盛融控股
Shengrong Holding

盛融控股有限公司
SHENGRONG HOLDING LTD.

(Formerly known as China Kangda Food Company Limited 中國康大食品有限公司)

(incorporated in Bermuda with limited liability)

Hong Kong stock code : 834
Singapore stock code : P74

Interim Report 2026

Contents

Corporate Profile

Established in 1992, Shengrong Holding Ltd. ,formerly known as China Kangda Food Company Limited (the "Company", together with its subsidiaries, the "Group") is a diversified food manufacturing and processing group based in the People's Republic of China (the "PRC") and is primarily engaged in the production, processing, sale and distribution of:

a) processed foods which include a wide range of food products such as instant soup, curry food, chicken-based cooked products, rabbit cooked products, rabbit ham sausage, meatballs and de-oxygenated consumer packed chestnuts;

b) chilled and frozen chicken meat;

c) chilled and frozen rabbit meat; and

d) other products which mainly include seafood, poultry, rabbit organs and seasoning, etc.

The Company's chilled and frozen rabbit meat is mainly exported to European Union (the "EU"). Besides selling products under its own brand names of "康大" and "KONDA", the Company also acts as an Original Equipment Manufacture ("OEM") manufacturer of a variety of processed foods including meatballs, seafood, chicken-based and rabbit cooked products, chestnuts, instant soups and curry products and etc.

The Company currently distributes its wide range of products in 26 provinces and over 30 major cities in the PRC and exports to more than 15 countries and cities including certain countries in the EU, Japan and Bahrain.

The Company is one of the major companies in the PRC authorised to supply rabbit meat to the EU and one of the largest PRC exporters of rabbit meat. The Company is also the first PRC company to be granted the certification for breeding progeny rabbit in the PRC. The Company has further strengthened its foothold in this segment through stable expansion strategies.

For more information, please log on to https://shengrongholding.com.

Corporate Information

As at the date of this Interim Report

BOARD OF DIRECTORS

Executive Directors:
Gao Sishi (Chairman)
Gao Yanxu (CEO)
Zhuang Jinwen
(appointed on 30 March 2026)
An Fengjun (resigned on 30 March 2026)

Independent Non-Executive Directors:
Sun Gang
Fok Wai Hung
Lau Pik Ki

AUDIT COMMITTEE

Fok Wai Hung (Chairman)
Sun Gang
Lau Pik Ki

REMUNERATION COMMITTEE

Sun Gang (Chairman)
Gao Yanxu
Fok Wai Hung

NOMINATION COMMITTEE

Gao Sishi (Chairman)
Sun Gang
Lau Pik Ki

COMPANY SECRETARY

Fu Jie (appointed on 31 July 2026)
Au Wing Sze (resigned on 31 July 2026)

AUTHORISED REPRESENTATIVES

Gao Yanxu
Fu Jie

REGISTERED OFFICE

Victoria Place, 5th Floor
31 Victoria Street
Hamilton HM 10
Bermuda

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

No. 8399, Binhai Boulevard
Huangdao District
Qingdao City
Shandong Province
PRC

PLACE OF BUSINESS IN HONG KONG REGISTERED UNDER PART 16 OF THE COMPANIES ORDINANCE

Unit 216, 2/F., Mirror Tower
No. 61 Mody Road
Tsim Sha Tsui East
Kowloon
Hong Kong

BERMUDA PRINCIPAL SHARE REGISTRAR

Appleby Global Corporate Services (Bermuda) Limited
Canon's Court, 22 Victoria Street
PO Box HM 1179, Hamilton HM EX
Bermuda

SINGAPORE SHARE REGISTRAR

B.A.C.S. Private Limited
77 Robinson Road
#06-03 Robinson 77
Singapore 068896

HONG KONG SHARE REGISTRAR

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

AUDITOR

BDO Limited
Certified Public Accountants
25th Floor, Wing On Centre
111 Connaught Road Central
Hong Kong

WEBSITE OF THE COMPANY

https://shengrongholding.com
(The contents of the Company's website do not form part of this document)

Management Discussion and Analysis

BUSINESS REVIEW

The Group reported its unaudited results for the six months ended 30 June 2026 ("HY2026") with a loss attributable to owners of the Company of approximately RMB21.9 million (for the six months ended 30 June 2025 ("HY2025"): RMB1.5 million).

The Group continued to adopt stable operation strategy. The revenue increased by 16.1% from approximately RMB861.9 million for HY2025 to approximately RMB1,001.1 million for HY2026. Due to the decrease in selling price of products, the gross profit margin decreased from 5.0% for HY2025 to 2.3% for HY2026. The loss for HY2026 increased by RMB20.3 million over HY2025, mainly due to the decrease in gross profit and the increase in selling and distribution costs and partly offset by the increase in other income.

PROSPECT

Being a company focusing on consumer products industry, our business is always affected by economic growth, consumers' preference, industry cycle and animal epidemics. In HY2026, with re-emergence of trade protectionism and global recession, the whole consumer industry is facing complicated external environment and greater challenges. In light of the challenges, the Group is trying to expand the production volume to meet the demand and lower the cost of sales by economies of scale at the same time. Also, the Group will strive to control the spending of expenses.

The food industry will continue to face challenges with low growth rate and intense competition. With the consumption upgrades, food safety and healthiness become the focus of consumers' attention, which is always our priority. With our stringent quality control and food safety systems, we will continue to provide customers with high quality products. To maintain the overall profitability and to enhance the competitiveness and resistance against market risk, the Group will increase investment in research and development of new products, focus on high value-added processed foods, safeguard the business relationship with the major customers and proactively explore new markets and new customers.

