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

中期報告

Stock Code
0980

INTERIM REPORT ▶▶▶ 2026

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Corporate Information

Directors

Executive Directors

Ms. Wang Xiao-yan *(Chairman)*
Ms. Xu Xiao-yi
Ms. Zhang Hui-qin
Mr. Zhu Ding-ping (Resigned on 5 January 2026)

Employee Representative Director

Mr. Zhang Qi-qiang

Non-Executive Directors

Mr. Pu Shao-hua (Retired on 18 June 2026)
Ms. Wu Si-yun
Ms. Shen Chen (Retired on 18 June 2026)
Mr. Cao Hai-lun
Ms. Tian Ying-jie
Ms. Yang Qin (Retired on 18 June 2026)

Independent Non-Executive Directors

Mr. Xia Da-wei
Mr. Lee Kwok Ming, Don
Mr. Chen Wei
Mr. Zhao Xin-sheng

Board Committees

Audit Committee

Mr. Lee Kwok Ming, Don *(Chairman)*
Mr. Xia Da-wei
Mr. Zhao Xin-sheng
Ms. Tian Ying-jie
Ms. Yang Qin (Retired on 18 June 2026)

Remuneration and Appraisal Committee

Mr. Xia Da-wei *(Chairman)*
Ms. Xu Xiao-yi
Ms. Zhang Hui-qin (Retired on 18 June 2026)
Mr. Chen Wei
Mr. Zhao Xin-sheng

Strategic Committee

Ms. Wang Xiao-yan *(Chairman)*
Mr. Pu Shao-hua (Retired on 18 June 2026)
Ms. Xu Xiao-yi
Ms. Zhang Hui-qin
Ms. Wu Si-yun
Ms. Shen Chen (Retired on 18 June 2026)
Mr. Cao Hai-lun

Nomination Committee

Ms. Wang Xiao-yan *(Chairman)*
Mr. Pu Shao-hua (Retired on 18 June 2026)
Mr. Zhang Qi-qiang
Mr. Chen Wei
Mr. Xia Da-wei
Mr. Zhao Xin-sheng

Environmental, Social and Governance (ESG) Committee

Ms. Wang Xiao-yan *(Chairman)*
Mr. Cao Hai-lun
Mr. Lee Kwok Ming, Don
Mr. Chen Wei

Company Secretary

Ms. Xu Xiao-yi

Authorised Representatives

Ms. Wang Xiao-yan
Ms. Xu Xiao-yi

International Auditor

Deloitte Touche Tohmatsu
Registered Public Interest Entity Auditors

Legal Advisers to the Company

As to Hong Kong laws

Baker & McKenzie

As to People's Republic of China ("PRC") laws

Grandall Law Firm (Shanghai)

Investors and Media Relations Consultant

Christensen China Limited

Principal Bankers

Industrial and Commercial Bank of China
Pudong Development Bank
China Merchants Bank

Registered and Business Offices

Registered Office in the PRC

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No. 1258 Zhen Guang Road
Shanghai, PRC

Place of Business in the PRC

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Shareholders' Enquiries

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Hong Kong

Share Information

Listing Place

The Stock Exchange of Hong Kong Limited
(the "Stock Exchange" or "SEHK")

Listing Date

27 June 2003

SEHK Stock Code

980

Number of H Shares Issued

372,600,000 H shares

Financial Year-end Date

31 December

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 produce-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 produce 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 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

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 produce 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 produce, 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 paths 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. In addition, the Group completed the equity transfer of a subsidiary and transferred out 5 stores in January 2026. 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 Produce-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 in 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.

Disclosure of Interests

Directors and Chief Executive of the Company

As at 30 June 2026, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares and/or debentures (as the case may be) of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (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 any interests and short positions which they are regarded 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 for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

Substantial Shareholders of the Company

So far as the Directors are aware, as at 30 June 2026, the following persons (not being a Director or chief executive of the Company) had interests in the shares of the Company as recorded in the register required to be kept under section 336 of the SFO:

Name of Shareholders	Class of shares	No. of domestic shares/ unlisted foreign shares/ H shares	Approximate percentage of total voting rights of the Company	Approximate percentage of voting rights of domestic shares and unlisted foreign shares	Approximate percentage of voting rights of H shares	Capacity of Interest
Bailian Group Co., Ltd. (Note 1, Note 4)	domestic shares	649,661,400	43.91%	58.69%	–	Beneficial owner
	domestic shares	224,208,000	15.15%	20.25%	–	Interest of corporation controlled
Shanghai Bailian Group Co., Limited (Note 1)	domestic shares	224,208,000	15.15%	20.25%	–	Beneficial owner
	domestic shares	614,160,000	41.51%	55.48%	–	Other
Alibaba Group Holding Limited (Note 2)	domestic shares	201,528,000	13.62%	18.20%	–	Interest of corporation controlled
Taobao Holding Limited (Note 2)	domestic shares	201,528,000	13.62%	18.20%	–	Interest of corporation controlled

Name of Shareholders	Class of shares	No. of domestic shares/ unlisted foreign shares/ H shares	Approximate percentage of total voting rights of the Company	Approximate percentage of voting rights of domestic shares and unlisted foreign shares	Approximate percentage of voting rights of H shares	Capacity of Interest
Taobao China Holding Limited (Note 2)	domestic shares	201,528,000	13.62%	18.20%	–	Interest of corporation controlled
Taobao (China) Software Co., Ltd. (Note 2)	domestic shares	201,528,000	13.62%	18.20%	–	Interest of corporation controlled
Zhejiang Tmall Technology Co., Ltd. (Note 2)	domestic shares	201,528,000	13.62%	18.20%	–	Interest of corporation controlled
Alibaba (China) Technology Co., Ltd. (Note 2)	domestic shares	201,528,000	13.62%	18.20%	–	Beneficial owner
Xu Zi-zuo	H shares	53,357,000(L)	3.61%	–	14.32%(L)	Beneficial owner
China Galaxy International Asset Management (Hong Kong) Co., Limited (Note 3)	H shares	51,988,000(L)	3.51%	–	13.95%(L)	Investment manager
China Galaxy International SPC (acting for and on behalf of China Galaxy Value Fund I SP) (Note 3)	H shares	51,988,000(L)	3.51%	–	13.95%(L)	Interest of corporation controlled
Corornation Global Fund Managers (Ireland) Ltd.	H shares	37,130,454(L)	2.51%	–	9.97%(L)	Investment manager
Julius Baer International Equity Fund	H shares	12,191,558(L)	0.82%	–	5.89%(L)	Beneficial owner

(L) = Long position

(S) = Short position

(P) = Lending pool

Notes:

1. As at 30 June 2026, Bailian Group Co., Ltd. ("Bailian Group") directly and indirectly holds approximately 50.51% of the shares in Shanghai Bailian Group Co., Limited ("Shanghai Bailian"). As at 30 June 2026, Shanghai Bailian held 224,208,000 shares of the Company. Thus, Bailian Group directly and indirectly holds 873,869,400 shares of the Company, or approximately 59.06% in proportion. On 17 April 2015, Bailian Group and Shanghai Bailian entered into the equity entrustment agreement (《百聯集團有限公司與上海百聯集團股份有限公司之託管協議》) ("Equity Entrustment Agreement"), pursuant to which, Shanghai Bailian will manage the 254,160,000 shares held by Bailian Group, as well as the statutory interest (excluding cash) of the aforementioned shares during the term of the Equity Entrustment Agreement due to ex rights events such as bonus share distribution and capital reserve conversion to share capital, and the shares allocated to Bailian Group during the entrustment period, and exercise shareholder rights other than asset income rights and disposal rights of the entrusted shares.

