联华超市股份有限公司
LIANHUA SUPERMARKET HOLDINGS CO., LTD.

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

(Stock Code: 00980)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

FINANCIAL HIGHLIGHTS

As at 30 June 2026, the Group recorded the following:

- Revenue amounted to RMB8,573 million, representing a decrease of approximately 10.6% year on year, in which the hypermarket segment decreased by approximately 11.2%, the supermarket segment decreased by approximately 9.1% and the convenience store segment decreased by approximately 15.2%.
- Gross profit amounted to approximately RMB853 million, representing a decrease of approximately 25.2% year on year. Gross profit margin was approximately 9.95%, representing a decrease of approximately 1.94 percentage points year on year. Consolidated income margin was approximately 18.95%.
- Aggregate of distribution and selling expenses and administrative expenses amounted to approximately RMB1,719 million, representing a year-on-year decrease of approximately RMB289 million, or approximately 14.4%.
- Operating loss amounted to approximately RMB175 million, representing a decrease of approximately RMB256 million in operating profit year on year, of which the income from disposal of equity of certain subsidiaries decreased by approximately RMB162 million year on year. Loss attributable to the owners of the Company amounted to approximately RMB202 million, representing a decrease in profit of approximately RMB244 million year on year. Basic loss per share amounted to RMB0.14.
- The total number of outlets reached 3,036. During the period under review, the Group opened 118 new outlets, including 2 hypermarkets, 106 supermarkets (including 42 directly-operated stores and 64 franchised stores) and 10 convenience stores (including 2 directly-operated stores and 8 franchised stores).

Note 1: Consolidated income = Gross profit + Other revenue + Other income and other gains and losses

Note 2: Consolidated income margin = (Gross profit + Other revenue + Other income and other gains and losses)/Revenue

Note 3: Operating profit = Profit before tax – Share of results of associates

Note 4: Operating profit margin = (Profit before tax – Share of results of associates)/Revenue

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2026

		Six months ended 30 June	
		2026	2025
		(Unaudited)	(Unaudited)
	NOTES	***RMB'000***	*RMB'000*
Revenue	*3*	**8,573,236**	9,591,172
Cost of sales		**(7,720,263)**	(8,451,077)
Gross profit		**852,973**	1,140,095
Other revenue	*3*	**583,557**	639,751
Other income and other gains and losses	*5*	**187,925**	410,898
Distribution and selling expenses		**(1,467,579)**	(1,696,579)
Administrative expenses		**(251,579)**	(311,328)
Impairment losses (including reversals of impairment losses) on financial assets		**(1,215)**	250
Other expenses	*6*	**(8,602)**	(13,242)
Share of results of associates	*8*	**3,647**	3,169
Finance costs	*7*	**(70,521)**	(88,948)
(Loss) profit before tax	*8*	**(171,394)**	84,066
Income tax expense	*9*	**(33,436)**	(24,359)
(Loss) profit and total comprehensive (expense) income for the period		**(204,830)**	59,707
(Loss) profit and total comprehensive (expense) income for the period attributable to:			
Owners of the Company		**(202,445)**	42,246
Non-controlling interests		**(2,385)**	17,461
		(204,830)	59,707
(Loss) earnings per share – basic *(RMB cents)*	*11*	**(13.7)**	3.1

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2026

	NOTES	**30 June 2026 (Unaudited) *RMB'000***	31 December 2025 (Audited) *RMB'000*
Non-current assets			
Property, plant and equipment		**2,606,797**	2,713,764
Construction in progress		**6,941**	5,014
Right-of-use assets		**3,282,052**	3,576,117
Goodwill		**141,290**	142,254
Intangible assets		**114,602**	121,012
Interests in associates		**246,869**	243,487
Financial assets at fair value through profit or loss ("**FVTPL**")		**55,887**	69,849
Finance lease receivables-non-current		**15,361**	20,155
Term deposits		**4,376,975**	2,159,640
Deferred tax assets		**68,899**	67,315
Other non-current assets		**78,405**	42,777
		10,994,078	9,161,384
Current assets			
Inventories		**1,470,692**	1,539,286
Finance lease receivables-current		**21,720**	21,294
Trade and bills receivables	*12*	**262,685**	215,139
Deposits, prepayments and other receivables		**568,205**	702,359
Financial assets at FVTPL		**1,395,183**	1,358,596
Amount due from an ultimate holding company		**8**	508
Amounts due from fellow subsidiaries		**26,240**	24,333
Amount due from an associate		**737**	684
Term deposits		**813,196**	3,167,336
Restricted bank balances		**26,490**	8,771
Cash and cash equivalents		**812,741**	1,552,688
		5,397,897	8,590,994
Assets classified as held for sale		**–**	266,392
		5,397,897	8,857,386
Total assets		**16,391,975**	18,018,770

	NOTES	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Capital and reserves			
Share capital		**1,479,600**	1,479,600
Reserves		**(1,812,214)**	(1,609,769)
Equity attributable to owners of the Company		**(332,614)**	(130,169)
Non-controlling interests		**276,319**	304,151
Total equity		**(56,295)**	173,982
Non-current liabilities			
Deferred tax liabilities		**77,902**	136,093
Lease liabilities		**2,535,209**	2,818,025
		2,613,111	2,954,118
Current liabilities			
Trade and bills payables	*13*	**3,814,043**	4,121,750
Tax payable		**140,605**	73,044
Other payables and accruals		**1,133,268**	1,389,131
Lease liabilities		**689,194**	652,000
Coupon liabilities and advance from customers		**7,844,823**	8,199,593
Amount due to an ultimate holding company		**139,651**	114,033
Amounts due to fellow subsidiaries		**73,171**	151,686
Amounts due to associates		**404**	664
		13,835,159	14,701,901
Liabilities associated with assets classified as held for sale		**–**	188,769
		13,835,159	14,890,670
Total liabilities		**16,448,270**	17,844,788
Total equity and liabilities		**16,391,975**	18,018,770