We will continue to optimise product portfolios, enhance cost management, promote brand building and expand new sales channels to strengthen the core competence and improve the overall performance of the Group.

Management Discussion and Analysis

OPERATING AND FINANCIAL REVIEW

Revenue by Products

	Six months ended 30 June		
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)	% Change +/(-)
Processed food	433,506	380,788	13.8
Chilled and frozen chicken meat	408,665	378,163	8.1
Chilled and frozen rabbit meat	147,371	96,437	52.8
Other products	11,510	6,530	76.3
Total	**1,001,052**	**861,918**	**16.1**

Revenue derived from the production and sales of processed food, chilled and frozen chicken meat, chilled and frozen rabbit meat and other products contributed 43.3%, 40.8%, 14.7% and 1.2% of the revenue for HY2026 (HY2025: 44.2%, 43.9%, 11.2% and 0.7%), respectively.

Processed Food

Revenue derived from the production and sales of processed food increased by 13.8% to approximately RMB433.5 million for HY2026. The increase in revenue was mainly due to the increase in sales volume of export as a result of increase in demand from international trading.

Chilled and Frozen Chicken Meat

Revenue derived from the production and sales of chilled and frozen chicken meat increased by 8.1% to approximately RMB408.7 million in HY2026. With the increase in market demand, the Group increased slaughter volume of broilers, resulting in an increase in the sales of chilled and frozen chicken meat.

Chilled and Frozen Rabbit Meat

The sales of chilled and frozen rabbit meat products increased by 52.8% to approximately RMB147.4 million in HY2026 which was mainly due to the increase in market demand and the increase in selling price for both international and domestic market.

Other Products

Other products were mainly feed products and chicken and rabbit meat by-products. Revenue derived from the production and sales of other products increased by RMB5.0 million to RMB11.5 million in HY2026. The increase in other products' revenue of 76.3% was mainly attributable to higher by-product output and sales driven by increased production of main products.

Revenue by Geographical Markets

	Six months ended 30 June		
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)	% Change +/(-)
Export	271,747	226,964	19.7
PRC	729,305	634,954	14.9
Total	**1,001,052**	**861,918**	**16.1**

On a geographical basis, our revenue from PRC and overseas contributed 72.9% and 27.1% (HY2025: 73.7% and 26.3%) of the revenue in HY2026, respectively. The change of geographical mix was mainly due to the demand from overseas market remain relatively strong as the Group were focusing more on overseas market during HY2026.

Profitability

Gross Profit and Margin

	Six months ended 30 June 2026		Six months ended 30 June 2025		Change	% Change
	RMB'000 (Unaudited)	Margin % (Unaudited)	RMB'000 (Unaudited)	Margin % (Unaudited)	RMB'000 (Unaudited)	+/(-) (Unaudited)
Processed food	47,084	10.9	56,998	15.0	(9,914)	(4.1)
Chilled and frozen chicken meat	175	0.04	(16,422)	(4.3)	16,597	4.34
Chilled and frozen rabbit meat	(22,557)	(15.3)	1,315	1.4	(23,872)	(16.7)
Other products	(1,217)	(10.6)	1,265	19.4	(2,482)	(30)
Total	**23,485**	**2.3**	**43,156**	**5.0**	**(19,671)**	**(2.7)**

The overall gross profit margin was 2.3% for HY2026, representing a decrease of 2.7 percentage points from 5.0% for HY2025.

Processed Food

Processed food were the main profit contributor. The gross profit margin decreased by 4.1% to 10.9% in HY2026. The decrease was attributable to a higher sales proportion of lower margin products, coupled with rising raw material costs and the depreciation of the US dollar against the Renminbi.

Chilled and Frozen Chicken Meat

The gross profit margin increased by 4.3% in HY2026, which was mainly due to higher selling prices and strong demand.

Chilled and Frozen Rabbit Meat

The gross profit margin decreased by 16.7% to -15.3% in HY2026. The decrease was attributable to a higher sales proportion of lower margin products, coupled with rising raw material costs and the depreciation of the US dollar against the Renminbi.

Other Products

The gross profit margin of other products decreased to -10.6% in HY2026, mainly due to lower selling prices of by-products.

Other Income

Other income in HY2026 was RMB15.8 million, representing an increase of RMB7.8 million from RMB8.0 million in HY2025. Other income comprised mainly rental income, government grants, and interest income on financial assets. The increase in other income was mainly due to the increase of sub-contracting income of RMB6.6 million.

Selling and Distribution Expenses

Selling and distribution expenses comprised mainly salary and welfare, transportation costs and advertisement costs, and was increased by RMB3.9 million to approximately RMB28.6 million in HY2026 which was mainly due to the increase in advertising and promotion expenses.

Administrative Expenses

Administrative expenses comprised mainly staff costs, professional fees, depreciation charge, travelling expenses and other miscellaneous administrative expenses. Administrative expenses remained stable compared with the previous period.

Other Operating Expenses

Other operating expenses for HY2026 was RMB11.0 million, representing an increase of RMB4.4 million from RMB6.6 million in HY2025. The increase was mainly due to recognition of foreign exchange loss of RMB3.5 million in HY2026, whereas a foreign exchange gain of RMB4.6 million was recognised in HY2025 and recorded under administrative expenses.

Finance Costs

Finance costs comprised interest charges on bank borrowings and interest on lease liabilities. Finance costs remained stable compared with the previous period.

Taxation

The Group recorded an income tax credit of RMB0.04 million. In HY2026, the Group was in a position of tax loss and no current period taxation was provided. The income tax credit was mainly derived from the deferred tax credit. Some of the subsidiaries of the Group engaged in qualifying agricultural business, which include breeding and sales of livestock, were entitled to full exemption of corporate income tax during the period under review.

