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## **SHUANGHUA HOLDINGS LIMITED**

**雙樺控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1241)**

### **ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025**

The board (the “**Board**”) of directors (the “**Directors**”) of Shuanghua Holdings Limited (the “**Company**”) announces the audited consolidated results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2025 (the “**Year**” or the “**Reporting Period**”), together with comparative figures as follows.

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the year ended 31 December*

	<i>Notes</i>	<b>2025</b> <b>RMB'000</b>	2024 <i>RMB'000</i>
Revenue	5	<b>45,459</b>	82,778
Cost of sales		<u><b>(46,064)</b></u>	<u>(80,469)</u>
Gross (loss)/profit		<b>(605)</b>	2,309
Other income, gains and losses	6	<b>(3,682)</b>	6,654
Impairment reversals/(losses) recognised on			
– trade receivables		<b>1,880</b>	(2,327)
– other receivables and other assets		<b>1,731</b>	(3,026)
Selling and distribution costs		<b>(1,403)</b>	(1,894)
Administrative expenses		<b>(17,236)</b>	(18,036)
Interest expense	8	<u><b>(16)</b></u>	<u>(16)</u>
Loss before tax	7	<b>(19,331)</b>	(16,336)
Income tax credit/(expense)	9	<u><b>521</b></u>	<u>(560)</u>
Loss and total comprehensive loss for the year		<u><b>(18,810)</b></u>	<u>(16,896)</u>
Attributable to:			
Owners of the parent		<u><b>(18,810)</b></u>	<u>(16,896)</u>
Losses per share attributable to ordinary equity owners of the parent			
Basic and diluted	10	<u><b>RMB(2.9) cents</b></u>	<u>RMB(2.6) cents</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December

	<i>Notes</i>	<b>2025</b> <b>RMB'000</b>	<b>2024</b> <b>RMB'000</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>55,637</b>	68,256
Investment properties		<b>67,904</b>	73,712
Right-of-use assets		<b>22,264</b>	22,246
Financial assets at fair value through profit or loss	<i>11</i>	<b>9,127</b>	8,268
Other receivables		<b>–</b>	87
Total non-current assets		<b>154,932</b>	172,569
<b>CURRENT ASSETS</b>			
Inventories		<b>325</b>	–
Trade and bills receivables	<i>12</i>	<b>28,236</b>	11,954
Prepayments, other receivables and other assets		<b>14,923</b>	13,862
Cash and cash equivalents		<b>78,132</b>	79,934
Total current assets		<b>121,616</b>	105,750
<b>CURRENT LIABILITIES</b>			
Trade payables	<i>13</i>	<b>18,705</b>	3,980
Other payables and accruals		<b>13,062</b>	10,806
Lease liabilities		<b>578</b>	–
Tax payable		<b>1,283</b>	1,283
Total current liabilities		<b>33,628</b>	16,069
<b>NET CURRENT ASSETS</b>		<b>87,988</b>	89,681
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>242,920</b>	262,250

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)***As at 31 December*

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>NON-CURRENT LIABILITY</b>		
Deferred tax liabilities	<u>1,032</u>	<u>1,552</u>
Total non-current liability	<u>1,032</u>	<u>1,552</u>
<b>NET ASSETS</b>	<u><b>241,888</b></u>	<u>260,698</u>
<b>EQUITY</b>		
<b>Equity attributable to owners of the parent</b>		
Issued capital	5,406	5,406
Reserves	<u>236,478</u>	<u>255,288</u>
	<b>241,884</b>	260,694
Non-controlling interests	<u>4</u>	<u>4</u>
<b>TOTAL EQUITY</b>	<u><b>241,888</b></u>	<u>260,698</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

## 1. CORPORATE AND GROUP INFORMATION

Shuanghua Holdings Limited (the “**Company**”) was incorporated as an exempted company with limited liability in the Cayman Islands on 19 November 2010. The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal places of business in the People’s Republic of China (the “**PRC**”) are located in Fengxian District, Shanghai and in Tunxi District, Huangshan City, Anhui Province.

During the year, the Company and its subsidiaries (the “**Group**”) were principally involved in the business of supply chain management based on its own cold storage plant and properties, and the business of food supply on domestic and overseas high-end fruits and other agriculture and sideline products, in joint forces to promote the development of agriculture and people’s livelihoods.

In the opinion of the directors, the parent company and the ultimate holding company of the Company is Youshen International Group Limited, which is incorporated in the British Virgin Islands (“**BVI**”).

## 2. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with all applicable HKFRS Accounting Standards, which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), accounting principles generally accepted in Hong Kong and the applicable disclosure requirements of Rules Governing the Listing of securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). They have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss, which has been measured at fair value. The consolidated financial statements are presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousand except when otherwise indicated.