   According to the share subscription agreement entered into between the Company and Bailian Group on 12 May 2024, Bailian Group conditionally agreed to subscribe for 360,000,000 new domestic shares of the Company in cash at a subscription price of RMB1.00 per share. The subscription was completed on 25 February 2025, and these shares were also entrusted to Shanghai Bailian for management according to the Equity Entrustment Agreement.

   The Termination Agreement in relation to the Equity Entrustment Agreement between Bailian Group Co., Ltd. and Shanghai Bailian Group Co., Limited (《百聯集團有限公司與上海百聯集團股份有限公司關於聯華超市股份有限公司股份託管的終止協議》) (the "Termination Agreement") was entered into between Bailian Group and Shanghai Bailian on 28 August 2026, to terminate the entrustment arrangements in respect of the shares of the Company under 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.

   As at 30 June 2026, (i) Ms. Wang Xiao-yan, the Chairman, an executive Director, the general manager and the secretary of the Party Committee of the Company, was a director and the general manager of Bailian Omni-channel E-commerce Co., Ltd.* (百聯全渠道電子商務有限公司); (ii) Ms. Zhang Hui-qin, an executive Director of the Company, was the chairman of Hangzhou Lianhua Huashang Group Co., Ltd.* (杭州聯華華商集團有限公司); (iii) Mr. Cao Hai-lun, a non-executive Director of the Company, was a director, the deputy secretary of the Party Committee and the general manager of Shanghai Bailian; and (iv) Ms. Tian Ying-jie, a non-executive Director of the Company, was the deputy general manager, chief financial officer and general manager of the Outlets Business Unit of Shanghai Bailian, as well as the general manager of Shanghai Bailian Outlet Business Management Co., Ltd.* (上海百聯奧特萊斯商業管理有限公司).

2. Alibaba Group Holding Limited holds 100% of the shares in Taobao Holding Limited, Taobao Holding Limited holds 100% of the shares in Taobao China Holding Limited, Taobao China Holding Limited holds 100% of the shares in Taobao (China) Software Co., Ltd., Taobao (China) Software Co., Ltd. holds 57.59% of the shares in Alibaba (China) Technology Co., Ltd., Taobao China Holding Limited holds 100% of the shares in Zhejiang Tmall Technology Co., Ltd. and Zhejiang Tmall Technology Co., Ltd. holds 35.75% of the shares in Alibaba (China) Technology Co., Ltd. Alibaba (China) Technology Co., Ltd. holds 201,528,000 shares of the Company, representing 13.62% of issued share capital of the Company. Thus, Alibaba Group Holding Limited, Taobao Holding Limited, Taobao China Holding Limited, Taobao (China) Software Co., Ltd. and Zhejiang Tmall Technology Co., Ltd. are all deemed to be interested in the shares held by or deemed to be interested by Alibaba (China) Technology Co., Ltd.

3. China Galaxy International Asset Management (Hong Kong) Co., Limited holds 100% of the shares in China Galaxy International SPC (acting for and on behalf of China Galaxy Value Fund I SP). China Galaxy International SPC (acting for and on behalf of China Galaxy Value Fund I SP) holds 51,988,000 H shares of the Company. Thus, China Galaxy International Asset Management (Hong Kong) Co., Limited directly and indirectly holds 51,988,000 H shares of the Company, or approximately 3.51% in proportion.

4. According to the share subscription agreement entered into between the Company and Bailian Group on 12 May 2024, the Company has conditionally agreed to issue not more than 360,000,000 new Domestic Shares, and Bailian Group has conditionally agreed to subscribe in cash for 360,000,000 new Domestic Shares at a subscription price of RMB1.00 per new Domestic Share. These Shares will be managed by Shanghai Bailian in accordance with the Equity Entrustment Agreement. For details, please refer to the announcement of the Company dated 12 May 2024 and the circular of the Company dated 31 July 2024. This issuance was completed on 25 February 2025. After completion, Bailian Group holds 649,661,400 shares of the Company, accounting for about 43.91% of the total issued share capital of the Company. For details, please refer to the announcement of the Company dated 25 February 2025.

Save as disclosed above, the Directors are not aware of any persons holding any interests or short positions in the shares or underlying shares of the Company which were required to be recorded in the register pursuant to section 336 of the SFO as at 30 June 2026.

Legal Status of Unlisted Foreign Shares

Set out below is the summary of legal opinions given by Grandall Law Firm (Shanghai) on the rights attached to unlisted foreign shares (the "Unlisted Foreign Shares"). The rights attached to the Unlisted Foreign Shares, which are subject to certain restrictions on transfer as referred to in the Prospectus and may become H shares of the Company (the "H Shares") upon obtaining the requisite approvals from, among others, the China Securities Regulatory Commission (the "CSRC") and the Stock Exchange, are not expressly provided under the existing PRC laws or regulations. The Company's creation of Unlisted Foreign Shares and the subsistence of the Unlisted Foreign Shares do not contravene any PRC laws or regulations.

At present, there are no express laws and regulations in the PRC governing the rights attached to the Unlisted Foreign Shares. Grandall Law Firm (Shanghai) advised that until new laws or regulations are introduced in this aspect, holders of the Unlisted Foreign Shares of the Company shall be treated the same as holders of domestic shares (the "Domestic Shares") of the Company (in particular, in respect of the rights to attend and vote at general meetings and to receive notice of such meetings in the same manner as holders of Domestic Shares), except that the holders of the Unlisted Foreign Shares enjoy the following rights to which the holders of Domestic Shares are not entitled:

(a) to receive dividends declared by the Company in foreign currencies; and

(b) in the event of winding up of the Company, to remit their respective shares of the remaining assets (if any) of the Company out of the PRC in accordance with the applicable foreign exchange control laws and regulations of the PRC.