Review of the Group's Financial Position as at 30 June 2026

The Group's property, plant and equipment ("PPE") were mainly leasehold buildings and plant and machinery. The PPE decreased by 3.0% to approximately RMB237.0 million as at 30 June 2026. The decrease was a net effect of depreciation charge and addition of plant and machinery.

The investment property represented leasehold buildings in property, plant and equipment and right-of-use assets in relation to rabbit farms held to earn rental income. The investment property was stated at cost less accumulated depreciation as the fair value cannot be reliably measured since there were no active market prices for similar properties. The investment property decreased by 4.2% to approximately RMB157.9 million as at 30 June 2026. The decrease was a result of depreciation charge.

Right-of-use assets represented operating lease assets and prepaid premium for land leases. The decrease was mainly due to the depreciation of the right-of-use assets during the current period.

Biological assets mainly referred to progeny chickens, progeny rabbits, breeder rabbits and hatchable eggs for sales and breeder rabbits and chickens for breeding purpose. These biological assets were valued by the management of the Group as at 30 June 2026 based on market-determined prices of rabbits/chickens of similar size, species and age. The valuation methodology is in compliance with IAS 41 and IFRS 13 to determine the fair values of biological assets in their present location and condition. Biological assets, including current and non-current biological assets, decreased by RMB9.8 million as at 30 June 2026 as compared to that of 31 December 2025. The main reason for the decrease was attributable to less progeny chickens raised.

Inventory increased by RMB75.7 million to approximately RMB205.6 million as at 30 June 2026. The inventory turnover days for HY2026 were 31.3 days as compared to 29.7 days for HY2025.

Trade and bills receivables increased by RMB57.9 million to approximately RMB189.5 million as at 30 June 2026. The increase was mainly due to more sales during the second quarter of 2026 than the fourth quarter of 2025.

Prepayments, other receivables and deposits increased by RMB77.4 million to approximately RMB156.4 million as at 30 June 2026. The increase was mainly due to increased prepayments made for the purchase of forage and raw materials for processed food as a result of expected higher procurement prices.

The pledged deposits were secured against the bills payables and bank borrowings of the Group. The decrease was mainly attributable to commercial acceptance bills requiring no margin deposits being used more extensively for settlement in HY2026. This led to a significant decrease in the balance of pledged bank deposits.

Trade and bills payables increased by RMB72.7 million to approximately RMB342.8 million as at 30 June 2026. The Group boosted inventory levels to meet growing market demand, which led to a rise in trade and bills payables.

Accrued liabilities and other payables represented payables for salary and welfare payables, accrued expenses and deposit received, decreased by RMB11.7 million to approximately RMB80.8 million as at 30 June 2026.

Lease liabilities represented the present value of the lease payments that are not paid as the adoption of IFRS 16. The decrease in lease liabilities was mainly due to the payment of rentals in HY2026.

Contract liabilities represents advance consideration from customers which the performance obligation under the Group's existing contracts were unfulfilled. Contract liabilities increased by RMB22.9 million to approximately RMB33.9 million as at 30 June 2026. The increase in contract liabilities was mainly due to growing market demand.

The interest-bearing bank borrowings balances decreased by RMB8.8 million to approximately RMB95.0 million as at 30 June 2026 as a result of repayment of bank borrowings.

Amount due to a related party of RMB18.8 million as at 30 June 2026 (31 December 2025: RMB38.8 million) was trade in nature.

Loans from ultimate holding company is interest-free, unsecured and repayable on 22 December 2026. On 22 December 2025, the Company entered into an agreement with ultimate holding company, to borrow a loan principal amounting HK$64 million. As at 30 June 2026, the Company drew down HK$64 million, equivalent to RMB55.5 million (31 December 2025: RMB3.6 million).

Loan from former immediate holding company remained stable as at 30 June 2026. The loan is interest-free, unsecured and repayable on 31 December 2026.

Loans from related parties of RMB36.2 million (31 December 2025: RMB37.6 million) is interest-free, unsecured and repayable on 31 December 2027.

CAPITAL STRUCTURE

As at 30 June 2026, the Group had net assets of approximately RMB508.5 million (31 December 2025: RMB524.8 million), comprising of non-current assets of approximately RMB638.0 million (31 December 2025: RMB658.9 million), and current assets of approximately RMB737.1 million (31 December 2025: RMB636.6 million). The Group recorded a net current liabilities of approximately RMB11.0 million as at 30 June 2026 (31 December 2025: net current liabilities of RMB6.5 million). Cash and bank balances amounted to approximately RMB136.5 million (31 December 2025: RMB137.3 million), inventories amounted to approximately RMB205.6 million (31 December 2025: RMB129.9 million) and trade and bills receivables amounted to approximately RMB189.5 million (31 December 2025: RMB131.6 million) are the major current assets. Major current liabilities are trade and bills payables and interest-bearing bank borrowings amounted to RMB342.8 million (31 December 2025: RMB270.2 million) and RMB95.0 million (31 December 2025: RMB103.8 million), respectively.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders of the Company and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2026, the Group had cash and bank balances of approximately RMB136.5 million (31 December 2025: RMB137.3 million) and had interest-bearing bank borrowings, loans from former immediate holding company, loan from ultimate holding company and loan from related parties of approximately RMB95.0 million, RMB99.4 million, RMB55.5 million and RMB36.2 million, respectively (31 December 2025: RMB103.8 million, RMB103.0 million, RMB3.6 million and RMB37.5 million, respectively). The Group's interest-bearing bank borrowings bear interests ranging from 2.5% to 2.6% (31 December 2025: 2.6% to 3.1%) per annum.