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

1. PRINCIPAL ACTIVITIES

Lianhua Supermarket Holdings Co., Ltd. (the "**Company**") is a joint stock limited company incorporated in the PRC with limited liability. The address of its registered office and principal place of business is Room 713, 7th Floor, No. 1258, Zhen Guang Road, Putuo District, Shanghai, the PRC. The Company is listed on the main board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

The directors of the Company consider that the Company's direct holding company is Bailian Group Co., Ltd ("**Bailian Group**"), a state-owned enterprise established in the PRC, and Shanghai Bailian Group Co., Limited ("**Shanghai Bailian**"), a company incorporated in the PRC and listed on the Shanghai Stock Exchange, and the Company's ultimate holding company is Bailian Group.

The principal activities of the Company and its subsidiaries (the "**Group**") are operation of chain stores including supermarkets, hypermarkets and convenience stores primarily in the eastern region of the PRC.

As of 30 June 2026, the Group has net current liabilities of RMB8,437,262,000 (31 December 2025: RMB6,033,284,000). Taking into account the Group's ability to withdraw the non-current unrestricted term deposits of RMB3,170,100,000 (31 December 2025: RMB1,855,000,000), the historical settlement and addition pattern of the coupon liabilities (disclosed under coupon liabilities and advance from customers), the directors of the Company consider the liquidity risk has been effectively monitored and the Group is able to be continued as a going concern.

The condensed consolidated financial statements are presented in Renminbi (the "**RMB**"), which is also the functional currency of the Company and its subsidiaries.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as appropriate.

Other than additional/change in accounting policies resulting from application of amendments to HKFRS Accounting Standards, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2026 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 December 2025.

Application of amendments to HKFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2026 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards-Volume 11

The application of amendments to a HKFRS Accounting Standards in the current period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

3. REVENUE AND OTHER REVENUE

The Group is principally engaged in the operation of chain stores for hypermarkets, supermarkets and convenience stores. Analysis of the Group's revenue recognised during the period is as follows:

(i) Disaggregation of revenue from contracts with customers

Type of Revenue

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Revenue		
Sales of merchandise	**8,573,236**	9,591,172
Services		
Income from suppliers (service income)	**433,808**	440,798
Franchising income from franchised stores	**16,569**	17,761
Commission income on coupon redemption at other retail shops	**1,211**	4,644
	451,588	463,203
	9,024,824	10,054,375

Timing of revenue recognition

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
At a point in time	**8,574,447**	9,595,816
Over time	**450,377**	458,559
	9,024,824	10,054,375

3. REVENUE AND OTHER REVENUE (Continued)

(i) Disaggregation of revenue from contracts with customers (Continued)

Timing of revenue recognition (Continued)

Set out below is the reconciliation of revenue from contracts with customers with the amounts disclosed in the segment information:

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Revenue from contracts with customers		
– sales of merchandise	**8,573,236**	9,591,172
Other revenue from contracts with customers		
– services	**451,588**	463,203
Rental income from leasing of shop premises	**131,969**	176,548
	583,557	639,751
Total revenue and other revenue	**9,156,793**	10,230,923

(ii) Leases

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
For operating leases:		
Fixed lease payments	**130,736**	174,438
For finance leases:		
Finance income on the net investment in the lease	**1,233**	2,110
Total revenue arising from leases	**131,969**	176,548

4. SEGMENT INFORMATION

The following is an analysis of the Group's revenue (including revenue and other revenue) and results by reportable and operating segments, which the Group's General Manager, being the Group's chief operating decision maker (the "**CODM**"), reviews when making decisions about allocating resources and assessing performance:

	Segment revenue		**Segment results**	
	Six months ended 30 June		**Six months ended 30 June**	
	2026	2025	**2026**	2025
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Hypermarkets	**3,652,873**	4,116,687	**10,926**	1,830
Supermarkets	**4,885,436**	5,363,098	**(110,174)**	9,979
Convenience stores	**599,866**	704,771	**(18,495)**	(9,585)
Other operations	**18,618**	46,367	**(13,767)**	8,251
	9,156,793	10,230,923	**(131,510)**	10,475

A reconciliation of the total segment results to consolidated (loss) profit before tax is as follows:

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Segment results	**(131,510)**	10,475
Share of results of associates	**3,647**	3,169
Gain on disposal of subsidiaries	**24,859**	187,126
Unallocated interest income	**2,228**	7,526
Unallocated (loss) gain on change in fair value of financial assets at FVTPL	**(13,962)**	7,329
Unallocated expenses	**(56,656)**	(131,559)
(Loss) profit before tax	**(171,394)**	84,066

All of the segment revenue reported above is from external customers.

All of the Group's revenue and segment results are attributable to customers in the PRC.

4. SEGMENT INFORMATION (Continued)

Segment results did not include share of results of associates, gain on disposal of subsidiaries, allocation of headquarter income and expenses (including certain interest income relating to funds centrally managed) and unallocated (loss) gain on change in fair value of financial assets at FVTPL. This is the measure reported to the CODM for the purposes of resource allocation and assessment of segment performance.

Information on segment assets and liabilities is not disclosed since this information is not used by CODM in assessing the performance of reportable segments.