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2025. A subsidiary is an entity, directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more elements of control. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognizes (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group’s share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

### 3. ADOPTION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

#### (a) Adoption of amendments to HKFRS Accounting Standards – effective 1 January 2025

The HKICPA has issued a number of amendments to HKFRS Accounting Standards that are first effective for the current accounting period of the Group:

Amendments to HKAS 21	Lack of Exchangeability
Amendments to Illustrative Examples on HKFRS 7, HKFRS 18, HKAS 1, HKAS 8, HKAS 36 and HKAS 37	Disclosure about Uncertainties in the Financial Statements

The adoption of the above amendments to HKFRS Accounting Standards effective for the year ended 31 December 2025 had no impact on the Group's consolidated financial statements.

#### (b) New and amendments to HKFRS Accounting Standards that have been issued but are not yet effective

The Group has not applied the following new and amendments to HKFRS Accounting Standards, that have been issued but are not yet effective, in the consolidated financial statements.

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>1</sup>
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity <sup>1</sup>
Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards – Volume 11 <sup>1</sup>
Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency <sup>2</sup>
HKFRS 18	Presentation and Disclosure in Financial Statements <sup>2</sup>
HKFRS 19	Subsidiaries without Public Accountability: Disclosures <sup>2</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2026.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2027.

<sup>3</sup> Effective for annual periods beginning on or after a date to be determined.

The Group is in the process of making an assessment, and is not yet in a position to state whether the effects of these new and amendments to standards would be substantial to the Group's accounting policies and financial statements.

### 4. OPERATING SEGMENT INFORMATION

#### Segment revenue and results

The Group determines its operating segments based on the internal reports reviewed by the executive directors, who are the chief operating decision-maker, that are used to allocate resources and assess performance, which are analysed based on business as follows:

Food supply business	The Group is involved in the business of food supply on domestic and overseas high-end fruits and other agricultural and sideline products.
Supply chain management business	The Group is involved in the business of supply chain management based on its own cold storage plant and properties.
Automobile parts business	The Group's inactive automobile parts operations. The executive directors continue to review this segment separately for purposes of monitoring the recovery of legacy assets and other remaining matters.

#### 4. OPERATING SEGMENT INFORMATION (CONTINUED)

##### Segment revenue and results (continued)

##### Year ended 31 December 2025

	Food supply business <i>RMB'000</i>	Supply chain management business <i>RMB'000</i>	Automobile parts business <i>RMB'000</i>	Total <i>RMB'000</i>
<b>REVENUE</b>	<u>34,172</u>	<u>11,287</u>	<u>–</u>	<u>45,459</u>
<b>RESULTS</b>				
Segment results	<u>(442)</u>	<u>(163)</u>	<u>–</u>	<u>(605)</u>
Other income, gains and losses				(3,682)
Impairment reversals/(losses) recognised on				
– trade receivables	1,952	–	(72)	1,880
– other receivables and other assets	–	36	1,695	1,731
Selling and distribution costs				(1,403)
Administrative expenses				(17,236)
Interest expense				<u>(16)</u>
Loss before tax				<u>(19,331)</u>

##### Year ended 31 December 2024

	Food supply business <i>RMB'000</i>	Supply chain management business <i>RMB'000</i>	Unallocated <i>RMB'000</i>	Total <i>RMB'000</i>
<b>REVENUE</b>	<u>61,845</u>	<u>20,933</u>	<u>–</u>	<u>82,778</u>
<b>RESULTS</b>				
Segment results	<u>(2,636)</u>	<u>4,945</u>	<u>–</u>	<u>2,309</u>
Other income, gains and losses				6,654
Impairment (losses)/reversals recognised on				
– trade receivables	(2,472)	–	145	(2,327)
– other receivables and other assets	–	–	(3,026)	(3,026)
Selling and distribution costs				(1,894)
Administrative expenses				(18,036)
Interest expense				<u>(16)</u>
Loss before tax				<u>(16,336)</u>

#### 4. OPERATING SEGMENT INFORMATION (CONTINUED)

##### Segment revenue and results (continued)

The accounting policies of the operating segments are identical to the Group's accounting policies. Segment results represent the gross profit for each segment without allocation of other income, gains and losses, impairment losses, selling and distribution costs and administrative expenses. Included in the segment results of the food supply business, supply chain management business and automobile parts business were depreciation charges of RMB21,000, RMB10,011,000 and RMB2,177,000, respectively (2024: RMB21,000, RMB10,469,000 and RMB2,319,000, respectively) for the year ended 31 December 2025. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

##### Geographical information

The place of domicile of the Group's operating entities is in the PRC. The Group renders services and goods transfer in the PRC and all its revenue for the years ended 31 December 2025 and 2024 were derived in the PRC.

All of the non-current assets other than financial instruments of the Group were located in the PRC.