According to the requirements under the Articles of Association of the Company (the "Articles of Association"), in general, disputes among the Shareholders are required to be settled through arbitration. Such dispute resolution requirements are also applicable to disputes between holders of H Shares and holders of Unlisted Foreign Shares and disputes between holders of Unlisted Foreign Shares and holders of Domestic Shares.

As advised by Grandall Law Firm (Shanghai), the Unlisted Foreign Shares can be converted into new H Shares subject to satisfaction of the following conditions:

(a) the expiry of a period of one year from the date on which the Company was converted from a limited company into a joint stock limited company and listed on the Stock Exchange;

(b) documents regarding the conversion of Unlisted Foreign Shares having been filed with the CSRC by the Company;

(c) approval granted by the Stock Exchange for the listing and trading of the new H Shares converted from the Unlisted Foreign Shares;

(d) approval granted by the Shareholders of the Company at a general meeting of the Company for the conversion of Unlisted Foreign Shares into new H Shares in accordance with the Articles of Association; and

(e) full compliance with relevant PRC laws, rules, regulations and policies governing companies incorporated in the PRC and seeking permission for listing of shares outside the PRC and with the Articles of Association and any agreement among the Shareholders of the Company.

Upon satisfaction of all the conditions mentioned above and other conditions as may be imposed from time to time by the Stock Exchange, Unlisted Foreign Shares may be converted into new H Shares.

Material Investments and Acquisitions

On 23 April 2021, the Company entered into the Investment and Wealth Management Cooperation Framework Agreement with Shanghai Securities Co., Ltd. (上海證券有限責任公司, the "Shanghai Securities"), pursuant to which, the Company and Shanghai Securities agreed on the investment and wealth management cooperation, for a term commencing from 23 April 2021 to 31 December 2023 (both days inclusive). Pursuant to the terms of the Investment and Wealth Management Cooperation Framework Agreement, Hangzhou Lianhua Huashang Group Co.,Ltd. (杭州聯華華商集團有限公司, the "Lianhua Huashang") entered into the Single Asset Management Contract dated 8 July 2021 with Shanghai Securities and the Custodian Bank in relation to the setting up of the Scheme and the investment and management of Entrusted Assets by Shanghai Securities for the benefit of Lianhua Huashang.

As the Single Asset Management Contract expired on 31 December 2023, Lianhua Huashang entered into the Supplemental Agreement with Shanghai Securities and the Custodian Bank on 27 September 2023, to renew the Single Asset Management Contract in relation to the provision of the asset management and investment services for the Entrusted Assets by Shanghai Securities and the Custodian Bank and make certain amendments to the Single Asset Management Contract, for an extended term of 3 years commencing from 1 January 2024 to 31 December 2026 (both days inclusive), pursuant to which, Shanghai Securities will invest and manage the Entrusted Assets that entrusted to it by Lianhua Huashang, on a discretionary basis, in accordance with the requirements of the applicable laws and regulations, regulatory requirements and investment guidelines provided under the Single Asset Management Contract (as supplemented and revised).

As at 15 September 2023, the balance of net assets of the Scheme in the escrow account maintained by the Custodian Bank was RMB698.6236 million. Under the Supplemental Agreement, Lianhua Huashang agreed to increase the total amount of Entrusted Assets to RMB1,350 million, which has been paid in full by no later than 29 February 2024.

As at 30 June 2026, the fair value of the Group's investment in the above-mentioned asset management was approximately RMB1,394,763 thousand, accounting for more than 5% of the Group's total assets, reaching 8.51%. Amongst which, as at 30 June 2026, the Group's investment cost was approximately RMB1,350,004 thousand, and the unrealized profit or loss was approximately RMB44,759 thousand. In addition, there was no realized profit or loss and no dividend was received from it. The Group has achieved good returns through the Single Asset Management Contract (as supplemented and revised), and has established a good cooperative relationship with Shanghai Securities in this process. The Group will continue to entrust Shanghai Securities to manage the Entrusted Assets for the Group without affecting its daily operating liquidity and obtaining authorization from the shareholders' meeting.

Save as disclosed in this report, during the six months ended 30 June 2026, the Group has no significant investment and has no plans for major investment or acquisition of assets.

Material Acquisitions and Sales of Assets

Apart from the disposal of Shanghai Century Lianhua Supermarket Yangpu Co., Ltd.* (上海世紀聯華超市楊浦有限公司) as disclosed in Note 26 of the financial statements in this interim report, during the six months ended 30 June 2026, the Group did not have any material acquisition or sale of subsidiaries, associated companies or joint ventures.

Additional Issuance of Domestic Shares and Usage of Raised Funds

On 11 May 2024, the Company convened the fifth meeting of the eighth session of the Board of Directors of the Company (the "Board"), and deliberated and passed the relevant proposals on the issuance of domestic shares. On 12 May 2024, the Company entered into the Share Subscription Agreement (the "Share Subscription Agreement") with Bailian Group, the controlling shareholder of the Company. On 27 August 2024, the above-mentioned issues related to the issuance of domestic shares were reviewed and approved by the extraordinary general meeting of shareholders of the Company.

According to the terms of the Share Subscription Agreement, the Company has conditionally agreed to issue not more than 360,000,000 new domestic shares, and Bailian Group has conditionally agreed to subscribe in cash for 360,000,000 new domestic shares at the subscription price of RMB1.00 per new domestic share. The subscription price of RMB1.00 (equivalent to about HK$1.10051) per subscription share is about 249.37% higher than the closing price of approximately HK$0.315 per share quoted by H shares on the Stock Exchange on 10 May 2024 (the last complete trading day immediately before the date of the Share Subscription Agreement), and these shares will be entrusted to Shanghai Bailian Group Co., Limited for management according to the Equity Entrustment Agreement. For details, please refer to the announcement of the Company dated 12 May 2024 and the circular of the Company dated 31 July 2024.

The issuance of domestic shares was completed on 25 February 2025 according to the terms and conditions of the Share Subscription Agreement. The total number of shares of the Company increased from 1,119,600,000 to 1,479,600,000, of which the number of issued domestic shares and unlisted foreign shares increased from 747,000,000 to 1,107,000,000. For details, please refer to the announcement of the Company dated 25 February 2025.

The issuance of domestic shares this time will provide necessary financial support for the potential reform, transformation, and future sustainable development of the Company. Bailian Group can more efficiently and flexibly support the long-term business development of the Company, promote the strategic transformation of the Company, and create greater value for all shareholders. Supplementing working capital can enhance the capital strength of the Company, effectively broaden the channels for capital reserves, and cope with potential industry fluctuations in the future. At the same time, the issue of subscription shares and the domestic share subscription will effectively reduce the gearing ratio of the Company, optimise the capital structure, improve the overall financial position of the Company and lower the financial risks.

