

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



SHENGUAN HOLDINGS (GROUP) LIMITED

神冠控股(集團)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00829)

INSIDE INFORMATION

**ENTERING INTO A FRAMEWORK INVESTMENT AGREEMENT
IN RELATION TO A PROPOSED COLLAGEN FOOD PRODUCTION
PROJECT AND POTENTIAL ACQUISITION OF LAND USE RIGHT**

This announcement is made by Shenguan Holdings (Group) Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Director(s)**”) of the Company is pleased to announce that on 13 August 2026, Inner Mongolia Shengguan Biotechnology Co., Ltd.* (內蒙古盛冠生物科技有限公司) (“**Shengguan Biotechnology**”), an indirect wholly-owned subsidiary of the Company, entered into a framework investment agreement (the “**Investment Agreement**”) with the People’s Government of Horinger County* (和林格爾縣人民政府) in relation to a potential investment in a collagen food production project (the “**Project**”) in Horinger Dairy Development Zone, Inner Mongolia, the People’s Republic of China.

THE PROJECT

Pursuant to the Investment Agreement, Shengguan Biotechnology intends to invest in the construction of a collagen food production project in Horinger Dairy Development Zone. The principal business scope of the Project includes collagen raw material preparation and food processing and production and sales of edible collagen sausage casing products and collagen food products.

* for identification purposes only

The total investment amount of the Project is currently estimated to be RMB90 million (the “**Investment Amount**”), which includes, among others, the estimated cost of acquiring the land use right in respect of the Land (as defined below), construction of production facilities and procurement of machinery and equipment. The Investment Amount represents a preliminary estimate based on the current planning of Shengguan Biotechnology and is subject to further assessment and adjustments. It does not constitute a legally binding commitment.

The proposed site of the Project comprises a parcel of industrial land (Class I industrial land) located on the north side of Haoyuan North Street, Horinger Dairy Development Zone, with a site area of approximately 219 mu (subject to the actual land area to be granted) (the “**Land**”), provided that the longitudinal (north-south) length of the proposed site shall be no less than 530 meters and the transverse (east-west) length shall be no less than 275 meters.

Pursuant to the Investment Agreement, the acquisition of the land use right in respect of the Land (the “**Acquisition**”) is subject to (i) Shengguan Biotechnology’s participation in the relevant bidding/auction procedures for the land use right in respect of the Land; (ii) successful bidding by Shengguan Biotechnology; and (iii) the Company’s full compliance with all applicable disclosure and/or shareholder approval requirements under the Listing Rules. Upon successful bidding, Shengguan Biotechnology will be required to enter into a separate State-owned Construction Land Use Right Grant Contract (《國有建設土地使用權出讓合同》) with the relevant natural resources authority.

REASONS AND BENEFITS OF ENTERING INTO THE INVESTMENT AGREEMENT

The Group is principally engaged in the manufacture and sale of edible collagen sausage casing products, collagen food products, collagen skin care products and polymer collagen medical biomaterials.

The Board believes that the Land to be acquired possesses unique geographical and resource advantages, which hold significant strategic investment value for the Group. The primary reasons and benefits are set out below:

- (i) **Enhancing Capacity for Medium- and Large- Caliber Casings:** The Project will significantly enhance the Group’s production capacity and scale for medium- and large-caliber collagen casings, further enriching and optimising its existing product structure; this not only closely aligns with current market trends toward consumption upgrading, but also effectively boosts the Group’s core competitiveness, injecting strong momentum into its long-term, steady development.
- (ii) **Proximity to High-quality Raw Material Supply Chain:** The Land is adjacent to the primary production areas of high-quality cattle skins. This not only secures a long-term, stable supply of core raw materials, but also significantly reduces the logistics and transportation costs of raw materials, thereby enhancing the quality of finished goods, and operational efficiency and cost competitiveness of the Group.

- (iii) **Empowering Global Strategic Footprint:** The Project will complement the Group's existing production bases, optimising production capacity allocation to better penetrate the domestic market and boost nationwide supply chain efficiency. At the same time, leveraging its regional advantages, the Project will fully assist the Group in expanding into new overseas markets, and accelerate the international strategic upgrading of its business.
- (iv) **Further Collaboration with the Local Government:** Through the Project, the Group expects to fully leverage local industrial integration advantages and policy support, creating favorable conditions for the construction and subsequent operation of the new production base.

The Board believes that the entering into of the Investment Agreement is in line with the Group's development strategy and is in the interests of the Company and its shareholders as a whole.

GENERAL INFORMATION

The Board wishes to emphasise that as at the date of this announcement, Shengguan Biotechnology has not yet acquired the land use right of the Land and no legally binding land grant contract has been entered into. The Investment Agreement mainly sets out a framework for cooperation between the parties.

Based on the information currently available to the Company and the preliminary estimated Investment Amount of RMB90 million, one or more of the applicable percentage ratios under Chapter 14 of the Listing Rules are expected to exceed 5% but be less than 25%, the Project (including the Acquisition), if materialised, is expected to constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules. The Company will comply with the applicable requirements under the Listing Rules and will make further announcement(s) as and when appropriate.

Shareholders and potential investors should note that the Investment Agreement is a framework agreement only. As at the date of this announcement, Shengguan Biotechnology has not acquired the land use right in respect of the Land, and no definitive legally binding agreement in relation to the Acquisition or implementation of the Project has been entered into. There is no assurance that Shengguan Biotechnology will successfully bid for the land use right or that the Acquisition or the Project will proceed or materialise. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
Shenguan Holdings (Group) Limited
Zhou Yaxian
Chairman

Hong Kong, 13 August 2026

As at the date of this announcement, the executive Directors are Ms. Zhou Yaxian, Mr. Sha Junqi, Mr. Mo Yunxi and Mr. Li Chenglin; the non-executive Director is Dato' Sri Low Jee Keong; and the independent non-executive Directors are Mr. Tsui Yung Kwok, Mr. Meng Qinguo and Mr. Zhou Xiaoxiong.