No information about the segment assets and liabilities is presented as such information is not regularly provided to the chief operating decision maker for resource allocation and performance assessment purposes.

##### Information about major customers

For the year ended 31 December 2025, 3 customers (2024: 2) accounted for more than 10% of the Group's total revenue individually.

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Customer A	21,504	30,077
Customer B	11,464	–
Customer C	4,350	–
Customer D	–	19,582
	<u>          </u>	<u>          </u>

#### 5. REVENUE

An analysis of revenue is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Revenue from contracts with customers within the scope of HKFRS 15		
– Supply chain management: supply chain services	2,666	5,756
– Food supply	34,172	61,845
Revenue from other sources		
– Supply chain management: leasing	8,621	15,177
	<u>8,621</u>	<u>15,177</u>
	<u>45,459</u>	<u>82,778</u>

## 5. REVENUE (Continued)

### (i) Disaggregated revenue information for revenue from contracts with customers

For the years ended 31 December 2025 and 2024

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Timing of revenue recognition</b>		
Over time	2,666	5,756
At a point in time	<u>34,172</u>	<u>61,845</u>

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Sale of products	<u>4,169</u>	<u>2,320</u>

### (ii) Performance obligations

At 31 December 2025, the remaining performance obligations (unsatisfied or partially unsatisfied) are expected to be recognised within one year. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied or partially unsatisfied contracts is not disclosed.

## 6. OTHER INCOME, GAINS AND LOSSES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Other income</b>		
Interest income	2,344	2,449
Dividend income from financial assets at fair value through profit or loss	<u>472</u>	<u>673</u>
	<u>2,816</u>	<u>3,122</u>
<b>Gains and losses</b>		
(Loss)/gain on disposal of property, plant and equipment	(7,097)	28
Fair value change on financial assets at fair value through profit or loss	858	2,422
Foreign exchange differences, net	(896)	617
Write-back of trade and other payables	89	1,291
Others	<u>548</u>	<u>(826)</u>
	<u>(6,498)</u>	<u>3,532</u>
Total other income, gains and losses	<u>(3,682)</u>	<u>6,654</u>

## 7. LOSS BEFORE TAX

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Cost of inventories sold	34,613	67,626
(Reversal of)/impairment of trade receivables	(1,880)	2,327
(Reversal of)/impairment of other receivables and other assets	(2,172)	3,026
Impairment of property, plant and equipment	440	755
Depreciation of property, plant and equipment	5,561	5,743
Depreciation of investment properties	5,808	5,777
Depreciation of right-of-use assets	841	1,289
Lease payments not included in the measurement of lease liabilities	196	387
Auditor's remuneration	720	720
Employee benefit expense (excluding directors' and chief executives' remuneration):		
Wages and salaries	4,095	4,154
Pension scheme contributions*	705	818
Staff welfare expenses	863	512
	<u>5,663</u>	<u>5,484</u>

\* There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

## 8. INTEREST EXPENSE

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest on lease liabilities	<u>16</u>	<u>16</u>

## 9. INCOME TAX (CREDIT)/EXPENSE

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate. The Company was incorporated in the Cayman Islands as an exempted company with limited liability under Companies Law of the Cayman Islands and accordingly is not subject to Cayman Islands corporate income tax ("CIT").

The subsidiary incorporated in the BVI is not subject to BVI CIT as it does not have a place of business (other than a registered office) or carry on any business in the BVI.

No provision for Hong Kong profits tax has been made as the Group had no assessable profits derived from or earned in Hong Kong during the year.

## 9. INCOME TAX (CREDIT)/EXPENSE (Continued)

The provision for Mainland China income tax has been made at the applicable income tax rate of 25% on the assessable profits of certain PRC subsidiaries of the Group in accordance with the PRC Corporate Income Tax Law.

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current tax		
Corporate income tax		
– PRC tax	–	17
Deferred tax	<u>(521)</u>	<u>543</u>
Total tax (credit)/expense for the year	<u>(521)</u>	<u>560</u>

## 10. LOSSES PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY OWNERS OF THE PARENT

The calculation of the basic losses per share amount is based on the loss for the year attributable to ordinary equity owners of the parent, and the number of ordinary shares of 650,000,000 (2024: 650,000,000) in issue during the year.

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2025 and 2024.

## 11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Listed equity investment, at fair value	<u>9,127</u>	<u>8,268</u>

The listed equity investments represent an equity investment in Bank of Shanghai which is listed on the Shanghai Stock Exchange. The investment is measured at fair value based on the quoted market price of the investee.

## 12. TRADE AND BILLS RECEIVABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade receivables	46,851	32,447
Bills receivable	<u>1</u>	<u>3</u>
	46,852	32,450
Impairment allowance	<u>(18,616)</u>	<u>(20,496)</u>
	<u>28,236</u>	<u>11,954</u>

## 12. TRADE AND BILLS RECEIVABLES (Continued)

The Group's trading terms with its customers are mainly on credit. The credit period for trade receivables is generally 15 to 90 days, extending up to one year for major customers. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest bearing.

