) the addition of Yili brand's UHT milk and yogurt products optimized the product mix, driving an improvement in gross margin; (ii) the adjustment of Unilever's brand manufacturer policies for e-commerce channels in the household and personal care category contributed to gross margin growth.

FINANCIAL RESULTS

	For the six months ended 30 June		
	2025	2024	Variance
	<i>RMB'000</i>	<i>RMB'000</i>	
	(unaudited)	(unaudited)	
Principal operating income	3,984,419	4,418,443	-9.8%
Gross profit	343,063	339,326	1.1%
Gross profit margin (%)	8.6%	7.7%	0.9%
Earnings before interest and tax	-64,831	-25,055	-158.8%
Net profit	-115,355	-85,737	-34.5%
Net profit margin (%)	-2.9%	-1.9%	-1.0%
Net profit attributable to shareholders of the parent company	-109,055	-91,562	-19.1%
Net profit margin attributable to shareholders of the parent company (%)	-2.7%	-2.1%	-0.6%

PRINCIPAL OPERATING INCOME

During the Reporting Period, the Group's principal operating income decreased by approximately 9.8%, of which principal operating income of the retail business decreased by approximately 20.9%, and principal operating income of the wholesale business decreased by approximately 5.0%.

GROSS PROFIT AND GROSS PROFIT MARGIN

During the Reporting Period, the gross profit of the Group increased by approximately 1.1% compared to the corresponding period last year. During the Reporting Period, the gross profit margin was 8.6% (corresponding period last year: 7.7%).

NET PROFIT ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY

During the Reporting Period, net profit attributable to shareholders of the parent company decreased by approximately 19.1% compared with the corresponding period last year. The earnings before interest and tax of this period amounted to approximately RMB-64,831,295.43, representing a decrease of RMB39,776,168.08 compared with the corresponding period last year, and the net profit attributable to shareholders of the parent company decreased from RMB-91,561,995.45 of the corresponding period last year to RMB-109,054,958.34.

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 2025, the Group had non-current assets of RMB2,120,597,205.08 (comprising mainly fixed assets, investment properties, and land use rights for a total of RMB986,668,342.06), and non-current liabilities of RMB466,236,230.53 (mainly comprising leases liabilities of RMB445,531,077.31).

As at 30 June 2025, the Group had current assets of RMB4,287,817,607.75. Current assets mainly comprised cash and cash equivalents of RMB886,615,327.25, inventories of RMB1,348,518,720.93, and accounts receivable of RMB1,026,066,987.90, prepayments and other receivables of RMB816,420,069.95, and other current assets of RMB210,196,501.72. The Group had total current liabilities of RMB4,454,416,575.16. Current liabilities mainly comprised notes payable and accounts payable of RMB768,808,061.29, short term bank loans of RMB2,645,639,091.44 and contract liabilities of RMB424,011,504.45, and other payables of RMB284,393,977.49.

INDEBTEDNESS AND PLEDGE OF ASSETS

As at 30 June 2025, the Group had a total loan amount of RMB2,645,639,091.44, which consisted of accounts receivable factored bank loans of RMB1,300,812.71 and unsecured bank loans of RMB2,644,338,278.73. All bank loans of the Group bear interest rates ranging from 2.35% to 4.50% per annum.

Certain margin deposit of the Group of RMB21,567,527.88 were pledged for notes payable of RMB214,246,957.80 as at 30 June 2025.

The Group's debt-to-asset ratio* was approximately 76.8% as at 30 June 2025, which was slightly higher than that as at 30 June 2024 (approximately 75.9%).

As at 30 June 2025, the gearing ratio** of the Group was approximately 3.3 times.

* *Represented by: Total Liabilities/Total Assets*

** *Represented by: Total Liabilities/Total Equity*

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 2025, the Group employed 3,837 employees domestically (as at 30 June 2024: 4,260 employees). The total staffing costs (including directors' remunerations) of the Group for the Reporting Period amounted to RMB327,370,218.17 (corresponding period of 2024: RMB323,702,437.00). The staff emoluments (including directors' emoluments) of the Group are based on position, duty, experience, performance and market rates, in order to maintain their remunerations at a competitive level.

CONTINGENT LIABILITIES

As at 30 June 2025, the Group did not have any significant or 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 has 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 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 void, 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 requests 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, revoking 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 are still ongoing.

OUTLOOK

In the second half of 2025, as China's economy will continue to demonstrate strong resilience with enormous growth potential, the Group will further strengthen the foundations of high-quality development, drive breakthroughs through reform, push boundaries with innovation, and sharpen our focus on brand building. By synergistically enhancing both product competitiveness and service capabilities, the Group will solidify our core business operations and fully commit to achieving new breakthroughs in corporate transformation and upgrading.

In terms of retail business: The Group aims to improve customer experience, improve employees' well-being, and build the benchmark for retail shops in Beijing, to further deepen brand development and precisely align with differentiated product demands, and fully improve the core competitiveness of purposeful categories. The Group will continue to optimize business systems and enhance digital and AI empowerment. The Group will also enhance talents development and infuse energy into corporate development.

In terms of wholesale business: The Group will uphold the central task of high quality development, speed up central kitchen building, promote the standardization of all categories. The Group will speed up the expansion and innovation of ready-made product categories, build efficient group meals supply chain, promote community canteen business development, expand new growth path, and improve service and commercial efficiency by multiple means.

EVENTS DURING THE REPORTING PERIOD

Change of Directors

During the Reporting Period, the resolutions in relation to the change of directors of the Company were passed at the 2024 Annual General Meeting held on 16 May 2025. Mr. Zhang Liwei, Ms. Wang Hong, Mr. Zhang Hongbo and Mr. Yang Wensheng were appointed as executive directors; Ms. Zhang Yan and Ms. Li Ying were appointed as non-executive directors; and Mr. Kot Man Tat, Mr. Wang Liping and Mr. He Mingke were appointed as independent non-executive directors. Their terms of office are from the conclusion of the 2024 Annual General Meeting to the conclusion of the 2027 Annual General Meeting. Other than Ms. Li Ying and Mr. He Mingke, all other directors are members of the last session of the Board of the Company.

Pursuant to the requirements of the State-owned Assets Supervision and Administration Commission of the Beijing Chaoyang District Government* (北京市朝陽區人民政府國有資產監督管理委員會), Mr. Li Jianwen did not intend to stand for re-election as a non-executive director, while Mr. Chen Liping did not intend to stand for re-election as an independent non-executive director due to work reasons. Their terms of office ended at the conclusion of the 2024 Annual General Meeting. In particular, Mr. Chen ceased to be the chairman of the Nomination Committee and the members of the Audit Committee and Remuneration Committee of the Board.

Both Mr. Li and Mr. Chen confirmed that they have no disagreement with the Board and the Company and there is no matter relating to their retirement that will need to be brought to the attention of the shareholders of the Company.

With effect from 16 May 2025, Mr. He Mingke was appointed as the chairman of the Nomination Committee and the members of the Audit Committee and Remuneration Committee of the Board. For the composition of the committees of the Board, please refer to the relevant announcement of the Company dated 16 May 2025.

EVENTS AFTER THE REPORTING PERIOD

As at the date of this announcement, no other 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 stipulates that each director shall be elected at the shareholders’ meeting of the Company for a term of not more than three years, and 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 Company's 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 2025 unaudited interim consolidated results. The Audit Committee considered that this interim results announcement for the six months ended 30 June 2025 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 2025, 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 2025, 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 2025, 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” before being renamed.

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 2025, 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 and disposals of subsidiaries, associates and joint ventures.

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

Beijing, PRC
22 August 2025

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.