5. OTHER INCOME AND OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Interest income on bank balances and term deposits	**68,247**	84,730
Government grants *(note i)*	**15,106**	21,905
Gain on disposal of subsidiaries	**24,859**	187,126
Gain on change in fair value of financial assets at FVTPL	**30,679**	34,631
Dividends from financial assets at FVTPL	**–**	10
Net gain on termination of right-of-use assets and lease liabilities	**13,659**	43,643
Salvage sales	**4,529**	5,180
Income from breakage *(note ii)*	**16,233**	11,356
Coupon charges	**2,388**	3,100
Penalty income	**5,001**	5,879
Membership income	**244**	454
Others	**6,980**	12,884
Total	**187,925**	410,898

Notes:

(i) The Group received unconditional grants of RMB15,106,000 (30 June 2025: RMB21,905,000) from the PRC local government as an encouragement for operation of certain subsidiaries in certain regions of the PRC.

(ii) The Group recognises the amount of breakage at expected redemption rate, which is formulated by reference to the ratio derived from historical information on proportion of coupons issued by the Group but not yet utilised by the customers for certain period of time. The breakage amounts are recognised as other income from coupon liabilities.

6. OTHER EXPENSES

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Loss on disposal of property, plant and equipment	**1,630**	609
Store closure expenses	**5,385**	11,325
Penalty expense	**–**	40
Others	**1,587**	1,268
	8,602	13,242

7. FINANCE COSTS

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Interest expense on lease liabilities	**61,822**	81,627
Expense on discounting of bill receivables	**8,699**	7,321
	70,521	88,948

8. (LOSS) PROFIT BEFORE TAX

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
(Loss) profit before tax has been arrived at after charging (crediting):		
Amortisation and depreciation		
Amortisation of intangible assets	**12,310**	12,408
Depreciation of property, plant and equipment	**130,865**	156,242
Depreciation of right-of-use assets	**354,116**	393,957
Total amortisation and depreciation	**497,291**	562,607
Cost of inventories recognised as an expense	**7,720,263**	8,451,077
Impairment losses recognized (reversal) in respect of trade and other receivables	**1,215**	(250)
Staff costs	**709,155**	867,039
Share of results of associates		
Share of results before tax	**(4,815)**	(4,247)
Share of income tax expense	**1,168**	1,078
	(3,647)	(3,169)

9. INCOME TAX EXPENSE

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Current tax on the PRC Enterprise Income Tax ("**EIT**")	**93,205**	62,748
Under provision in prior years	**6**	795
Deferred tax credit	**(59,775)**	(39,184)
	33,436	24,359

No provision for taxation in Hong Kong has been made as the Group's income neither arises in, nor is derived from Hong Kong.

Under the Law of the PRC on EIT ("**EIT Law**") and Implementation Regulation of the EIT Law, the EIT tax rate of the PRC subsidiaries is 25%. Certain subsidiaries are entitled to EIT at preferential rate of 15% as those entities are located in the western China. In addition, certain subsidiaries which are identified as small low-profit enterprises are entitled to enjoy preferential EIT rate ranging from 5% to 10%.

10. DIVIDEND

The directors of the Company do not recommend the payment of an interim dividend for both interim periods.

11. (LOSS) EARNINGS PER SHARE – BASIC

The calculation of the basic (loss) earnings per share attributable to owners of the Company is based on the following data:

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
(Loss) earnings		
(Loss) earnings for the period attributable to owners of the Company	**(202,445)**	42,246

11. (LOSS) EARNINGS PER SHARE – BASIC (Continued)

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic (loss) earnings per share	**1,479,600,000**	1,370,208,000

No diluted (loss) earnings per share is presented as there were no dilutive potential ordinary shares in issue for both periods.

12. TRADE AND BILLS RECEIVABLES

	30 June 2026	31 December 2025
	(Unaudited)	(Audited)
	RMB'000	*RMB'000*
Trade receivables – contracts with customers	**271,349**	223,509
Less: allowance for credit losses	**(8,664)**	(8,370)
	262,685	215,139

The aging analysis of the trade receivables net of allowance for credit losses at the end of the reporting period, arising principally from sales of merchandise to wholesalers with credit terms ranging from 30 to 60 days (31 December 2025: 30 to 60 days), presented as follows:

	30 June 2026	31 December 2025
	(Unaudited)	(Audited)
	RMB'000	*RMB'000*
0 – 30 days	**248,625**	198,658
61 – 90 days	**–**	12
Over 90 days	**14,060**	16,469
	262,685	215,139

12. TRADE AND BILLS RECEIVABLES (Continued)

The aging is determined from the date on which the control of the goods or services is transferred to the customers till the end of the reporting period.

The trade receivables are mainly public institutions with good credit standing. The management considered the credit quality of the trade receivables that are neither past due nor impaired were good and there was no default from those debtors in historical record. For trade receivables which are past due, the Group has applied provision matrix to measure the ECL.

Aging of trade receivables which are past due:

	30 June 2026 (Unaudited) ***RMB'000***	31 December 2025 (Audited) *RMB'000*
1 – 30 days past due	**–**	12
More than 30 days past due	**14,060**	16,469
	14,060	16,481

13. TRADE AND BILLS PAYABLES

	30 June 2026 (Unaudited) ***RMB'000***	31 December 2025 (Audited) *RMB'000*
Trade payables	**1,902,125**	2,115,038
Bills payables *(note)*	**1,911,918**	2,006,712
	3,814,043	4,121,750

Note:

During the six months ended 30 June 2026 and 30 June 2025 certain of the Company's subsidiaries received bills from the other subsidiaries and discounted the bills to banks. The cash flows of such transactions have been presented in cash flow statement as financing activities.