As at 31 December 2025, bills receivable of RMB1,000 (2024: RMB3,000) whose fair values approximate to their carrying values were classified as financial assets at fair value through other comprehensive income under HKFRS 9. The fair value changes of these bills receivable at fair value through other comprehensive income were insignificant during the year.

An ageing analysis of the trade receivables as at the end of the reporting periods, based on the invoice date and net of provisions, is as follows:

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 1 month	<b>28,025</b>	10,181
1 to 3 months	–	–
3 to 12 months	<b>182</b>	76
Over 12 months	<b>29</b>	1,694
	<b><u>28,236</u></b>	<u>11,951</u>

The movements in the loss allowance for impairment of trade receivables are as follows:

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
At beginning of year	<b>20,496</b>	18,169
(Reversal of)/Impairment losses, net	<b>(1,880)</b>	2,327
At end of year	<b><u>18,616</u></b>	<u>20,496</u>

### 13. TRADE PAYABLES

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade payables	<b>18,705</b>	3,980

An ageing analysis of the trade payables as at the end of the reporting periods, based on the invoice date, is as follows:

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 1 month	<b>15,374</b>	403
1 to 3 months	<b>36</b>	71
3 to 6 months	–	76
6 to 12 months	–	–
Over 12 months	<b>3,295</b>	3,430
	<b>18,705</b>	3,980

The trade payables are non-interest bearing and are normally settled in three months.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

During the Year, the Group was principally involved in the business of supply chain management based on its own cold storage plant and properties, and the business of food supply on domestic and overseas high-end fruits and other agricultural and sideline products, in joint forces to promote the development of agriculture and people's livelihoods. In 2025, the ongoing geopolitical events such as the Russia-Ukraine conflict and Middle East turmoil, combined with a new round of tariff shocks globally and the intensified Sino-U.S. relations, have brought uncertainty and instability to the global trade environment, with insufficient momentum for world economic growth. Against this backdrop, China's economy continued to face pressures, with weak consumption confidence and expectations, and the industrial sector experienced a downward trend of prices and profitability. According to the National Bureau of Statistics, in 2025, under the implementation of various policies to expand domestic demand and promote consumption, the national Consumer Price Index (CPI) remained flat year-on-year for the full year, but the food CPI within it fell by 1.5% year-on-year; the Producer Price Index (PPI) decreased by 2.6% compared to the same period last year.

Facing the complex and changing internal and external environment, the Group proactively adjusted its business strategies to address the challenges. Due to the persistently weak performance of China's economy and subdued consumer sentiment, end-user demand declined and market prices generally trended downward, which in turn affected the selling prices and sales volumes of the Group's products and services. The Group's supply chain management business is primarily supported by its property assets in Shanghai, China. The Group developed its service model by providing supply chain solutions, while continuously enhancing management and strengthening cost control. However, influenced by policy changes and the domestic and international environment, the vacancy rates of property assets such as cold storage facilities in Shanghai and its surrounding areas increased, and rental levels remained under pressure, resulting in a lower asset utilisation rate compared with the same period last year. In terms of the food supply business, the Group actively promoted product diversification and successfully expanded into new product lines, including meat, fruit juice, and new fruit products such as durian, enriching its product portfolio to meet diversified market demands. Meanwhile, influenced by fluctuations in international trade policies and exchange rates, the Group proactively reduced orders that carried risks and offered limited profitability based on cost and risk control considerations, leading to a decrease in its import business, which accounted for a relatively higher proportion of its operations. In addition, as the sales season for the 2026 Chinese New Year occurred later than in previous years, the sales rhythm of the Group's food supply business was adjusted accordingly. In light of the foregoing, the revenue recognised by the Group in 2025 declined. As a result, for the year ended 31 December 2025, the Group recorded revenue of approximately RMB45.5 million, representing a decrease of approximately RMB37.3 million compared with the previous year.

In summary, under the dual pressures of fluctuations in international trade policies and exchange rates, coupled with the persistent economic downturn and consumption downgrade in China, the selling prices and sales volumes of the Group's products and services were adversely affected. The Group proactively implemented risk control measures and strategic adjustments, including reducing orders with risks and limited profitability and adjusting its

sales rhythm, which resulted in a decrease in revenue and a net loss for the Group in 2025. For the year ended 31 December 2025, the Company recorded a loss attributable to its owners of approximately RMB18.8 million, an increase of approximately RMB1.9 million as compared to last year.