The gearing ratio for the Group was 78% as at 30 June 2026 (31 December 2025: 73%), based on a total debt of RMB389.5 million (31 December 2025: RMB375.6 million) and equity attributable to owners of the Company of RMB496.9 million (31 December 2025: RMB513.4 million). The Group would serve its debts primarily with cash flow generated from its operation, seeking renewal of the outstanding bank borrowings and new banking facilities and exploring the availability of alternative source of financing.

FOREIGN CURRENCY EXPOSURE

The Group is exposed to foreign exchange risk during the period under review arising from various currency exposures mainly to the extent of its receivables in currencies denominated in US dollars, Japanese Yen and EURO.

The Group does not have a formal foreign currency hedging policy or conducts hedging exercise to reduce its foreign currency exposure during the six months ended 30 June 2026. However, the management of the Company monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should it be necessary.

CAPITAL COMMITMENTS

As at 30 June 2026, the Group's capital commitment which had been contracted for but not provided in the financial statements amounted to approximately RMB21.6 million (31 December 2025: RMB32.6 million).

CHARGE ON GROUP'S ASSETS

Total interest-bearing bank borrowings include secured liabilities of approximately RMB95.0 million as at 30 June 2026 (31 December 2025: RMB103.8 million).

As at 30 June 2026, the Group's interest-bearing bank borrowings are guaranteed by certain related parties of the Group and secured against pledge of the Group's certain property, plant and equipment, right-of-use assets.

CONTINGENT LIABILITIES

As at 30 June 2026, the Group did not have any material contingent liabilities (31 December 2025: Nil).

EMPLOYEES AND EMOLUMENT POLICY

As at 30 June 2026, the Group employed a total of 2,646 employees (as at 31 December 2025: 2,237 employees) situated in the PRC. The Group's emolument policy is formulated based on industry practices and performance of individual employees. During the period under review, the total staff costs (including Directors' emoluments) amounted to approximately RMB108.2 million (for the six months ended 30 June 2025: RMB100.1 million). The Company does not have share option scheme for its employees.

INTERIM DIVIDEND

The Board resolved not to declare the distribution of any interim dividend for HY2026 (HY2025: Nil).

SIGNIFICANT INVESTMENTS, ACQUISITIONS AND DISPOSALS

During the six months ended 30 June 2026, the Group did not have any significant investments, acquisitions and disposals.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) during the six months ended 30 June 2026. The Company did not hold any treasury shares as of 30 June 2026.

AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") consists of all the independent non-executive Directors, namely Mr. Fok Wai Hung, Mr. Sun Gang and Ms. Lau Pik Ki. The chairman of the Audit Committee is Mr. Fok Wai Hung. The Audit Committee has reviewed with the management the accounting principles and standards adopted by the Group, and discussed auditing, internal control and financial reporting matters including the review of the Group's unaudited condensed consolidated interim financial statements and this interim report for the six months ended 30 June 2026.

Other Information

CODE ON CORPORATE GOVERNANCE PRACTICE

During the six months ended 30 June 2026, the Company has complied with all applicable code provisions (the "Code Provision(s)") set out in the Corporate Governance Code (the "Corporate Governance Code") as contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), save for the deviation as listed below.

Code Provision C.1.7 of the Corporate Governance Code states that an issuer should arrange appropriate insurance cover in respect of legal action against its directors.

During the six months ended 30 June 2026 and up to the date of this report, the Company has not arranged liability insurance for the Directors in respect of legal proceedings that may be brought against the Directors due to the activities of the Company. The Company's Bye-Laws provides that each Director shall be entitled to be indemnified out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which he or she may incur or sustain in or about the execution of his/her duty. However, as the Company considered its risk management and internal control systems are effective and constantly under review, and as all the Executive Directors are familiar with the operation of the Group, the Company believes that the risk of the Directors being sued or getting involved in litigation in their capacity as Directors is relatively low, and hence the Company is of the view that the benefits of the insurance may not outweigh the cost.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATIONS

Directors and chief executives of the Company are required to disclose the interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were deemed or taken to have under such provisions of the SFO), or which are required, pursuant to Section 352 of the SFO, to be entered in the register of members of the Company, or which are required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the "Model Code").

As at 30 June 2026, none of the Directors, chief executives of the Company nor their associates had or was deemed to have any interests or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which have been recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or which has been notified to the Company and the Stock Exchange pursuant to the Model Code.

Other Information

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2026, insofar as is known to the Directors and chief executives of the Company, the following persons (not being a Director or chief executive of the Company), had an interest or short position in the shares and underlying shares of the Company which fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or which are required to be recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

In respect of the Company

Name of substantial shareholder	Capacity/nature of interests	Number of shares held	Approximate percentage of issued share capital (%)
Hong Kong Sheng Yuan Holding Co., Limited	Beneficial owner	325,926,100	71.96%

Save as disclosed above, the Directors were not aware of any other person (other than a Director or the chief executive of the Company) who had an interest or short position in the shares or underlying shares of the Company as at 30 June 2026, which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required to be recorded in the register required to be kept by the Company under Section 336 of the SFO.

DIVIDENDS

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2026. No interim dividend was paid in respect of the six months ended 30 June 2025.

DIRECTORS' AND CHIEF EXECUTIVES' RIGHT TO ACQUIRE SHARES OR DEBENTURES

During the period under review, there were no rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or the chief executive of the Company or their respective spouse or minor children, nor were any such rights exercised by them, nor was the Company or any of its subsidiaries a party to any arrangement to enable the Directors or the chief executives of the Company to acquire such rights in any other body corporate.