13. TRADE AND BILLS PAYABLES (Continued)

The aging analysis of trade payables at the end of the reporting period, arising mainly from purchase of merchandise with credit terms ranging from 30 to 60 days (31 December 2025: 30 to 60 days), is as follows:

	30 June 2026 (Unaudited) ***RMB'000***	31 December 2025 (Audited) *RMB'000*
0 – 30 days	**153,487**	503,378
31 – 60 days	**373,128**	398,359
61 – 90 days	**258,096**	321,566
Over 90 days	**1,117,414**	891,735
	1,902,125	2,115,038

The aging is determined from the dates on which the control of the goods or services is transferred to the Group till the end of the reporting period.

The following is an aging analysis of bills payables presented based on issue dates at the end of each reporting period:

	30 June 2026 (Unaudited) ***RMB'000***	31 December 2025 (Audited) *RMB'000*
0 – 180 days	**1,911,918**	2,006,712

The following is an aged analysis of bills payables presented based on maturity dates at the end of each reporting period:

	30 June 2026 (Unaudited) ***RMB'000***	31 December 2025 (Audited) *RMB'000*
0 – 180 days	**1,911,918**	2,006,712

MANAGEMENT DISCUSSION AND ANALYSIS

Operating Environment

In the first half of 2026, the pace of global economic recovery slowed amid the continued escalation of geopolitical tensions and trade protectionist measures, resulting in heightened volatility across the global trade landscape. The domestic economy maintained steady growth, although the foundation for further recovery remained to be consolidated. According to the figures released by the National Bureau of Statistics of the PRC, China's gross domestic product (GDP) reached RMB69.6 trillion in the first half of 2026, representing a year-on-year increase of 4.7%. The national consumer price index (CPI) rose by 1.0% year-on-year, reflecting a moderate increase in consumer prices, while the total retail sales of consumer goods amounted to RMB24.9 trillion, representing a year-on-year growth of 1.3%. Overall, consumer sentiment remained cautious, and the recovery of domestic demand and the revitalisation of the consumer market continued to face multiple challenges.

As consumer demand continues to evolve and new retail formats emerge at an accelerating pace, China's retail supermarket sector has entered a critical phase of transformation, characterised by intensified competition in the existing market and a greater emphasis on quality and efficiency enhancement. Emerging formats, including hard-discount stores, wholesale snacks, fresh snacks and prepared-food specialty stores, have continued to divert consumer traffic, while online retail models such as instant retail and front-end warehouses have further compressed the operating space of offline physical retailers. The traditional retailers as a whole are facing challenges including fragmented customer traffic, increasingly homogeneous competition and pressure on profitability. Lean operations, differentiated competitiveness, deeper supply chain capabilities and digital transformation are expected to become critical pathways for making breakthroughs.

In response to industry transformation trends and the competitive landscape, the Group has actively sought to capture new consumption trends and adapt to emerging industry developments. By focusing its efforts on key areas including transformation and capability enhancement, revitalisation of fresh food-driven traffic, refinement of profitability models, strengthening of product competitiveness, marketing empowerment, digital intelligence-driven collaboration, lean organisational management, and cost reduction alongside quality and efficiency improvement, the Group has accelerated the upgrading of retail formats, product offerings, service capabilities and operational efficiency, continued to strengthen its core competitiveness, steadily advancing its corporate vision of "increasing our customers' loyalty to us"（讓消費者更喜愛我們） and pursuing resilient, high-quality growth throughout the industry's deep transformation cycle.

Financial Review

Revenue

During the period under review, the Group's revenue was approximately RMB8,573 million, representing a year-on-year decrease of approximately RMB1,018 million, or approximately 10.6%, which was mainly affected by factors such as intensified market competition and instant retail diversion of e-commerce. Additionally, the Group has continued to optimize and adjust under-performing stores, shut down long-term loss-making stores, and disposed of interests in certain subsidiaries, leading to an overall decline in sales scale.

Gross Profit

During the period under review, the Group's gross profit was approximately RMB853 million, representing a year-on-year decrease of approximately RMB287 million, or by approximately 25.2%. During the period under review, the overall gross profit margin of the Group was approximately 9.95%, representing a decrease of approximately 1.94 percentage points as compared with the gross profit margin of 11.89% for the corresponding period of last year. It was mainly due to the Group's efforts to increase the drainage of people's livelihood commodities such as fresh food and increase the discount for members in order to attract customers. On the other hand, the proportion of sales of low-margin people's livelihood products in stores increased, while the proportion of sales of high-margin goods decreased, and the change of commodity structure compressed the overall gross profit margin.

Other Revenue

During the period under review, the Group's other revenue was approximately RMB584 million, representing a year-on-year decrease of approximately RMB56 million, or approximately 8.8%. It was mainly due to the strategic adjustment of leasing miniaturization and community in the Group's hypermarkets segment, the tenant solicitation income has decreased.

Other Income and Other Gains and Losses

During the period under review, the Group's other income and other gains amounted to approximately RMB188 million, representing a year-on-year decrease of approximately RMB223 million, or approximately 54.3%, which was mainly attributable to the decrease in gain on disposal of equity interests in certain subsidiaries year on year.

Distribution and Selling Expense

During the period under review, the Group's distribution and selling expenses amounted to RMB1,468 million, representing a year-on-year decrease of approximately RMB229 million, or approximately 13.5%, which was mainly attributable to the Group's continuous optimization of store resource allocation and reduction of rental costs, the operating costs were simultaneously reduced.

Administrative Expenses

During the period under review, the Group's administrative expenses amounted to approximately RMB252 million, representing a year-on-year decrease of approximately RMB59 million, or approximately 19.0%.

Other Expenses

During the period under review, the Group's other expenses amounted to approximately RMB9 million, representing a year-on-year decrease of approximately RMB4 million.

Share of Results of Associates

During the period under review, the Group's share of results of associates amounted to approximately RMB4 million, remaining stable year on year.