The total amount of funds raised from the subscription of domestic shares by the Company is approximately RMB360 million (equivalent to approximately HK$396 million). After deducting related costs and expenses, the expected net amount of funds raised from the subscription of domestic shares is approximately RMB357 million (equivalent to approximately HK$393 million). The net subscription price per new domestic share (i.e. the net proceeds from each subscription share) is RMB0.99 (equivalent to HK$1.09).

On 9 January 2025, the Company received the funds raised for the additional issuance of domestic shares. During the year ended 31 December 2025, the funds raised have been used in accordance with the method and schedule set out in the section "Proceeds" in the circular of the Company dated 31 July 2024. As at 30 June 2026, the use of the funds raised from the additional issuance of domestic shares was as follows:

Planned use of raised funds		Amount invested plan of raised funds (RMB million)	Percentage of total amount	Accumulated Amount invested by the end of the reporting period (RMB million)	Amount not invested by the end of the reporting Period (RMB million)	Expected timetable for the completion of the use of raised funds
Business ecological transformation	Conversion of supermarket outlets	140.0	39.2%	79.4	60.6	On or before 31 December 2026
	Conversion of Hypermarket outlets	125.0	35%	85.0	40.0	On or before 31 December 2026
	Digital transformation	38.0	10.8%	38.0	0.0	On or before 31 December 2026
General working capital	–	54.0	15%	54.0	0.0	
Total		357.0	100%	256.4	100.6	

Future Plans for Material Investments or Capital Assets

There were no plans for material investments or capital assets as at 30 June 2026. However, in view of the challenging future environment, the Group will continue to look for new business opportunities to supplement and upgrade its existing business. The Company will comply with the relevant requirements of the Listing Rules and make announcements in due course.

Subsequent Events

On 28 August 2026, Bailian Group and Shanghai Bailian entered into the Termination Agreement, to terminate the entrustment arrangements in respect of the shares of the Company under 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 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 interim report, 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 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 of the Company, the Board is pleased to announce that all the Directors and relevant employees of the Company 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 provide 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 of the Company contain no express provision for the mechanism of directors' retirement by rotation, thus deviating from the aforementioned provision of the Code.

Each of the relevant Directors appointed during the year ended 31 December 2025 and the six months ended 30 June 2026, namely, Mr. Zhu Ding-ping, Ms. Xu Xiao-yi, Ms. Wu Si-yun, Ms. Tian Ying-jie and Mr. Zhang Qi-qiang, has obtained the legal advice referred to in Rule 3.09D of the Listing Rules on Hong Kong laws as regards the requirements under the Listing Rules that are applicable to him/her as a director of a listed issuer and the possible consequences of making a false declaration or giving false information to the Stock Exchange on 2 January 2025, 13 May 2026, 13 May 2026, 13 May 2026 and 13 May 2026, respectively, and he/she has confirmed that he/she understood his/her obligations as a director of a listed issuer.

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 that the Directors who were unable to attend the Board meetings were 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 2025 AGM were able to understand the resolutions passed at the meeting.

Change in Information of Directors

The changes in information of Directors up to the date of this report are set out below:

Name of Director	Details of Changes
Mr. Zhu Ding-ping	– Resigned as an executive Director of the Company on 5 January 2026
Mr. Pu Shao-hua	– Retired as a non-executive Director and the Chairman of the Company on 18 June 2026
Ms. Shen Chen	– Retired as a non-executive Director of the Company on 18 June 2026
Ms. Yang Qin	– Retired as a non-executive Director of the Company on 18 June 2026
Ms. Xu Xiao-yi	– Appointed as an executive Director of the Company on 18 June 2026
Ms. Wu Si-yun	– Appointed as a non-executive Director of the Company on 18 June 2026
Ms. Tian Ying-jie	– Appointed as a non-executive Director of the Company on 18 June 2026
Mr. Zhang Qi-qiang	– Appointed as the employee representative Director of the Company on 18 June 2026

Please see the announcements of the Company dated 22 May 2026 and 18 June 2026 and the circular of the Company dated 29 May 2026 for the biographical details of the relevant Directors. Save for the information disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

By Order of the Board
Ms. Wang Xiao-yan
Chairman

Shanghai, the PRC, 28 August 2026

Report on Review of Condensed Consolidated Financial Statements

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TO THE SHAREHOLDERS OF LIANHUA SUPERMARKET HOLDINGS CO., LTD.
(a joint stock limited company incorporated in the People's Republic of China with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of Lianhua Supermarket Holdings Co., Ltd. (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 25 to 50, which comprise the condensed consolidated statement of financial position as of 30 June 2026 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and notes to the condensed consolidated financial statements. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

28 August 2026

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2026

	NOTES	Six months ended 30 June 2026 (Unaudited) RMB'000	2025 (Unaudited) 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	18	**(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	12	**2,606,797**	2,713,764
Construction in progress	12	**6,941**	5,014
Right-of-use assets	12	**3,282,052**	3,576,117
Goodwill	12	**141,290**	142,254
Intangible assets	12	**114,602**	121,012
Interests in associates		**246,869**	243,487
Financial assets at fair value through profit or loss ("FVTPL")	13	**55,887**	69,849
Finance lease receivables-non-current		**15,361**	20,155
Term deposits	14	**4,376,975**	2,159,640
Deferred tax assets	15	**68,899**	67,315
Other non-current assets	16	**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	17	**262,685**	215,139
Deposits, prepayments and other receivables		**568,205**	702,359
Financial assets at FVTPL	13	**1,395,183**	1,358,596
Amount due from an ultimate holding company	19	**8**	508
Amounts due from fellow subsidiaries	19	**26,240**	24,333
Amount due from an associate	20	**737**	684
Term deposits	14	**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

(continued)

At 30 June 2026

	NOTES	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Capital and reserves			
Share capital	21	**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	15	**77,902**	136,093
Lease liabilities		**2,535,209**	2,818,025
		2,613,111	2,954,118
Current liabilities			
Trade and bills payables	22	**3,814,043**	4,121,750
Tax payable		**140,605**	73,044
Other payables and accruals	23	**1,133,268**	1,389,131
Lease liabilities		**689,194**	652,000
Coupon liabilities and advance from customers	24	**7,844,823**	8,199,593
Amount due to an ultimate holding company	19	**139,651**	114,033
Amounts due to fellow subsidiaries	19	**73,171**	151,686
Amounts due to associates	20	**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