## **OUTLOOK AND STRATEGY**

Looking forward to 2026, amidst escalating global trade tensions and persistent geopolitical risks, China's economy remains confronted with multiple challenges, notably subdued consumption and investment demand, alongside a profound adjustment in the property market. As the inaugural year of the 15th Five-Year Plan, the Chinese government has clearly proposed strengthening the domestic economic circulation and expanding new avenues for domestic demand growth. In formulating the Group's business strategies, careful consideration has been given to various factors, including but not limited to the situation of the global political and economic environment, the market potential of the Group's relevant products and services, and the Group's position and competitiveness in the relevant market. Leveraging the substantial experience of its management, and the internal and external resources of the Group, the Group will focus on (i) optimizing the business model to enhance the business scale and profitability; and (ii) developing the Group's supply chain business of other products, services and technologies, to foster further expansion and diversification of the Group's businesses. The Group is committed to becoming a premier provider of products and services, with the mission of "serving people's livelihoods and benefiting human society." At the same time, the Group remains committed to driving innovation, cultivating new quality productive forces, and advancing high-quality business development.

### **Optimising the business model to enhance the business scale and profitability**

The Group has a sufficient level of operations and assets of sufficient value to support its operations, and is committed to improving its business scale and profitability. Leveraging its core competencies in the supply chain management, the Group will continue to provide one-stop supply chain solutions. The Group's supply chain management business is primarily based on its property assets in Shanghai, the center of Yangtze River Delta Region and one of the economically leading regions in China. The Group will leverage the geographic advantage of its properties in Shanghai and continue to upgrade the properties to suit different needs of the supply chain management business. Simultaneously, the Group will consider replicating its supply chain management expertise through an asset-light model by leasing additional cold storage facilities or warehouses in different locations in China, enabling horizontal expansion of the supply chain management business. Additionally, the Group is dedicated to further increasing the revenue scale and profitability of the food supply business. Efforts will be made on both the supply and sales fronts to enhance its business model and diversify its product portfolio, while continuously developing its upstream and downstream resources for new product lines such as meat and fruit juice products. Furthermore, the Group will actively explore overseas opportunities, exporting high-quality products and supply chain capabilities to other markets, thereby fostering a new development paradigm with domestic and international economic circulations reinforcing each other.

Driven by prudence and quality development, “Shuanghua (雙樺)” is striving to build a sustainable brand in the supply chain and cold chain industry. The brand of “Longhuazhen (龍樺臻)” is committed to becoming a benchmark brand of agricultural and sideline products that leads a quality life, conveying a longing and pursuit of a fresh and healthy lifestyle. The Group will continue to enhance the brand awareness and brand value of “Shuanghua (雙樺)” and “Longhuazhen (龍樺臻)” through quality products and services, thereby promoting the long-term sustainable development of the Group’s businesses.

### **Developing the Group’s supply chain business of other products, services and technologies, to foster further expansion and diversification of the Group’s businesses**

The Group actively seeks supply chain services to include products, services and technologies in the fields of innovative technology and green and energy saving businesses. This initiative is a proactive response to shifts in market structural demand. The management is committed to exploring new development opportunities, laying a solid foundation for diversification and further expansion of the Group’s businesses, and creating more value for the Shareholders and the society.

The Group will continue to conduct comprehensive evaluations on the market conditions of different business segments and be prudent in adjusting the Group’s strategies and business plans in a timely manner, and manage and develop its existing businesses and expand potential businesses, to achieve a sustainable business development. The Group will continue to create competitive advantages and control potential risks timely, to become a leading listed company with sustainable growth, driven by its professional management and expertise, business cooperation and advanced technological strengths and capabilities.

## **FINANCIAL REVIEW**

### **Revenue**

For the year ended 31 December 2025, the Group’s revenue was approximately RMB45.5 million, a decrease of approximately RMB37.3 million from that of the corresponding period of 2024, which was approximately RMB82.8 million.

The following table sets forth the breakdown of the Group’s revenue by business segments during the Reporting Period:

<b>Revenue</b>	<b>For the year ended 31 December</b>			
	<b>2025</b>		<b>2024</b>	
	<i>RMB’000</i>	<i>% of revenue</i>	<i>RMB’000</i>	<i>% of revenue</i>
Supply chain management business	<b>11,287</b>	<b>24.8%</b>	20,933	25.3%
Food supply business	<b>34,172</b>	<b>75.2%</b>	61,845	74.7%
<b>Total</b>	<b>45,459</b>	<b>100.0%</b>	82,778	100.0%

## Gross (loss)/profit and gross margin

For the year ended 31 December 2025, the Group recorded a gross loss of approximately RMB0.6 million (for the year ended 31 December 2024: gross profit of approximately RMB2.3 million). The Group's gross margin was approximately -1.3% for the year ended 31 December 2025, and the gross margin was approximately 2.8% for the year ended 31 December 2024. The gross loss was primarily attributable to the overall weak Chinese economy and subdued consumer sentiment, which led to a decline in end-user demand and a downward trend in market prices, thereby increasing the cost per unit and giving rise to the gross loss.