(Loss) Profit before Tax

During the period under review, the Group's loss before tax amounted to approximately RMB171 million, compared with profit before tax of approximately RMB84 million in the same period last year, which was mainly due to the substantial year-on-year decrease in gain on disposal of equity interests in certain subsidiaries, and the sales scale has declined.

Income Tax Expense

During the period under review, the Group's income tax expense was approximately RMB33 million, representing a year-on-year increase of approximately RMB9 million.

(Loss) Profit Attributable to Owners of the Company

During the period under review, the Group's loss attributable to owners of the Company amounted to approximately RMB202 million, while the profit attributable to owners of the Company during the same period last year was approximately RMB42 million. During the period under review, the net loss rate was approximately 2.36%, representing a year-on-year decrease of 2.80 percentage points. Based on the weighted average number of issued share capital of 1,479.6 million shares of the Group during the six months ended 30 June 2026, the basic loss per share was approximately RMB0.14.

Liquidity and Financial Resources

As at 30 June 2026, the Group's cash and balance at the bank amounted to approximately RMB6,029 million.

For the six months ended 30 June 2026, the trade payable turnover period of the Group was approximately 60 days, and the inventory turnover period was approximately 39 days.

During the period under review, the Group did not use any financial instruments for hedging purposes. As at 30 June 2026, there were no arbitrage financial instruments issued by the Group.

Gearing Ratio

As at 30 June 2026, the gearing ratio of the Group (the gearing ratio is calculated by dividing total interest-bearing liabilities (net of lease liabilities) by total equity) was 0.0% (31 December 2025: 0.0%).

Growth Status of Retail Business

Hypermarkets

During the period under review, the revenue of the hypermarket segment amounted to approximately RMB3,413 million, representing a year-on-year decrease of approximately RMB431 million, or approximately 11.2%, and accounting for approximately 39.8% of the Group's revenue. During the period under review, the decline in revenue was primarily due to intensified market competition in regions such as Shanghai and Zhejiang, coupled with the implementation of a strategic transformation towards "small-scale and community-based" mode, resulting in a year-on-year reduction in revenue.

During the period under review, the hypermarket segment recorded a gross profit of approximately RMB415 million, representing a year-on-year decrease of approximately RMB122 million. Gross profit margin decreased by approximately 1.82 percentage points year on year to approximately 12.16%. The decrease in gross profit margin was primarily due to the increased investment in promotional and marketing activities to attract customers. During the period under review, the hypermarket segment recorded a consolidated income of approximately RMB793 million, representing a year-on-year decrease of approximately RMB150 million, and the consolidated income margin decreased by approximately 1.28 percentage points year on year to approximately 23.24%.

During the period under review, the aggregate of operating expenses of the hypermarket segment amounted to approximately RMB782 million, representing a year-on-year decrease of approximately RMB159 million. The Group continued to focus on reducing costs and increasing efficiency, adjusting the size of outlets and reducing leasing costs. The hypermarket segment recorded an operating profit of approximately RMB11 million, representing a year-on-year increase in profit of approximately RMB9 million. Operating profit margin increased by approximately 0.27 percentage point year on year to operating profit margin of approximately 0.32%.

As at 30 June	**2026**	2025
Gross Profit Margin (%)	**12.16**	13.98
Consolidated Income Margin (%)	**23.24**	24.52
Operating Profit Margin (%)	**0.32**	0.05

Supermarkets

During the period under review, the supermarket segment recorded a revenue of approximately RMB4,559 million, representing a decrease of approximately RMB458 million or approximately 9.1% year on year, and accounting for approximately 53.2% of the Group's revenue. During the period under review, the supermarket segment focused on accurately targeting community needs as its core. Through the creation of differentiated scenarios and innovations in refined operation models, it comprehensively promoted efficiency improvement.

During the period under review, the supermarket segment recorded a gross profit of approximately RMB384 million, representing a year-on-year decrease of approximately RMB133 million or approximately 25.7%. Gross profit margin decreased by approximately 1.90 percentage points year on year to approximately 8.41%. The supermarket segment primarily served community needs, with a notable increase in the sales proportion of people's livelihood commodities such as fresh produce, leading to a decrease in gross profit margins. During the period under review, the supermarket segment recorded a consolidated income of approximately RMB762 million, representing a decrease of approximately RMB170 million year on year. The consolidated income margin decreased by approximately 1.85 percentage points year on year to approximately 16.72%.

During the period under review, the supermarket segment recorded an operating loss of approximately RMB110 million, representing a decrease of approximately RMB120 million year on year. The operating profit margin decreased by approximately 2.62 percentage points to an operating loss margin of approximately 2.42%.

As at 30 June	**2026**	2025
Gross Profit Margin (%)	**8.41**	10.31
Consolidated Income Margin (%)	**16.72**	18.57
Operating Profit Margin (%)	**-2.42**	0.20

Convenience stores

During the period under review, the convenience store segment recorded a revenue of approximately RMB584 million, representing a decrease of approximately RMB105 million or approximately 15.2% year on year, and accounting for approximately 6.81% of the Group's revenue. The year-on-year decrease in revenue was due to the proactive closure of certain long-term loss-making stores based on the Group's overall strategic planning.

During the period under review, the convenience store segment recorded a gross profit of approximately RMB44 million, representing a decrease of approximately RMB32 million or approximately 42.11% year on year. The gross profit margin decreased by approximately 3.45 percentage points to approximately 7.55%. The convenience store segment recorded a consolidated income of approximately RMB63 million, representing a year-on-year decrease of approximately RMB31 million, and the consolidated income margin decreased by approximately 2.83 percentage points year on year to approximately 10.77%.