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2026

	Attributable to owners of the Company							
	Share capital RMB'000	Capital reserve RMB'000 (note a)	Other reserve RMB'000 (note b)	Statutory common reserve fund RMB'000 (note c)	Accumulated losses RMB'000	Total attributable to owners of the Company RMB'000	Non-controlling interests RMB'000	Total RMB'000
At 1 January 2025 (audited)	1,119,600	258,353	(235,497)	559,800	(1,988,895)	(286,639)	354,570	67,931
Total comprehensive income for the period	–	–	–	–	42,246	42,246	17,461	59,707
Dividends to non-controlling shareholders	–	–	–	–	–	–	(6,214)	(6,214)
Issuance of ordinary shares (note d)	360,000	(3,079)	–	–	–	356,921	–	356,921
Acquisition of non-controlling interests	–	–	(196)	–	–	(196)	–	(196)
At 30 June 2025 (unaudited)	1,479,600	255,274	(235,693)	559,800	(1,946,649)	112,332	365,817	478,149
At 1 January 2026 (audited)	**1,479,600**	**255,274**	**(235,693)**	**559,800**	**(2,189,150)**	**(130,169)**	**304,151**	**173,982**
Total comprehensive expense for the period	**–**	**–**	**–**	**–**	**(202,445)**	**(202,445)**	**(2,385)**	**(204,830)**
Dividends to non-controlling Shareholders	**–**	**–**	**–**	**–**	**–**	**–**	**(1,563)**	**(1,563)**
Disposal of equity interests in subsidiaries	**–**	**–**	**–**	**–**	**–**	**–**	**(23,884)**	**(23,884)**
At 30 June 2026 (unaudited)	**1,479,600**	**255,274**	**(235,693)**	**559,800**	**(2,391,595)**	**(332,614)**	**276,319**	**(56,295)**

Notes:

(a) Capital reserve of the Company represents share premium arising from issue of H shares net of share issuance expenses.

(b) Other reserve of the Group mainly represents:

i. the fair value difference of a subsidiary's net assets, arising from a business combination in 2005, and the Group's original equity interest in that subsidiary;

ii. the financial impact of adopting merger accounting to account for the acquisition of subsidiaries during the year ended in 2009 and 2011;

iii. acquisition of additional equity interests in subsidiaries; and

iv. share of the other comprehensive income of the associates.

Notes: (Continued)

(c) Pursuant to the relevant regulations of the People's Republic of China (the "PRC") and the Articles of Association of the subsidiaries registered in the PRC, each of the companies within the Group is required to transfer 10% of its net profit, as determined under the PRC accounting regulations, to statutory common reserve fund until the fund aggregates to 50% of its registered capital. The transfer to this reserve must be made before distribution of dividends to shareholders. No further transfer is required when the fund has reached 50% of the registered capital of the subsidiaries registered in the PRC.

The statutory common reserve fund shall only be used to offset previous years' losses, to expand its operations, or to increase its capital. The statutory common reserve fund may be converted into the capital, provided the balance of the reserve fund after such conversion is not less than 25% of the registered capital.

No transfer has been made to the statutory common reserve fund in respect of the net profit for the six months ended 30 June 2026 and 2025 as such transfer will be made, upon directors' approval, at the year-end date based on the annual profit.

(d) On 25 February 2025, the Company issued 360,000,000 new shares to Bailian Group Co., Ltd. ("Bailian Group") at the subscription price of RMB1 per share. The net proceeds received by the Company, after deduction of the underwriting commission and other expenses payable by the Company, amounted to RMB356,921,000.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Net cash from (used in) operating activities	**165,281**	(804,946)
Investing activities		
Placement of unrestricted term deposits	**(1,400,000)**	(2,230,000)
Withdrawal of unrestricted term deposits	**920,058**	2,394,900
Payments for purchase of property, plant and equipment and construction in progress	**(51,333)**	(67,691)
Proceeds from disposal of property, plant and equipment	**330**	1,622
Payments for purchase of intangible assets	**(5,887)**	(13,367)
Payment for rental deposits	**(2,474)**	(1,253)
Refund of rental deposits	**903**	2,153
Dividends from financial assets at FVTPL	**–**	10
Proceeds from disposal of financial assets at FVTPL	**126,054**	333,174
Purchase of financial assets at FVTPL	**(118,000)**	(260,000)
Net cash (used in) from investing activities	**(530,349)**	159,548
Financing activities		
Dividends paid to non-controlling shareholders	**(1,563)**	(70,648)
Proceeds from notes financing	**1,910,000**	1,432,679
Payments for notes financing	**(1,990,000)**	(1,494,712)
Repayments of lease liabilities	**(293,316)**	(313,366)
Proceeds on issuance of ordinary shares	**–**	360,000
Payments of issue costs	**–**	(547)
Acquisition of non-controlling interests	**–**	(196)
Net cash used in financing activities	**(374,879)**	(86,790)
Net decrease in cash and cash equivalents	**(739,947)**	(732,188)
Cash and cash equivalents at beginning of the period	**1,552,688**	1,602,613
Cash and cash equivalents at end of the period	**812,741**	870,425

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with HKAS 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") as well as with the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

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. 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 Standard 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 (Unaudited) RMB'000	2025 (Unaudited) 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

At a point in time	**8,574,447**	9,595,816
Over time	**450,377**	458,559
	9,024,824	10,054,375

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 (Unaudited) RMB'000	2025 (Unaudited) 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

3. REVENUE AND OTHER REVENUE (Continued)

(ii) Leases

	Six months ended 30 June	
	2026 (Unaudited) RMB'000	2025 (Unaudited) 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 Six months ended 30 June		Segment results Six months ended 30 June	
	2026 (Unaudited) RMB'000	2025 (Unaudited) RMB'000	**2026 (Unaudited) RMB'000**	2025 (Unaudited) 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 (Unaudited) RMB'000	2025 (Unaudited) RMB'000
Segment results	**(131,510)**	10,475
Share of results of associates	**3,647**	3,169
Gain on disposal of a subsidiary (Note 26)	**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

4. SEGMENT INFORMATION (Continued)

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.

Segment results did not include share of results of associates, gain on disposal of a subsidiary, 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 (Unaudited) RMB'000	2025 (Unaudited) 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 (Note 26)	**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 (Note 12)	**12,310**	12,408
Depreciation of property, plant and equipment (Note 12)	**130,865**	156,242
Depreciation of right-of-use assets (Note 12)	**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

	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. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT, CONSTRUCTION IN PROGRESS, RIGHT-OF-USE ASSETS, GOODWILL AND INTANGIBLE ASSETS