The following table sets forth the breakdown of the Group's gross (loss)/profit by business segments during the Reporting Period:

<b>Gross (loss)/profit</b>	<b>For the year ended 31 December</b>	
	<b>2025</b>	<b>2024</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
Supply chain management business	<b>(163)</b>	4,945
Food supply business	<b>(442)</b>	(2,636)
<b>Total</b>	<b><u>(605)</u></b>	<b><u>2,309</u></b>

## Other income, gains and losses

For the year ended 31 December 2025, the Group's other income, gains and losses amounted to approximately RMB-3.6 million (for the year ended 31 December 2024: approximately RMB6.7 million). The other losses was mainly due to equipment optimisation and exchange loss arising from the depreciation of the US dollar against RMB during the year.

## Impairment reversals/(losses) recognised on trade receivables, other receivables and other assets

For the year ended 31 December 2025, the Group's reversals of impairment losses recognised on trade receivables, other receivables and other assets amounted to approximately RMB3.5 million (for the year ended 31 December 2024: impairment losses of approximately RMB5.4 million).

## **Selling and distribution costs**

Selling and distribution costs primarily comprised of staff-related costs, sales transportation fees, entertainment and travelling expenses. For the year ended 31 December 2025, the Group's selling and distribution costs amounted to approximately RMB1.4 million, a decreased by approximately RMB0.5 million, mainly due to workforce optimisation and reduction of travelling expenses compared to last year (for the year ended 31 December 2024: approximately RMB1.9 million).

## **Administrative expenses**

Administrative expenses primarily comprised of staff-related costs, various local taxes and education surcharges, depreciation of property, plant and equipment and right-of-use assets, R&D expenses and miscellaneous expenses. For the year ended 31 December 2025, the Group's administrative expenses amounted to approximately RMB17.2 million, decreased by approximately RMB0.8 million as compared to last year (for the year ended 31 December 2024: approximately RMB18.0 million), mainly due to the provision for impairment of property, plant and equipment.

## **Interest expense**

The Group's interest expense for the year ended 31 December 2025 amounted to approximately RMB16,000 (for the year ended 31 December 2024: approximately RMB16,000).

## **Income tax (credit)/expense**

For the year ended 31 December 2025, the Group's income tax credit was approximately RMB0.5 million (for the year ended 31 December 2024: income tax expense approximately RMB0.6 million).

## **Loss for the Year**

For the year ended 31 December 2025, the loss attributable to the owners of the Company was approximately RMB18.8 million, while the loss attributable to the owners of the Company for the year ended 31 December 2024 was approximately RMB16.9 million.

## **LIQUIDITY AND FINANCIAL RESOURCES**

### **Net current assets**

The Group's net current assets decreased from approximately RMB89.7 million as at 31 December 2024 to approximately RMB88.0 million as at 31 December 2025.

### **Financial position and bank borrowings**

As at 31 December 2025, the Group's cash and cash equivalents and financial assets at fair value through profit or loss amounted to approximately RMB87.3 million (as at 31 December 2024: approximately RMB88.2 million). As at 31 December 2025 and 2024 the Group did not have any borrowings. The gearing ratio was not applicable to the Group (as at 31 December 2024: nil).

Save as aforesaid or otherwise disclosed in the notes to the financial statements, and apart from intra-group liabilities, as at 31 December 2025, the Group did not have any outstanding mortgages, charges, debentures, debt securities or other loan capitals or bank overdrafts or loans or other similar indebtedness or finance lease commitments, liabilities under acceptances or acceptance credits or hire purchase commitments, guarantees or other material contingent liabilities.

The Directors have confirmed that there has not been any material change in the indebtedness and contingent liabilities of the Group since 31 December 2024.

### **Working capital**

(All amounts in this section were net of provisions for impairment of inventories and trade receivables)

For the year ended 31 December 2025, the average inventory turnover days were 2 days (for the year ended 31 December 2024: 5 days). The average inventory turnover days are arrived at by dividing the arithmetic means of the opening and ending balances of inventory for the relevant period by cost of sales of the same period and multiplying the quotient by 365 days. The average inventory turnover days was similar to that of last year.

For the year ended 31 December 2025, the average turnover days of trade and bills receivables were 163 days (for the year ended 31 December 2024: 129 days). The average turnover days of trade and bills receivables are arrived at by dividing the arithmetic means of the opening and ending balances of trade and bills receivables for the relevant period by revenue of the same period and multiplying the quotient by 365 days. The increase in the average turnover days of trade and bills receivables was mainly attributable to the longer credit term the Group provided to some of its major customers with better credibility and business prospects.