AUDIT COMMITTEE

The Audit Committee has reviewed the Group's unaudited condensed consolidated interim financial statements, the interim results announcement and this interim report for the six months ended 30 June 2026.

DIRECTORS' INFORMATION

There has been no change in the information of Directors and/or senior management of the Company that is required to be disclosed under Rule 13.51B(1) of the Listing Rules since the publication of the 2025 annual report of the Company.

Other Information

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 of the Listing Rules (the "Model Code"). Having made specific enquiry to all the Directors, all Directors confirmed that they had complied with the required standards as set out in the Model Code for the six months ended 30 June 2026 and up to the date of this report.

IMPORTANT EVENTS AFTER REPORTING PERIOD

On 19 June 2026, the English name of the Company has been changed from "China Kangda Food Company Limited" to "Shengrong Holding Ltd.", and the secondary name of the Company in Chinese has been changed from "中國康大食品有限公司" to "盛融控股有限公司". Following the Change of Company Name, the stock short name of the Company for trading in the Shares on the SEHK has been changed from "KANGDA FOOD" to "SHENGRONG HLDG" in English and from "康大食品" to "盛融控股" in Chinese with effect from 9:00 a.m. on 22 July 2026. The stock code of the Company on the SEHK remains unchanged as "834". The trading counter name of the Company for trading in the Shares on the SGX-ST has been changed from "ChinaKangdaFood" to "ShengrongHldg" with effect from 9:00 a.m. on 22 July 2026. The stock code of the Company on the SGX-ST remains unchanged as "P74". The Company's website has been changed from "www.kangdafood.com" to "https://shengrongholding.com" with effect from 22 July 2026.

The Company intends to voluntarily delist the ordinary shares of the Company, which currently have a secondary listing on the Main Board of the Singapore Exchange Securities Trading Limited ("SGX-ST"), from the Main Board of SGX-ST ("Proposed Delisting"). An application was made by the Company to the SGX-ST to seek approval for the Proposed Delisting. In the application, the Proposed Delisting is scheduled to take place on or about 7 January 2027. On 28 August 2026, the SGX-ST has advised that it has no objection to the Proposed Delisting, subject to certain conditions. For further details, please refer to the Company's announcement dated 30 August 2026.

Save as disclosed above, there are no other important events after the reporting period.

APPRECIATION

I would like to extend my gratitude and sincere appreciation to all management and staff members for their diligence and dedication, and also to our business partners and the Company's shareholders for their continuing support.

On behalf of the Board
Shengrong Holding Ltd.
Gao Sishi
Chairman, Executive Director

Hong Kong and Singapore, 28 August 2026

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2026

	Notes	Six months ended 30 June 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Revenue	5	1,001,052	861,918
Cost of sales		(977,567)	(818,762)
Gross profit		23,485	43,156
Other income and other gains	5	15,796	7,976
Selling and distribution costs		(28,605)	(24,697)
Administrative expenses		(16,152)	(15,793)
Other operating expenses		(11,043)	(6,609)
Finance costs	7	(5,112)	(5,394)
Loss before taxation	6	(21,631)	(1,361)
Income tax credit	8	37	37
Loss for the period		(21,594)	(1,324)
Other comprehensive income			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences in translating foreign operations		5,279	178
Other comprehensive income for the period		5,279	178
Total comprehensive income for the period		(16,315)	(1,146)
(Loss)/Profit for the period attributable to:			
Owners of the Company		(21,859)	(1,535)
Non-controlling interests		265	211
		(21,594)	(1,324)
Total comprehensive income for the period attributable to:			
Owners of the Company		(16,580)	(1,357)
Non-controlling interests		265	211
		(16,315)	(1,146)
Loss per share for loss attributable to the owners of the Company during the period	10		
Basic (RMB cents)		(4.83)	(0.34)
Diluted (RMB cents)		(4.83)	(0.34)

Condensed Consolidated Statement of Financial Position

As at 30 June 2026

	Notes	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		237,013	244,388
Investment property		157,931	164,925
Goodwill		56,355	56,355
Biological assets		30,661	28,764
Right-of-use assets		142,547	150,984
Loan receivable		13,500	13,500
Total non-current assets		638,007	658,916
Current assets			
Biological assets		18,072	29,783
Loan receivable		4,500	6,500
Inventories		205,613	129,907
Trade and bills receivables	11	189,540	131,625
Prepayments, other receivables and deposits		156,415	79,014
Pledged deposits		26,500	122,500
Cash and cash equivalents		136,483	137,295
Total current assets		737,123	636,624
Current liabilities			
Trade and bills payables	12	342,818	270,158
Accrued liabilities and other payables		80,757	92,479
Contract liabilities		33,910	11,039
Interest-bearing bank borrowings	13	95,000	103,800
Amount due to a related party		18,820	38,793
Amount due to ultimate holding company		2,920	–
Loan from ultimate holding company		55,475	3,595
Loans from former immediate holding company		99,398	103,048
Deferred government grants		3,537	3,795
Lease liabilities		13,236	14,213
Tax payables		2,220	2,220
Total current liabilities		748,091	643,140
Net current liabilities		(10,968)	(6,516)
Total assets less current liabilities		627,039	652,400

Condensed Consolidated Statement of Financial Position

As at 30 June 2026

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Non-current liabilities		
Deferred government grants	12,893	14,433
Lease liabilities	68,437	74,576
Loans from related parties	36,223	37,553
Deferred tax liabilities	1,035	1,072
Total non-current liabilities	118,588	127,634
Net assets	508,451	524,766
EQUITY		
Equity attributable to the owners of the Company		
Share capital	116,750	116,750
Reserves	380,108	396,688
	496,858	513,438
Non-controlling interests	11,593	11,328
Total equity	508,451	524,766