During the period under review, the operating loss of the convenience store segment was approximately RMB18 million, representing a year-on-year increase in loss of approximately RMB8 million from the same period last year, and the operating loss margin increased by approximately 1.78 percentage points to approximately 3.17%.

As at 30 June	**2026**	2025
Gross Profit Margin (%)	**7.55**	11.00
Consolidated Income Margin (%)	**10.77**	13.60
Operating Loss Margin (%)	**3.17**	1.39

Analysis of Financial Results

	Six months ended 30 June		
	RMB million		YoY Change
	2026	2025	(%)
Revenue	**8,573**	9,591	-10.6
Gross profit	**853**	1,140	-25.2
Consolidated income	**1,624**	2,191	-25.9
Operating (loss) profit	**(175)**	81	-316.0
Income tax expense	**33**	24	37.5
(Loss) profit for the period attributable to owners of the Company	**(202)**	42	-581.0
Basic (loss) earnings per share *(RMB)*	**(0.14)**	0.03	-566.7
Dividend per share *(RMB)*	**Nil**	Nil	N/A

Capital Structure

As at 30 June 2026, the Group's cash and cash equivalents were mainly held in Renminbi. The Group had no other bank borrowings.

During the period under review, the equity attributable to owners of the Company decreased from approximately RMB-130 million to approximately RMB-332 million, which was primarily due to the loss for the period attributable to owners of the Company of approximately RMB202 million during the period.

Details of the Group's Pledged Assets

As at 30 June 2026, the Group did not pledge any assets.

Foreign Exchange Risks

Most of the incomes and expenditures of the Group are denominated in Renminbi. During the period under review, the Group did not experience any material difficulties or negative effects on its operations or liquidity as a result of fluctuations in exchange rates. The Group neither entered into any agreements nor purchased any financial instruments to hedge its foreign exchange risk. The directors of the Company (the "**Directors**") believe that the Group is able to meet its foreign exchange demands.

Share Capital

As at 30 June 2026, the issued share capital of the Company was as follows:

Class of Shares Issued	**Number of Shares**	**Percentage**
Domestic Shares	1,075,397,400	72.68
Unlisted Foreign Shares	31,602,600	2.14
H Shares	372,600,000	25.18
Total	1,479,600,000	100.00

Contingent Liabilities

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

Transformation and Capacity Enhancement

During the period under review, the Group's hypermarket segment focused on establishing profitability models for existing stores while overcoming growth constraints associated with new store development. Through a series of initiatives, including store format optimisation, product enhancement and online operation efficiency improvement, the Group has been developing a more efficient and sustainable operating model, accelerating the transformation of traditional hypermarkets into community-oriented, precision-focused and profitability-driven outlets.

During the period under review, the Group's supermarket segment was guided by the operating philosophy of "building on fresh food foundations and prioritising customer traffic". The Group accelerated exploration of standardised store formats and continued to strengthen its operation fundamentals. On the one hand, the Group deepened structural adjustments to existing stores, reinforcing the core position of fresh produce and enhancing price competitiveness. On the other hand, the Group developed differentiated benchmark stores by adhering to the principle of "selected products".

During the period under review, the Group's convenience store segment focused on exploring and developing a small-format community retail model in Shanghai, continuously optimising store structures and improving operation quality and efficiency. Through targeted store downsizing initiatives and operation restructuring, the Group enhanced operational efficiency and profitability. Through category optimisation, improved merchandising layouts, cultivation of higher-margin products, and the introduction of high-potential categories such as fresh food, ready-to-eat products and distinctive convenience offerings, the Group laid a solid foundation for the maturation, replication and large-scale expansion of community small-format model.

During the period under review, the Group continued to explore innovative growth path and accelerated the expansion of new stores. Specifically, we opened a total of 118 new stores, including 46 directly-operated stores and 72 franchised stores. A total of 71 of the new stores were located in the Yangtze River Delta region, accounting for 60.2% of the new stores. On the other hand, the Group adapted to changes in the market environment and improved the quality of the physical outlets as a whole through systematic store streamlining. As a result, 144 stores were closed, of which 48 were directly-operated stores and 96 were franchised stores. As at 30 June 2026, the Group had a total of 3,036 stores, approximately 84.2% of which are located in East China.

	Hypermarkets	Supermarkets	Convenience Stores	Total
Directly-operated	91	886	220	1,197
Franchised	–	1,454	385	1,839
Total	91	2,340	605	3,036

Note: 1. The above data is as at 30 June 2026.

Revitalisation of Fresh Food-Driven Traffic

During the period under review, the Group continued to position fresh produce as a core strategic category for attracting customer traffic and enhancing operational efficiency. Through coordinated efforts in enhancing supply chain quality, optimising the product mix and improving store adjustment and reform, the Group steadily improved the quality of its fresh produce operations, with the strategic role of the fresh produce category in driving customer traffic gradually taking shape. The Group leveraged store improvement and scenario innovation to strengthen the operational foundation for attracting customer traffic and enhancing operational efficiency through fresh produce; deepened direct sourcing at source and strategic cooperation with production bases to reinforce the core competitiveness of its fresh produce supply chain; and focused on cultivating high-potential categories and extending the value chain to drive structural improvements in the profitability of its fresh produce operations.

Strengthening of Product Competitiveness

During the period under review, the Group comprehensively advanced its Top 100 Flagship Products Programme to systematically enhance its product capabilities. With a focus on "precise product selection and centralised negotiations", the Group further developed its "1+1+1" product positioning model, driving steady growth in both sales and gross profit of its flagship products. Through the "Gold Medal Picks (金牌挑手)" programme, the Group continued to deepen cooperation with fresh produce bases and source factories and established a multi-category supply chain collaboration network. Meanwhile, the Group focused on product rationalisation and its large-scale single-product strategy, continuously optimising its product mix and creating further room for portfolio enhancement.