For the year ended 31 December 2025, the average turnover days of trade payables were 90 days (for the year ended 31 December 2024: 67 days). The average turnover days of trade payables are arrived at by dividing the arithmetic means of the opening and ending balances of trade payables for the relevant period by cost of sales of the same period and multiplying the quotient by 365 days. The increase in the average turnover days of trade payables was mainly due to the longer payment terms the Group negotiated with some of its suppliers in order to optimise the Group's cash flow.

## CAPITAL EXPENDITURES, CAPITAL COMMITMENTS AND HUMAN RESOURCES

For the year ended 31 December 2025, the Group's capital expenditures were approximately RMB1.7 million, mainly due to upgrade and construction of the Group's property, plant and equipment (for the year ended 31 December 2024: approximately RMB1.2 million).

At 31 December 2025, the Group had no capital commitments (as at 31 December 2024: approximately RMB7.3 million).

As at 31 December 2025, the Group had 37 employees, including Directors, management, sales, logistics supports and other ancillary personnels (as at 31 December 2024: 48). The decrease in employees was mainly due to internal structural optimisation of personnel and implementation of the Group's more advanced management system and equipment to reduce the need for manpower as a result of the adjustment and optimisation of the Group's business. The Group's total wages and salaries (excluding Directors' and chief executives' remuneration) for the year ended 31 December 2025 amounted to approximately RMB4.1 million (for the year ended 31 December 2024: approximately RMB4.2 million). Our remuneration policy is primarily based on the job responsibilities, work performance and number of years of service of each employee and the current market conditions. The Group may provide incentives to talents by granting them share options pursuant to the share option scheme of the Company.

Pursuant to the relevant China labour laws and regulations, the Group has to pay contributions to a number of staff social insurance schemes (including medical, maternity, work injury, unemployment and pension insurances) and staff housing reserve funds. We provide social insurances and pay contributions to housing reserve funds for our employees in accordance with the interpretations to the relevant PRC labour laws and regulations given, and policies and measures executed by local government departments. We have established various welfare plans including the provision of pension funds, medical insurance, unemployment insurance and other relevant insurance for employees who are employed by the Group pursuant to the PRC laws and regulations and the existing policy requirements of the local government. The Group's welfare expenses for the year ended 31 December 2025 amounted to approximately RMB0.9 million (for the year ended 31 December 2024: approximately RMB0.8 million). We have complied, in all material respects, with all statutory requirements on retirement contribution in the jurisdictions where the Group operates.

The determination of the remuneration for the Directors is based on remuneration of directors of comparable companies in the industry, time commitment, duties and responsibilities of the Directors in the Group and our operational and financial performance. The basic salary of each of our executive and non-executive Directors will be reviewed by the remuneration committee of the Board ("**Remuneration Committee**") at the end of each financial year. None of the Directors waived any emoluments during the year ended 31 December 2025.

## **DEFINED CONTRIBUTION RETIREMENT PLAN**

The Group's PRC subsidiaries are required to participate in a defined contribution retirement plan administered and operated by the local municipal government for its employees. The Group's PRC subsidiaries contribute funds which are calculated on certain percentages of the average employee salary as agreed by the local municipal government to the plan to fund the retirement benefits of the employees.

During the Year, there is no forfeited contribution (by the Group on behalf of its employees who leave the Group prior to vesting fully in such contributions) available to be utilised by the Group to reduce the contributions payable in the future years or to reduce the Group's existing level of contributions to the defined contribution retirement plan.

## **Significant investment, material acquisitions and disposals**

For the year ended 31 December 2025, the Group did not have any significant investments, material acquisitions and disposals of subsidiaries, associates and joint ventures, and has no future plans for material investments or capital assets as at the date of this announcement.

## **Foreign exchange risks**

The Group's operations are located in the PRC with RMB as the functional and presentation currency. The Group has transactional currency exposures. Such exposures arise from sales or purchases by operating units in currencies other than the unit's functional currency. The currency exposure of the Group mainly comes from fluctuations in the exchange rates of HKD to RMB and USD to RMB. At present, the Group does not intend to hedge its exposure to foreign exchange fluctuations. However, the management constantly monitors the situation of the economy and the Group's foreign exchange risk profile and will consider appropriate hedging measures in the future when necessary.

## **Contingent liabilities**

The Group had no significant contingent liabilities as at 31 December 2025 (as at 31 December 2024: nil).

## **Pledge of assets**

As at 31 December 2025, the Group had no pledge of assets (as at 31 December 2024, the Group had no pledge of assets).

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES**

Neither the Company nor its subsidiaries purchased, sold or redeemed any of the Company’s listed securities (including sale or transfer of treasury Shares (as defined in Rule 1.01 of the Listing Rules), if any) during the year ended 31 December 2025. As of 31 December 2025, the Company did not hold any treasury Shares.

## **FINAL DIVIDEND**

The Board does not recommend the payment of a final dividend for the year ended 31 December 2025 (for the year ended 31 December 2024: nil).