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2026

	Equity attributable to the Company's owners									
	Share capital RMB'000	Share premium* RMB'000	Merger reserve* RMB'000	Capital redemption reserve* RMB'000	Other reserves* RMB'000	Foreign currency translation reserve* RMB'000	Retained profits* RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2026 (audited)	116,750	256,981	(41,374)	2,374	46,798	4,806	127,103	513,438	11,328	524,766
(Loss)/Profit for the period (unaudited)	–	–	–	–	–	–	(21,859)	(21,859)	265	(21,594)
Other comprehensive income (unaudited)	–	–	–	–	–	5,279	–	5,279	–	5,279
Total comprehensive income for the period (unaudited)	–	–	–	–	–	5,279	(21,859)	(16,580)	265	(16,315)
At 30 June 2026 (unaudited)	116,750	256,981	(41,374)	2,374	46,798	10,085	105,244	496,858	11,593	508,451

	Equity attributable to the Company's owners									
	Share capital RMB'000	Share premium* RMB'000	Merger reserve* RMB'000	Capital redemption reserve* RMB'000	Other reserves* RMB'000	Foreign currency translation reserve* RMB'000	Retained profits* RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2025 (audited)	116,750	256,981	(41,374)	2,374	46,798	(646)	144,485	525,368	10,996	536,364
(Loss)/Profit for the period (unaudited)	–	–	–	–	–	–	(1,535)	(1,535)	211	(1,324)
Other comprehensive income (unaudited)	–	–	–	–	–	178	–	178	–	178
Total comprehensive income for the period (unaudited)	–	–	–	–	–	178	(1,535)	(1,357)	211	(1,146)
At 30 June 2025 (unaudited)	116,750	256,981	(41,374)	2,374	46,798	(468)	142,950	524,011	11,207	535,218

* The consolidated reserves of the Group as at 30 June 2026 of approximately RMB380,108,000 (30 June 2025: approximately RMB407,261,000) as presented in the consolidated statement of financial position comprised these reserve accounts.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2026

	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Cash flows from operating activities		
Net cash (used in)/generated from operating activities	(105,717)	144,422
Cash flows from investing activities		
Placement of pledged deposits	(26,500)	(309,000)
Withdrawal of pledged deposits	122,500	120,000
Other cash flow arising from investing activities	(7,235)	(13,734)
Net cash generated from/(used in) investing activities	88,765	(202,734)
Cash flows from financing activities		
Proceed from loans from former immediate holding company	–	7,845
Proceed from loan from ultimate holding company	52,008	–
Proceed from new bank borrowings	55,000	53,900
Repayment of bank borrowings	(63,800)	(107,900)
Increase in amount due to ultimate holding company	2,920	–
(Decrease)/Increase in amount due to a related party	(19,973)	25,875
Other cash flow arising from financing activities	(9,982)	(10,868)
Net cash generated from/(used in) financing activities	16,173	(31,148)
Net decrease in cash and cash equivalents	(779)	(89,460)
Cash and cash equivalents at 1 January	137,295	234,209
Effect of foreign exchange rate change, net	(33)	163
Cash and cash equivalents at 30 June	136,483	144,912
Analysis of balances of cash and cash equivalents		
Cash and bank balances	136,483	144,912

1. CORPORATE INFORMATION

Shengrong Holding Ltd. (formerly known as China Kangda Food Company Limited) (the "Company") was incorporated in Bermuda as an exempted company with limited liability under the Companies Act 1981 of Bermuda on 28 April 2006. The registered office of the Company is located at Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM10, Bermuda. The principal place of business of the Company is located at No. 8399, Binhai Boulevard, Huangdao District, Qingdao, the People's Republic of China. The Company's shares are primary listed on the Main Board of The Stock Exchange of Hong Kong Limited and secondary listed in the Main Board of the Singapore Exchange Securities Trading Limited.

The principal activity of the Company is investment holding. The principal activities of the Company's subsidiaries (together with the Company referred as the "Group") are production and trading of food products, breeding and sale of livestock, poultry and rabbits.

In the opinion of the Company's directors (the "Directors"), the Company's ultimate holding company is Hong Kong Sheng Yuan Holding Co., Limited, a company incorporated in Hong Kong.

The Group's operations are principally conducted in the People's Republic of China (the "PRC"), excluding Hong Kong and Macau.

2. BASIS OF PREPARATION

(a) Statement of compliance

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirement of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and International Accounting Standard ("IAS") 34 "Interim Financial Reporting" as issued by International Accounting Standards Board ("IASB").

(b) Basis of measurement and going concern assumption

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

The condensed consolidated financial statements contain selected explanatory notes which include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the consolidated financial statements for the year ended 31 December 2025 (the "2025 Annual Report"). The condensed consolidated financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with IFRS Accounting Standards and should be read in conjunction with the Group's 2025 Annual Report.

2. BASIS OF PREPARATION (CONTINUED)

(b) Basis of measurement and going concern assumption (Continued)

The condensed consolidated financial statements have been prepared under the historical cost basis except for biological assets which are stated at fair values less costs to sell and financial assets at fair value though other comprehensive income which are stated at fair values. The condensed consolidated financial statements are unaudited but have been reviewed by the Company's audit committee.

The financial information relating to the financial year ended 31 December 2025 that is included in this interim financial report as being previously reported information does not constitute the Group's statutory financial statements for that financial year but is derived from those financial statements.