Marketing Empowerment

During the period under review, the Group closely followed the core themes of peak festive seasons and brand momentum, and drove breakthroughs in sales and continuous enhancement of brand awareness through multi-dimensional marketing activities and cross-sector marketing collaborations, including further developing its festive marketing framework and refining a sustainable marketing model, focusing on the "35th Anniversary Celebration" to comprehensively enhance brand communication momentum, and deepening IP collaborations and cross-sector cooperation to broaden the brand's reach and enhance its appeal among younger consumers, effectively achieving traffic conversion and sales growth.

Digital Intelligence-driven Collaboration

During the period under review, the Group focused on digital intelligence empowerment and the adoption of AI, and systematically advanced intelligent collaboration and operational efficiency enhancement across four key dimensions, namely digital intelligence in stores, digital intelligence in products, digital intelligence in the supply chain and digital operations. By advancing digital intelligence in stores, the Group strengthened collaboration between its headquarters and stores; by advancing digital intelligence in products, it developed product digital asset and master data management capabilities; by advancing digital intelligence in the supply chain, it enhanced the level of intelligence in replenishment and risk warning; and by advancing digital operations, it strengthened its capabilities in data governance and refined analysis.

Lean Organisational Management – Employment, Training and Development

As at 30 June 2026, the Group had a total of 17,006 employees. The total labor costs amounted to approximately RMB709,155 thousand.

During the period under review, the Group continued to deepen lean human resources management, with a strong focus on cost control, performance assessment and incentives, and talent development. First, the Group promoted lean management and efficiency enhancement in human resources to empower business operations. Second, it introduced innovative performance assessment and incentive mechanisms to motivate all employees. Third, it strengthened its talent pipeline and enhanced training support. Fourth, it focused on enhancing job-related skills, coordinated online and offline training, and carried out capability building in line with business needs, thereby steadily improving training effectiveness.

Cost Reduction alongside Quality and Efficiency Improvement

During the period under review, the Group continued to strengthen cost awareness among all employees, and advanced overall cost-cutting efforts by focusing on rent reduction, operational cost control and labor cost optimization as key measures. Through refined management across the entire value chain and multiple dimensions, the Company continuously optimized its cost structure and established a long-term mechanism for cost reduction and efficiency improvement.

Strategy and Planning

In the second half of 2026, the Chinese economy is expected to remain in a recovery phase, while the pattern of weak domestic consumption momentum and intensifying competition over existing market share will continue to deepen. The differentiation of retail industry formats is becoming increasingly significant, with the rapid expansion of hard discount models and intense competition in instant retail putting traditional supermarkets under double pressure. Although supportive policies at the macro level, such as promoting consumption, developing convenient living circles and upgrading equipment, continue to be introduced and provide crucial support for the transformation of physical retail, the slow recovery of consumer willingness and increasing market fragmentation pressures mean the industry remains in a critical transition period marked by both challenges and opportunities.

In the second half of 2026, it is expected that the pace of transformation in the retail industry will continue to accelerate, with business format iteration, model innovation and efficiency competition becoming the core themes. The shopping radius of consumers continued to shrink, with a significant increase in their demand for cost-effectiveness, convenience and immediacy. The industry rapidly transitioned from a "comprehensive categories and large areas" model to a "professional and outstanding community service center" one. In this regard, the Group will closely adhere to the core requirements of high-quality development and strategic transformation, focus on improving core capabilities, and further deepen reform and restructuring, and it will uphold the concept of self-driven, agile, and quality- and efficiency-oriented development, and fully stimulate the organizational vitality and employee potential. At the same time, we will continue to deepen the optimization and upgrading of supermarket and hypermarket segments, accelerate the innovation in products and supply chain systems, and accurately respond to industry competitive dynamics, and adapt to market changes with greater business resilience.

In the second half of 2026, the Group will continue to focus on the core goals of stabilizing operations, improving efficiency and mitigating risks. Guided by customer focus, the Group will strengthen brand value enhancement and systematically develop eight core tasks, namely "refining the single-store model and establishing a closed-loop profitability system, upgrading the product matrix and streamlining the supply chain, integrating omni-channel marketing and activating membership, unleashing the momentum of online business and driving incremental growth, optimizing outlet layout and accelerating franchise expansion, deepening digital and intelligent transformation and enhancing omni-channel efficiency, driving organizational restructuring to boost efficiency and unlocking talent potential, and strictly adhering to safety redlines and reinforcing risk prevention and control". We will anchor the main line of high-quality development, deeply consolidate the operational foundation and forge core competitiveness with the direct sales system as the core, and use the franchise network as a means to accelerate the expansion of market coverage, enhance regional influence, and gather development forces, injecting strong momentum into building a more resilient, efficient and dynamic development pattern.

In the second half of 2026, the Group will focus its efforts on making breakthroughs across multiple dimensions, including single-store profitability, product capability building, supply chain efficiency, marketing innovation, online and offline synergy, outlet expansion, digital and intelligent empowerment, organizational effectiveness enhancement and safety assurance, aiming to promote stable recovery of operations on full swing. At the same time, the Group will focus on strategic transformation to build consensus among all employees, use cultural construction and mechanism innovation as bonds, and gather a powerful force to overcome difficulties and improve quality and enhance efficiency, providing solid support for navigating industry changes and achieving sustainable and healthy development.