## **MATERIAL EVENTS AFTER THE REPORTING PERIOD**

The Group has no significant events after the Reporting Period that needs to be disclosed.

## **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

The Company has adopted all the requirements of the code provisions of the Corporate Governance Code (the “**Corporate Governance Code**”) contained in Appendix C1 to the Listing Rules.

None of the Directors is aware of any information which would reasonably indicate that the Company was not in compliance with the Corporate Governance Code during the Year, except the deviation from provision C.2.1 as explained below.

Under provision C.2.1 of the Corporate Governance Code, the roles of the chairman and the chief executive officer (“**CEO**”) of the Group should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and CEO of the Group should be clearly established and set out in writing.

The roles of the chairman and the CEO of the Group are not separated and are performed by the same individual. Mr. Zheng Ping acted as both the chairman and CEO of the Group throughout the period under review. The Directors met regularly to consider major matters affecting the operations of the Group. The Directors consider that this structure will not impair the balance of power and authority between the Directors and management of the Group and believe that this structure will enable the Group to make and implement decisions promptly and efficiently.

## **AUDIT COMMITTEE**

Pursuant to the Listing Rules, an audit committee of the Board (the “**Audit Committee**”) was established on 8 June 2011, comprising three independent non-executive Directors, namely Mr. He Binhui, Ms. Guo Ying and Mr. Chen Lifan, and is chaired by Mr. He Binhui.

The written terms of reference which describe the authorities and duties of the Audit Committee were prepared and adopted with reference to “A Guide for the Formation of an Audit Committee” published by the HKICPA. The Audit Committee provides an important link between the Board and the Company’s auditor in matters coming within the scope of the Group audit. It also reviews the financial reporting process and the adequacy and effectiveness of the Group’s internal control system.

To comply with the requirements under the Corporate Governance Code in respect of the responsibilities for performing the corporate governance duties, the Board has delegated its responsibilities to the Audit Committee to develop and review the policies and practices of the Company on corporate governance and make recommendations to the Board; to review and monitor the Company’s policies and practices on compliance with legal and regulatory requirements; to develop, review and monitor the code of conduct applicable to the directors and employees; to review and monitor the training and continuous professional development of directors and senior management; and to review the Company’s compliance with the code provisions set out in the Corporate Governance Code contained in the Listing Rules and disclosures in the corporate governance report.

During the Year, the Audit Committee held four meetings for the purpose of reviewing the Company’s reports and accounts, and providing advice and recommendations to the Board. The Audit Committee also reviewed the internal control procedures of the Group and the Company’s progress in implementing the corporate governance requirements as set out in the Corporate Governance Code. The minutes of the Audit Committee meeting are kept by the company secretary of the Company.

The Group’s results for the year ended 31 December 2025 have been reviewed by the Audit Committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards.

## **SCOPE OF WORK OF BDO LIMITED**

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for the year ended 31 December 2025 as set out in the preliminary announcement have been agreed by the Group’s independent auditor, BDO Limited, to the amounts set out in the Group’s audited consolidated financial statements for the year ended 31 December 2025. The work performed by BDO Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by BDO Limited on the preliminary announcement.

## **COMPLIANCE WITH THE MODEL CODE**

The Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix C3 to the Listing Rules has been adopted by the Company as the code of conduct for securities transactions by the Directors. The Directors have also been reminded of their responsibilities under the Model Code regularly by the Company. Having made specific enquiries with them, all Directors confirmed that they have complied with the required standards of the Model Code during the Year.

## **COMPETITION AND CONFLICT OF INTERESTS**

None of the Directors or any of their respective associates (as defined under the Listing Rules) has interest in any business that competes or may compete, either directly or indirectly, with the businesses of the Group, or has any other conflict of interests with the Group as at the date of this announcement.

## **ANNUAL GENERAL MEETING**

The annual general meeting of the Company (“**AGM**”) will be held on Tuesday, 30 June 2026. The notice of the AGM will be published and dispatched to the Shareholders in due course.

## **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from Thursday, 25 June 2026 to Tuesday, 30 June 2026, both days inclusive, for the purpose of determining entitlement of the Shareholders to attend and vote at the AGM. During this period, no share transfer will be registered. In order to qualify for attending and voting at the AGM, all completed share transfer forms, accompanied by the relevant certificates, must be lodged with the Company’s Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 24 June 2026.

By order of the Board  
**Shuanghua Holdings Limited**  
**Zheng Ping**  
*Chairman*

Hong Kong, 31 March 2026

*As at the date of this announcement, the Board consists of three executive Directors, Mr. Zheng Ping, Ms. Zheng Fei and Ms. Tang Lo Nar, one non-executive Director, Ms. Kong Xiaoling, and three independent non-executive Directors, Ms. Guo Ying, Mr. He Binhui and Mr. Chen Lifan.*