In preparing the condensed consolidated financial statements, the Directors considered that the Group is able to continue as a going concern notwithstanding that the Group incurred a loss attributable to the owners of the Company of approximately RMB21,859,000 during the six months ended 30 June 2026, and as of that date, the Group had net current liabilities of approximately RMB10,968,000. As at 30 June 2026, the Group had bank borrowings of RMB95,000,000 (note 13), loan from ultimate holding company of RMB55,475,000 and loans from former immediate holding company of RMB99,398,000, totalling approximately RMB249,873,000 as at 30 June 2026 that are repayable within 12 months from 30 June 2026, while the Group only maintained its cash and cash equivalents of RMB136,483,000.

In view of these circumstances, the Directors have given careful consideration of the Group's future liquidity requirements, operating performance, and available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern. The Directors have prepared a cash flow forecast covering a period of twelve months from the date of approval of these consolidated financial statements, taking into account the plans and measures that have been implemented or are being implemented, which include, but not limited to, the following:

1. The Group has been maintaining strong relationship with the Group's existing lenders to seek renewal of extension for repayment of the Group's bank borrowings;

2. The Group will explore the availability of alternative source of financing; and

3. The Group continues to expand its production volume by enhancing the operational efficiency of its facilities and implementing measures to tighten cost controls over various operating expenses, with the aim of improving its profitability and operating cash inflows in the future.

The Directors consider that, assuming the successful implementation of the aforementioned plans and measures, the Group would have sufficient working capital to finance its operations and meet its obligations as and when they fall due for the period of the cash flow forecast. Accordingly, the Directors are of the opinion that it is appropriate to prepare these consolidated financial statements on a going concern basis.

(c) Functional and presentation currency

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

3. APPLICATIONS OF REVISED IFRS® ACCOUNTING STANDARDS

In the current period, the Group has applied for the first time the following revised IFRS Accounting Standards and amendments issued by International Accounting Standards Board ("IASB") which are relevant to and effective for the Group's condensed consolidated financial statements for six months period beginning on 1 January 2026:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	Annual Improvements to IFRS Accounting Standards – Volume 11

The application of the revised IFRS Accounting Standards in the current interim period has no material effect on the amounts reported in the condensed consolidated financial statements and/or disclosures set out in the condensed consolidated financial statements.

The Group has not early adopted any new or revised IFRS Accounting Standards that have been issued but are not yet effective in the condensed consolidated financial statements.

4. SEGMENT INFORMATION

The Group is organised into four main business segments:

- Production and sale of processed food;
- Production and sale of chilled and frozen chicken meat;
- Production and sale of chilled and frozen rabbit meat; and
- Production and sale of other products.

Information regarding the Group's reportable segments as provided to the Directors is set out below:

	Six months ended 30 June 2026				
	Processed foods RMB'000 (Unaudited)	Chilled and frozen rabbit meat RMB'000 (Unaudited)	Chilled and frozen chicken meat RMB'000 (Unaudited)	Other products RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Revenue from external customers and reportable segment revenue, recognised at a point in time	433,506	147,371	408,665	11,510	1,001,052
Reportable segment profit/(loss)	34,697	(33,762)	(11,504)	(1,545)	(12,114)

4. SEGMENT INFORMATION (CONTINUED)

	Six months ended 30 June 2025				
	Processed foods RMB'000 (Unaudited)	Chilled and frozen rabbit meat RMB'000 (Unaudited)	Chilled and frozen chicken meat RMB'000 (Unaudited)	Other products RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Revenue from external customers and reportable segment revenue, recognised at a point in time	380,788	96,437	378,163	6,530	861,918
Reportable segment profit/(loss)	46,145	(7,389)	(27,200)	1,079	12,635

Reportable segment revenue represented revenue of the Group in the condensed consolidated statement of comprehensive income. A reconciliation between the reportable segment profit/(loss) and the Group's loss before taxation is set out below:

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Reportable segment (loss)/profit	(12,114)	12,635
Other income and other gains	15,796	7,976
Administrative expenses	(16,152)	(15,793)
Other operating expenses	(4,049)	(785)
Finance costs	(5,112)	(5,394)
Loss before taxation	(21,631)	(1,361)

5. REVENUE AND OTHER INCOME AND OTHER GAINS

An analysis of the Group's revenue is as follows:

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Revenue from contracts with customers		
Sale of goods	1,001,052	861,918

An analysis of the Group's other income and other gains is as follows:

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Other income and other gains		
Interest income on financial assets stated at amortised cost	793	167
Amortisation of deferred income on government grants	1,798	1,868
Government grants related to income	1,400	500
Insurance claims	–	46
Rental income	4,826	3,090
Sub-contracting income	6,866	286
Others	113	2,019
	15,796	7,976

6. LOSS BEFORE TAXATION

The Group's loss before taxation is arrived at after charging/(crediting):

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Cost of inventories recognised as an expense	726,509	600,382
Depreciation of property, plant and equipment	17,403	20,084
Depreciation of right-of-use assets	8,436	8,717
Depreciation of investment property	6,994	5,956
Employees costs (including Directors' remuneration)	108,150	100,108
Retirement scheme contribution	6,036	5,475
Total employees costs	114,186	105,583
Exchange loss/(gain), net	3,453	(4,560)

7. FINANCE COSTS

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest charges on bank borrowings	2,246	1,960
Interest on lease liabilities	2,866	3,434
	5,112	5,394

8. INCOME TAX CREDIT

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Deferred tax credit	(37)	(37)
Total income tax credit	(37)	(37)

No Hong Kong profits tax has been provided for the six months ended 30 June 2026 as the Group did not derive any assessable profit arising in Hong Kong during the period (six months ended 30 June 2025: Nil).

PRC corporate income tax is provided at the rates applicable to the subsidiaries in the PRC on the income for statutory reporting purpose, adjusted for income and expense items which are not assessable or deductible for income tax purposes based on existing PRC income tax regulations, practices and interpretations thereof.