	Property, plant and equipment RMB'000	Construction in progress RMB'000	Right-of-use assets RMB'000	Goodwill RMB'000	Intangible assets RMB'000
Opening carrying amount as at 1 January 2025	2,954,612	9,199	4,363,238	144,175	115,363
Additions	38,708	3,961	259,671	–	13,367
Transfers	3,506	(9,155)	–	–	5,649
Lease modification	–	–	(26,487)	–	–
Disposals/Termination	(2,231)	–	(241,523)	–	–
Depreciation/amortisation charge (note 8)	(156,242)	–	(393,957)	–	(12,408)
Decreased (note)	–	–	–	(961)	–
Closing carrying amount as at 30 June 2025 (unaudited)	2,838,353	4,005	3,960,942	143,214	121,971
Opening carrying amount as at 1 January 2026	**2,713,764**	**5,014**	**3,576,117**	**142,254**	**121,012**
Additions	**25,155**	**2,630**	**130,129**	**–**	**5,900**
Transfers	**703**	**(703)**	**–**	**–**	**–**
Lease modification	**–**	**–**	**(21)**	**–**	**–**
Disposals/Termination	**(1,960)**	**–**	**(70,057)**	**–**	**–**
Depreciation/amortisation charge (note 8)	**(130,865)**	**–**	**(354,116)**	**–**	**(12,310)**
Decreased (note)	**–**	**–**	**–**	**(964)**	**–**
Closing carrying amount as at 30 June 2026 (unaudited)	**2,606,797**	**6,941**	**3,282,052**	**141,290**	**114,602**

Note: The decrease in goodwill was mainly due to the effect of the subsequent decrease in deferred tax liabilities arising from business combination. Deferred tax liabilities decreased subsequently as the future taxable temporary difference arising from the fair value adjustment of the property, plant and equipment acquired on acquisition date has been decreased due to the additional depreciation and amortisation charged subsequent to acquisition date.

The management of the Group conducts a review of the Group's leasehold improvements and operating office equipment on a periodic basis to determine if there are any indications of impairment.

During the current interim period, the management of the Group conducted an impairment review of the Group's property, plant and equipment, construction in progress, right-of-use assets and intangible assets and no impairment was recognised.

13. FINANCIAL ASSETS AT FVTPL

	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Non-current		
Unlisted equity instruments	**797**	797
Equity securities listed in the Shanghai Stock Exchange	**55,090**	69,052
Total	**55,887**	69,849
Current		
Equity securities listed in the Shanghai Stock Exchange	**420**	603
Unlisted financial products (note)	**1,394,763**	1,357,993
Total	**1,395,183**	1,358,596

Note:

Unlisted financial products investments are managed by licensed financial institutions in the PRC to invest principally in certain financial assets including bonds, trusts, cash funds or unlisted equity investments in the PRC in accordance with the entrusted agreements entered into between the parties involved. The gain on change in fair value of RMB44,759,000 (six months ended 30 June 2025: RMB27,424,000) is credited to "other income and other gains and losses".

14. TERM DEPOSITS

	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Non-current:		
Restricted term deposits	**1,206,875**	304,640
Other non-current unrestricted term deposits	**3,170,100**	1,855,000
Total	**4,376,975**	2,159,640
Current:		
Restricted term deposits	**3,196**	1,522,278
Other current unrestricted term deposits	**810,000**	1,645,058
Total	**813,196**	3,167,336

Term deposits are placed with banks in the PRC and denominated in RMB. Deposits with a maturity period over 3 months but within 1 year are presented as current assets whilst deposits with a maturity period over 1 year but not exceeding 5 years are presented as non-current assets.

Restricted term deposits are term deposits placed by the Group to certain banks as a security for coupons issued to customers and are not available for other use by the Group.

The remaining term deposits are held to collect contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.

The effective interest rates on term deposits range from 1.10% to 3.18% (2025: 1.00% to 4.30%) per annum for the Group. The carrying amounts of the term deposits of the Group approximated their fair value.

15. DEFERRED TAX ASSETS/LIABILITIES

The following are the major deferred tax liabilities and assets recognised and movements thereon during the current and preceding interim periods:

	Fair value adjustments RMB'000	ECL provision and inventory allowances RMB'000	Accrued expenses RMB'000	Accrued income RMB'000	Lease liabilities RMB'000	Right-of-use assets RMB'000	Total RMB'000
As at 1 January 2025(audited)	(83,933)	3,150	324	(75,704)	973,881	(895,696)	(77,978)
Credit (charge) to profit or loss	21,724	(117)	2	21,137	(101,079)	97,517	39,184
As at 30 June 2025 (unaudited)	(62,209)	3,033	326	(54,567)	872,802	(798,179)	(38,794)
(Charge) credit to profit or loss	(6,698)	(77)	(7)	(11,186)	(119,950)	107,934	(29,984)
As at 31 December 2025(audited)	(68,907)	2,956	319	(65,753)	752,852	(690,245)	(68,778)
Credit (charge) to profit or loss	7,861	132	1,691	49,202	(49,545)	50,434	59,775
As at 30 June 2026 (unaudited)	(61,046)	3,088	2,010	(16,551)	703,307	(639,811)	(9,003)

For the purposes of presentation in the condensed consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Deferred tax assets	**68,899**	67,315
Deferred tax liabilities	**(77,902)**	(136,093)
	(9,003)	(68,778)

At the end of the current interim period, the Group has unused tax losses of RMB2,514,444,000 (31 December 2025: RMB2,396,459,000) available for offset against future profits. No deferred tax asset has been recognised in respect of the unused tax losses due to the unpredictability of future profit streams.

16. OTHER NON-CURRENT ASSETS

	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Interest receivable on term deposits	**78,405**	42,777

17. TRADE AND BILLS RECEIVABLES

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

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

18. IMPAIRMENT LOSSES (INCLUDING REVERSALS OF IMPAIRMENT LOSSES) ON FINANCIAL ASSETS

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Impairment loss recognized (reversed) in respect of:		
– Trade receivables	**294**	(1,042)
– Other receivables	**921**	792
	1,215	(250)

The basis of determining the inputs and assumptions and the estimation techniques used in the condensed consolidated financial statements for the six months ended 30 June 2026 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2025.

19. AMOUNT(S) DUE FROM/TO AN ULTIMATE HOLDING COMPANY/FELLOW SUBSIDIARIES

The amount/amounts due from/to ultimate holding company/fellow subsidiaries (31 December 2025: excluding amount of RMB78,286,000) was trade in nature, unsecured, interest free, with credit terms ranging from 30 to 60 days (31 December 2025: 30 to 60 days). As at 30 June 2026, balances of amounts due from (to) ultimate holding company/fellow subsidiaries are mainly aged within 90 days (31 December 2025: 90 days).

As at 31 December 2025, amount of RMB78,286,000 represents the consideration received in advance in respect of the disposal of a subsidiary, details of which are set out in Note 26.

20. AMOUNT(S) DUE FROM AN ASSOCIATE/TO ASSOCIATES

Amounts due from an associate/to associates represent balances arising from expenses paid on behalf of an associate and purchase of merchandise from associates. Balances are all aged within 90 days (31 December 2025: 90 days) and the credit terms of the trade balances range from 30 to 90 days (31 December 2025: 30 to 90 days). Such balances with associates are unsecured and interest free.