SUBSEQUENT EVENTS

On 28 August 2026, the Termination Agreement in relation to the Entrustment of the Shares of Lianhua Supermarket Holdings Co., Ltd. between Bailian Group Co., Ltd. and Shanghai Bailian Group Co., Limited (the "**Termination Agreement**") was entered into between Bailian Group Co., Ltd ("**Bailian Group**"), and Shanghai Bailian Group Co., Limited ("**Shanghai Bailian**"), the substantial shareholder of the Company, to terminate the entrustment arrangements in respect of the shares of the Company under the equity entrustment agreement entered into between Bailian Group and Shanghai Bailian on 17 April 2015 (the "**Equity Entrustment Agreement**"). Pursuant to the Termination Agreement, the Equity Entrustment Agreement shall be terminated from the effective date of the Termination Agreement. Bailian Group shall no longer entrust Shanghai Bailian with the management of the 614,160,000 shares of the Company held by Bailian Group (the "**Entrusted Shares**"). The rights and obligations of Bailian Group and Shanghai Bailian under the Equity Entrustment Agreement shall be terminated accordingly, and both parties shall cease to be bound by the Equity Entrustment Agreement. From the effective date of the Termination Agreement, Bailian Group shall be entitled to and shall exercise, in accordance with law and on its own, all shareholders' rights attached to the Entrusted Shares, and Shanghai Bailian shall no longer be entitled to or exercise any shareholder's rights in respect of the Entrusted Shares.

Except as disclosed above, from 1 July 2026 to the date of this announcement of interim results, there was no subsequent event that may cause material effects on the results of the Company.

INTERIM DIVIDEND

The Board does not recommend the distribution of interim dividend for the six months ended 30 June 2026.

PURCHASE, SALE OR REDEMPTION OF SHARES

For the six months ended 30 June 2026, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the listed securities of the Company. As at 30 June 2026, the Company did not hold any treasury shares.

AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") has considered and reviewed the accounting principles and practices adopted by the Group and has discussed matters in relation to internal control and financial reporting with the management, and has reviewed the unaudited condensed interim accounts for the six months ended 30 June 2026 of the Group. The Audit Committee has no disagreement with the accounting principles and practices adopted by the Group.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS IN APPENDIX C3 TO THE RULES GOVERNING THE LISTING OF SECURITIES ON THE STOCK EXCHANGE (THE "LISTING RULES")

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as code of conduct for securities transactions by all the Directors and relevant employees of the Company. After specific enquiries to all the Directors and relevant employees, the Board is pleased to announce that all the Directors and relevant employees have fully complied with the provisions under the Model Code during the period under review.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE IN APPENDIX C1 TO THE LISTING RULES

The Board is pleased to confirm that except for the matters as set out below, the Company has complied with all the code provisions in the "Corporate Governance Code" (in effect as of 30 June 2026) (the "**Code**") as set out in Part 2 of Appendix C1 to the Listing Rules during the period under review. Apart from the following deviations, none of the Directors is aware of any information that would reasonably indicate that the Company is not or was not for any time of the period under review in compliance with the Code. Details of the deviations are set out as follows:

Provision B.2.2 of the 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 articles of association of the Company (the "**Articles of Association**") provides that each director shall be appointed at the general meeting of the Company and for a term of not more than 3 years, and is eligible for re-election. Taking into account the continuity of the implementation of the Company's operation and management policies, the Articles of Association contains no express provision for the mechanism of directors' retirement by rotation, thus deviating from the aforementioned provision of the Code.

For provision C.1.6 (which has been re-numbered as code provision C.1.5 since 1 July 2025) of the Code in respect of the non-executive directors' regular attendance and active participation in Board meetings and attendance at general meetings:

Ms. Shen Chen, a then non-executive Director, Mr. Cao Hai-lun, a non-executive Director and Mr. Chen Wei, an independent non-executive Director, were unable to attend the fourteenth meeting of the eighth session of the Board convened on 30 March 2026 by the Company due to their other business commitments.

Ms. Shen Chen, a then non-executive Director, Mr. Cao Hai-lun, a non-executive Director and Ms. Yang Qin, a then non-executive Director, were unable to attend the 2025 annual general meeting of the Company convened on 18 June 2026 (the "**2025 AGM**") due to their other business commitments.

Mr. Cao Hai-lun, a non-executive Director, was unable to attend the first meeting of the ninth session of the Board convened on 18 June 2026 by the Company due to his other business commitments.

Ms. Wu Si-yun, a non-executive Director, Mr. Cao Hai-lun, a non-executive Director, and Ms. Tian Ying-jie, a non-executive Director, were unable to attend the second meeting of the ninth session of the Board convened on 28 August 2026 by the Company due to their other business commitments.

After receiving the relevant materials for the Board meetings, the above-mentioned Directors have authorized other Directors to attend the meetings and vote on their behalf. The relevant matters were considered at the Board meetings and all the resolutions were duly passed. The Company sent the related minutes to all members of the Board after the Board meetings so any Director who was unable to attend the meetings was able to understand the resolutions passed at the meetings.

Moreover, the Company has provided the relevant materials and all necessary information relating to the 2025 AGM to all members of the Board before the 2025 AGM. All ordinary resolutions considered at the 2025 AGM were duly passed. The Company sent the related minutes of the 2025 AGM to all members of the Board after the 2025 AGM so that the Directors who were unable to attend the meeting were able to understand the resolutions passed at the 2025 AGM.

By order of the Board
Lianhua Supermarket Holdings Co., Ltd.
Wang Xiao-yan
Chairman

Shanghai, the People's Republic of China, 28 August 2026

As at the date of this announcement, the Directors of the Company are:

Executive Directors:	Wang Xiao-yan, Xu Xiao-yi and Zhang Hui-qin;
Employee representative Director:	Zhang Qi-qiang;
Non-executive Directors:	Wu Si-yun, Cao Hai-lun and Tian Ying-jie;
Independent non-executive Directors:	Xia Da-wei, Lee Kwok Ming, Don, Chen Wei and Zhao Xin-sheng.