Qingdao Kangda Foods Co., Ltd. ("Kangda Foods") and Shandong Kaijia Food Company Limited ("Kaijia Food") are established and operating in the PRC and subject to PRC corporate income tax. According to the PRC Corporate Income Tax Law, the profit arising from agricultural, poultry and primary food processing businesses of Kangda Foods and Kaijia Food are exempted from PRC corporate income tax. The taxable profits of Kangda Foods arising from profit from business other than agricultural, poultry and primary food processing are subject to corporate income tax at 25% for the six months ended 30 June 2026 and for the corresponding period of 2025.

Under the PRC Corporate Income Tax Law and Implementation Rules, enterprises that engage in qualifying agricultural business are eligible for certain tax benefits, including full exemption of corporate income tax on profits derived from such business. Qingdao Kangda Rabbit Company Ltd., Qingdao Kangda-Eurolap Rabbit Selection Co., Ltd., Qingdao Kangda Jiafeng Rabbit Rearing Co., Ltd. and Gaomi Kaijia Rearing Co., Ltd. engaged in qualifying agricultural business, which include breeding and sales of livestock, and are entitled to full exemption of corporate income tax during the six months ended 30 June 2026 and for the corresponding period of 2025.

9. DIVIDENDS

The board of Directors did not recommend any payment of interim dividends for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

10. LOSS PER SHARE

The calculation of basic loss per share is based on the loss attributable to owners of the Company of approximately of RMB21,859,000 (six months ended 30 June 2025: RMB1,535,000) and on the 452,948,000 (six months ended 30 June 2025: 452,948,000) ordinary shares in issue during the period.

For the periods ended 30 June 2026 and 2025, the Company did not have any dilutive potential ordinary shares. Accordingly, diluted loss per share is the same as basic loss per share.

11. TRADE AND BILLS RECEIVABLES

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Trade receivables	177,276	120,411
Bills receivables	13,950	12,900
Less: provision for impairment	(1,686)	(1,686)
Trade and bills receivables – net	189,540	131,625

Trade and bills receivables are non-interest bearing and are generally on terms of 30 to 90 days. They are recognised at their original invoice amounts which represent their fair values at initial recognition.

The ageing analysis of trade and bills receivables (net of impairment made) based on invoice dates as at the reporting date is as follows:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Within 30 days	108,640	89,830
31 – 60 days	36,677	32,038
61 – 90 days	19,998	3,562
Over 90 days	24,225	6,195
	189,540	131,625

Before accepting any new customer, the Group will assess the potential customer's credit quality and set credit limits for that customer. Limits attributed to customers are reviewed once a year.

12. TRADE AND BILLS PAYABLES

Trade payables are non-interest bearing and are normally settled on terms of 60 days.

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Trade payables	230,818	113,158
Bills payables	112,000	157,000
	342,818	270,158

The ageing analysis of trade and bills payables based on invoice dates as at the reporting date is as follows:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Within 60 days	232,028	196,792
61 – 90 days	36,607	14,786
91 – 120 days	9,590	17,978
Over 120 days	64,593	40,602
	342,818	270,158

13. INTEREST-BEARING BANK BORROWINGS

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Interest-bearing bank borrowings		
Classified as current liabilities	95,000	103,800

Total secured interest-bearing bank borrowings are RMB95,000,000 (31 December 2025: RMB103,800,000) as at 30 June 2026.

As at 30 June 2026, the Group's interest-bearing bank borrowings are guaranteed by certain related parties of the Group and secured against pledge of the Group's certain property, plant and equipment, right-of-use assets.

The Group's interest-bearing bank borrowings bear interests ranging from 2.5% to 2.6% (31 December 2025: 2.6% to 3.1%) per annum as at 30 June 2026.

14. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) In addition to the transactions and balances disclosed elsewhere in the condensed consolidated financial statements, the following transactions were carried out with related parties:

		Six months ended 30 June	
		2026	2025
		RMB'000	RMB'000
	Notes	(Unaudited)	(Unaudited)
Sales to related parties	(i)	10,011	8,703
Purchases from related parties	(i)	42,109	45,336
Lease incurred from a related party	(ii)	2,225	2,225
Guarantees and pledges given by the related parties in connection with banking facilities granted to the Group	(iii)	350,000	567,484
Facilities granted by ultimate holding company	(iv)	55,467	–

(b) Key management personnel compensation

	2026	2025
Short term employee benefits of Directors and other members of key management	445	149

Notes:

(i) Sales and purchases to/from related parties were made to related parties of which Mr. Gao Sishi, as an executive director of the Company, has beneficial interest. These sales and purchases were made in the ordinary course of business with reference to the terms negotiated between the Group and these related parties. The sales and purchases of RMB9,343,000 (six months ended 30 June 2025: RMB7,793,000) and RMB42,109,000 (six months ended 30 June 2025: RMB45,246,000) respectively constituted continuing connected transactions as defined in Chapter 14A of the Listing Rules.

(ii) Lease incurred from a related party of which Mr. Gao Sishi, as an executive director of the Company having beneficial interest, were made according to the terms of the lease agreements. The rental income of RMB2,225,000 constituted continuing connected transactions as defined in Chapter 14A of the Listing Rules.

(iii) The Group's bank borrowings were guaranteed by the related parties, of which Mr. Gao Sishi, as an executive director of the Company, having beneficial interest.

(iv) During the year ended 31 December 2025, the ultimate holding company had granted a facility of HK$64,000,000, equivalent to RMB55,467,000 to the Company. Mr. Gao Sishi, an executive director of the Company, has beneficial interest in the ultimate holding company.