21. SHARE CAPITAL

	Number of shares	**Share capital**
		RMB'000
Ordinary shares of RMB1.00 each		
Registered, issued and fully paid:		
As at 1 January 2025	1,119,600,000	1,119,600
Issuance of ordinary shares	360,000,000	360,000
As at 30 June 2025, 31 December 2025, 30 June 2026	1,479,600,000	1,479,600

22. 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.

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 date 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

22. TRADE AND BILLS PAYABLES (Continued)

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

23. OTHER PAYABLES AND ACCRUALS

	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Prepayments received from franchisees and other third parties	**251,250**	446,702
Deposits from lessees, franchisees and other third parties	**256,217**	266,601
Store closure provision	**93,809**	96,726
Payroll, staff welfare and other staff cost payable	**156,716**	189,834
Value-added tax and other tax payables	**89,294**	89,323
Payables for acquisition of property, plant and equipment and low value consumables	**25,647**	52,709
Accruals	**94,383**	78,079
Other miscellaneous payables	**6,952**	9,208
Amounts payables to other retailers upon customers' redemption of coupon issued by the Group	**5,554**	5,603
Dividend payable to non-controlling interests	**55,146**	56,046
Financial support from ultimate holding company (Note)	**98,300**	98,300
	1,133,268	1,389,131

Note: The amount was non-trade related, unsecured and interest free.

24. COUPON LIABILITIES AND ADVANCE FROM CUSTOMERS

	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Coupon liabilities issued by the Group	**6,648,286**	6,824,744
Coupon liabilities sold on behalf of fellow subsidiaries	**1,084,649**	1,224,199
Advance from customers	**111,888**	150,650
	7,844,823	8,199,593

Amount of RMB787,588,000 (31 December 2025: RMB823,868,000) value-added tax to be paid is included in the balance of coupon liabilities issued by the Group.

25. CAPITAL COMMITMENTS

	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Capital expenditure in respect of acquisition of property, plant and equipment:		
– contracted for but not provided in the condensed consolidated financial statements	**20,047**	17,468

26. DISPOSAL OF SUBSIDIARIES

On 19 November 2025, Shanghai Century Lianhua Supermarket Development Co., Ltd.* (上海世紀聯華超市發展有限公司) ("Century Lianhua Development"), a direct wholly-owned subsidiary of the Company, entered into an equity transfer agreement with Shanghai Dongran Industrial Co., Ltd.* (上海動燃實業有限公司) ("Shanghai Dongran"), a fellow subsidiary, pursuant to which, Century Lianhua Development has conditionally agreed to sell, and Shanghai Dongran has conditionally agreed to purchase 100% equity interest in Shanghai Century Lianhua Supermarket Yangpu Co., Ltd.* (上海世紀聯華超市楊浦有限公司) ("Yangpu Century Lianhua"), which owned and operated certain stores in the PRC. The cash consideration of the disposal, which was based on the fair value of Yangpu Century Lianhua as at 31 July 2025, was approximately RMB78,286,000. Under the equity transfer agreement, the Company and Shanghai Dongran agreed that any profits or losses arising from the operations that result in an increase or decrease in the net assets value of Yangpu Century Lianhua during the transitional period, which commenced from 1 August 2025 to the completion date of disposal, shall be shared or borne by Shanghai Dongran.

The transaction was approved by general meeting of shareholders of the Company on 18 December 2025. The management of the Company believes that the sale of Yangpu Century Lianhua is highly probable to be completed within twelve months from the date of classification. Assets and liabilities of Yangpu Century Lianhua, which are expected to be sold within twelve months, have been classified as "assets classified as held for sale" and "liabilities associated with assets classified as held for sale" respectively, and are presented separately in the consolidated statement of financial position as at 31 December 2025.

Pursuant to the completion of the share transfer registration, the disposal of Yangpu Century Lianhua was completed in January 2026, on which date the control was passed to Shanghai Dongran.

* English name is for identification purpose

26. DISPOSAL OF SUBSIDIARIES (Continued)

Analysis of assets and liabilities over which control was lost on the date of disposal of Yangpu Century Lianhua:

	RMB'000
Property, plant and equipment	8,557
Right-of-use assets	91,392
Intangible assets	842
Inventories	1,323
Deferred tax assets	4,513
Trade and bills receivables	275
Deposits, prepayments and other receivables	42,007
Time deposit	40,200
Cash and cash equivalents	56,575
Lease liabilities	(110,774)
Trade and bills payables	(6,084)
Other payables and accruals	(29,192)
Coupon liabilities and advance from customers	(22,323)
Net assets disposed of	77,311
Non-controlling interests	(23,884)
Net assets disposed of attributable to owners of the Company	53,427

Gain on disposal

	RMB'000
Consideration	78,286
Less: net assets disposed of attributable to owners of the Company	(53,427)
Gain on disposal	24,859

	RMB'000
Net cash inflow arising on disposal of subsidiaries	
Consideration	78,286
Less: consideration received in advance in last year (Note 19)	(78,286)
	–

On 27 September 2024, the Company entered into 3 equity transfer agreements with Shanghai Dongran, pursuant to which the Company has conditionally agreed to sell, and Shanghai Dongran has conditionally agreed to purchase 100% equity interest in each of i) Lianhua Supermarket (Jiangsu) Co., Ltd.* (聯華超市(江蘇)有限公司) ("Jiangsu Lianhua"), ii) Anhui Century Lianhua Development Co., Ltd.* (安徽世紀聯華發展有限公司) ("Anhui Lianhua") and iii) Shanghai Century Lianhua Supermarket Hongkou Co., Ltd.* (上海世紀聯華超市虹口有限公司) ("Hongkou Century Lianhua") (collectively referred to as the "3 Target Companies"), which owned and operated certain stores in the PRC. The cash consideration of the disposal of the 3 Target Companies, which was based on the fair value of 3 Target Companies as at 30 June 2024, was approximately RMB145,523,000. Under the equity transfer agreements, the Company and Shanghai Dongran agreed that any profits or losses arising from the operations that result in an increase or decrease in the net assets value of 3 Target Companies during the transitional period, which commenced from 1 July 2024 to the completion date of disposal, shall be shared or borne by Shanghai Dongran.

* English name is for identification purpose

26. DISPOSAL OF SUBSIDIARIES (Continued)

The disposal was underway as at 31 December 2024 as certain conditions precedent had not yet been met. The transaction was approved by general meeting of shareholders of the Company on 5 December 2024. The management of the Group believes that the sale of each of the 3 Target Companies was highly probable to be completed within twelve months from the date of classification. Assets and liabilities of each of the 3 Target Companies, which was expected to be sold within twelve months, had been classified as "assets classified as held for sale" and "liabilities associated with assets classified as held for sale" respectively, and were presented separately in the consolidated statement of financial position as at 31 December 2024.

Pursuant to the completion of the share transfer registration, the disposal of 3 Target Companies was completed in January 2025, on which date the control of 3 Target Companies was passed to Shanghai Dongran.

Analysis of assets and liabilities over which control was lost on the date of disposal of 3 Target Companies:

	RMB'000
Property, plant and equipment	43,593
Right-of-use assets	174,559
Intangible assets	183
Finance lease receivables	9,995
Inventories	47,741
Trade and bills receivables	3,984
Deposits, prepayments and other receivables	45,210
Restricted bank balances	12,214
Cash and cash equivalents	19,093
Lease liabilities	(235,651)
Trade and bills payables	(75,865)
Other payables and accruals	(53,147)
Coupon liabilities and advance from customers	(55,057)
Net liabilities disposed of	(63,148)

Gain on disposal

	RMB'000
Consideration	145,523
Less: net liabilities disposed of attributable to owners of the Company	63,148
Amounts due from fellow subsidiaries	(21,685)
Amounts due to fellow subsidiaries	140
Gain on disposal	187,126

	RMB'000
Net cash inflow arising on disposal of 3 Target Companies	
Consideration	145,523
Less: consideration received in advance in 2024 (Note 19)	(145,523)
	–

27. RELATED PARTY TRANSACTIONS

Save as elsewhere disclosed in the condensed consolidated financial statements, the Group also entered into the following related party transactions during the current interim period:

(i) Related party transactions

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Sales to fellow subsidiaries	**8,415**	73,735
Sales to/return from other related parties	**188**	892
Purchases from associates	**–**	328
Purchases from an ultimate holding company and fellow subsidiaries	**60,421**	94,981
Rental income from fellow subsidiaries	**14,236**	14,491
Commission income arising from the redemption of coupon liabilities with a fellow subsidiary	**1,850**	2,362
Commission charges arising from the redemption of coupon liabilities with a fellow subsidiary	**2,728**	3,648
Interest expenses on lease liabilities charged by fellow subsidiaries	**166**	236
Property management fee charged by fellow subsidiaries	**4,130**	4,747
Interest income earned from a fellow subsidiary	**17,158**	18,320
Platform usage fee charged by fellow subsidiaries	**22,439**	19,729
Logistics resource leasing fee charged by fellow subsidiaries	**531**	657
Logistics and delivery services income from fellow subsidiaries	**110**	613
Logistics and delivery services fee charged by other related parties	**12,097**	13,000
Service and platform usage fee charged by other related parties	**3,319**	3,972
Transaction amounts transferred from the Group's relevant account into a fellow subsidiary's settlement account	**3,776**	4,445
Transaction amounts transferred from a fellow subsidiary's settlement account into the Group's relevant account upon redemption of membership points by the customers	**1,610**	1,778
Securities management fees charged by fellow subsidiary	**1,342**	1,256
Entrusted management income from fellow subsidiary	**4,000**	3,700

The detailed terms of the related party transactions during the current interim period are the same as those presented in the Group's annual financial statements for the year ended 31 December 2025.

27. RELATED PARTY TRANSACTIONS (Continued)

(ii) Related party balances

The Group entered into a financial services agreement with a fellow subsidiary controlled by Bailian Group, pursuant to which the fellow subsidiary agreed to provide the Group the deposit and loan services at a rate equal to or more favourable than those offered by other major commercial banks in the PRC in respect of comparable deposits and loans.

During the year ended 31 December 2023, the Group entered into a supplemental agreement to the Investment and Wealth Management Cooperation Framework Agreement with the fellow subsidiary, pursuant to which, the fellow subsidiary agreed to invest and manage the entrusted assets in accordance with the requirements of the applicable laws and regulations, regulatory requirements and investment guidelines.

The summary of cash and cash equivalents, unrestricted term deposits and investment made in a fellow subsidiary is set out below:

	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Cash and cash equivalents and unrestricted term deposits in a fellow subsidiary	**1,802,096**	1,835,982
Investment and wealth management cooperation with a fellow subsidiary	**1,394,763**	1,357,993
The summary of lease liabilities to related parties is as follows:		
Lease liabilities	**84,097**	92,157

(iii) Transactions/balances with other government related entities in the PRC

The Group operates in an economic environment currently predominated by entities directly or indirectly owned or controlled, jointly controlled or significantly influenced by the PRC government ("Government Related Entities", including Bailian Group). Apart from the transactions with fellow subsidiaries disclosed above, the Group has also entered into various transactions, including sales, purchase, deposits placement, and bank borrowing with other Government Related Entities.

In view of the nature of the retail business operated by the Group, the directors of the Company are of the opinion that it is impracticable to identify the identities of the counterparties from the sales of merchandise as to whether they are Government Related Entities.

During both periods, significant amounts of the Group's purchase were from Government Related Entities and most of the Group's deposits and bank borrowing are placed and advanced from banks which are also Government Related Entities.

27. RELATED PARTY TRANSACTIONS (Continued)

(iv) Compensation of key management personnel

The remuneration of directors and other members of key management during the period was as follows:

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Salaries and other short-term employee benefits	**2,333**	5,209
Post-employment benefits	**263**	366
Other long-term benefits	**321**	423
	2,917	5,998

The remuneration of directors and key management personnel is determined by the remuneration and appraisal committee having regard to the performance of individuals and market trends.

28. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements are observable.

- Level 1 fair value measurements are based on quoted prices (unadjusted) in active market for identical assets or liabilities;

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

28. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Continued)

	Financial assets	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)
		30/06/2026 RMB'000	31/12/2025 RMB'000			
1)	Investments in unlisted financial products which are managed by licensed financial institutions in the PRC classified as financial assets at FVTPL	**1,394,763**	1,357,993	Level 2	Discounted cash flows method, estimated based on expected return and market interest rate	Not applicable
2)	Investment in equity shares listed in the Shanghai Stock Exchange classified as financial assets at FVTPL	**55,510**	69,655	Level 1	Quoted bid prices in an active market	Not applicable
3)	Unquoted equity investments classified as financial assets at FVTPL	**797**	797	Level 3	Income approach – in this approach, the discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of this investee, based on an appropriate discount rate	Long-term revenue growth rates, taking into account management's experience and knowledge of market conditions of the specific industries.

There were no transfers between Level 1 and 2 during both periods.

Fair value measurements and valuation process

The Chief Financial Officer ("CFO") of the Group determines the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value, the Group uses market-observable data to the extent it is available, and if appropriate, the Group will engage third party qualified valuers to perform the valuation. The CFO works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The CFO reports the findings, if any, to the board of directors of the Company at the end of each reporting period to explain the cause of fluctuations in the fair value of related assets and liabilities.

29. AUTHORISATION FOR THE ISSUE OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These unaudited condensed consolidated financial statements were authorised for issue by the board of directors of the Company on 28 August 2026.