



顺客隆
Simple kind life

中國順客隆控股有限公司
CHINA SHUN KE LONG HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock code : 974

2026
INTERIM REPORT

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CORPORATE INFORMATION

DIRECTORS

Executive Directors

Mr. Wang Rengang (*Chairman*)

Ms. Wang Hui (*Chief Executive Officer*)

Non-Executive Director

Ms. Du Jing

Independent Non-Executive Directors

Mr. Cheng Hok Kai Frederick

Mr. Gao Jingyuan

Mr. Ng Hoi

AUDIT COMMITTEE

Mr. Cheng Hok Kai Frederick (*Chairman*)

Mr. Gao Jingyuan

Mr. Ng Hoi

REMUNERATION COMMITTEE

Mr. Gao Jingyuan (*Chairman*)

Mr. Wang Rengang

Mr. Ng Hoi

NOMINATION COMMITTEE

Mr. Wang Rengang (*Chairman*)

Ms. Wang Hui

Mr. Cheng Hok Kai Frederick

Mr. Gao Jingyuan

Mr. Ng Hoi

AUTHORISED REPRESENTATIVES

Ms. Wang Hui

Mr. Qiu Minghao

COMPANY SECRETARY

Mr. Qiu Minghao

COMPANY'S WEBSITE

www.skl.com.cn

STOCK CODE

974

PRINCIPAL PLACE OF BUSINESS IN THE PRC

2nd Floor, Huale Building

No. 60 Hebin North Road

Lecong Town, Shunde District, Foshan

Guangdong Province, The PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 32, 9/F, Goodwill Industrial Building,

36-44 Pak Tin Par Street, Tsuen Wan,

New Territories, Hong Kong

REGISTERED OFFICE IN THE CAYMAN ISLANDS

Vistra (Cayman) Limited

P.O. Box 31119

Grand Pavilion

Hibiscus Way

802 West Bay Road

Grand Cayman

KY1-1205

Cayman Islands

PRINCIPAL BANKERS

Agricultural Bank of China Limited Shunde Lecong
sub-branch

Guangdong Shunde Rural Commercial Bank Company
Limited Lecong sub-branch

China Construction Bank Corporation, Shunde Huabin
Sub-branch

Hang Seng Bank Limited

AUDITOR

SHINEWING (HK) CPA Limited

Registered Public Interest Entity Auditor

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited

17/F, Far East Finance Centre

16 Harcourt Road, Hong Kong

HONG KONG LEGAL ADVISER

Iu, Lai & Li Solicitors & Notaries

Rooms 2201, 2201A & 2202

22nd Floor, Tower I, Admiralty Centre

No. 18 Harcourt Road, Admiralty, Hong Kong

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

		Six months ended 30 June	
	NOTES	2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Revenue	4	195,168	245,947
Cost of inventories sold		(171,963)	(217,138)
Gross profit		23,205	28,809
Other operating income	4	9,352	14,014
Selling and distribution costs		(26,339)	(36,482)
Administrative expenses		(6,645)	(8,043)
(Impairment losses recognised) impairment losses reversed in respect of trade receivables		(1,875)	868
Impairment loss recognised in respect of other receivables		–	(167)
Finance costs	6	(1,672)	(2,242)
Loss before tax	5	(3,974)	(3,243)
Income tax expenses	7	(33)	(42)
Loss for the period		(4,007)	(3,285)
Other comprehensive income (expense), item that will not be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of financial statements from functional currency to presentation currency		59	(677)
Loss and total comprehensive expense for the period		(3,948)	(3,962)
Loss for the period attributable to:			
– Owners of the Company		(3,956)	(3,200)
– Non-controlling interests		(51)	(85)
		(4,007)	(3,285)
Total comprehensive expense for the period attributable to:			
– Owners of the Company		(3,897)	(3,877)
– Non-controlling interests		(51)	(85)
		(3,948)	(3,962)
Loss per share – basic and diluted (RMB)	9	(0.01)	(0.01)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	NOTES	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Non-current assets			
Property, plant and equipment	10	16,965	18,334
Right-of-use assets	11	47,701	31,204
Investment properties	10	7,880	8,043
Deposits paid		9,308	9,348
		<u>81,854</u>	<u>66,929</u>
Current assets			
Inventories		40,782	47,045
Trade and bills receivables	12	37,894	26,821
Deposits paid, prepayments and other receivables		54,484	57,132
Amounts due from related companies	14	214	214
Cash and cash equivalents		35,674	40,340
		<u>169,048</u>	<u>171,552</u>
Current liabilities			
Trade payables	13	53,500	45,352
Deposits received, receipts in advance, accruals and other payables		23,557	24,098
Lease liabilities	11	9,594	13,287
Contract liabilities		11,888	15,205
Bank borrowings	15	62,000	62,000
Tax payable		2	14
		<u>160,541</u>	<u>159,956</u>
Total current liabilities			
		<u>160,541</u>	<u>159,956</u>
Net current assets		<u>8,507</u>	<u>11,596</u>
Total assets less current liabilities		<u>90,361</u>	<u>78,525</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	NOTES	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Non-current liability			
Deferred tax liabilities		1,298	1,296
Lease liabilities	11	28,183	12,401
		<u>29,481</u>	<u>13,697</u>
Net assets		<u>60,880</u>	<u>64,828</u>
Capital and reserves			
Share capital	16	2,387	2,387
Reserves		57,658	61,555
		<u>60,045</u>	<u>63,942</u>
Equity attributable to owners of the Company		60,045	63,942
Non-controlling interests		835	886
		<u>60,880</u>	<u>64,828</u>
Total equity		<u>60,880</u>	<u>64,828</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Equity attributable to owners of the Company										Non-controlling Interests	Total
	Share capital	Share premium	Special reserve	Merger reserve	Capital reserve	Statutory reserve	Capital contribution reserve	Translation reserve	Accumulated losses	Total		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000		
	(Note a)	(Note b)	(Note c)	(Note d)	(Note e)							
At 1 January 2026 (audited)	2,387	169,904	84	(6,200)	200	15,836	873	5,435	(124,577)	63,942	886	64,828
Loss for the period	-	-	-	-	-	-	-	-	(3,956)	(3,956)	(51)	(4,007)
Other comprehensive income for the period												
Exchange differences arising on translation of financial statements from functional currency to presentation currency	-	-	-	-	-	-	-	59	-	59	-	59
Total comprehensive income (expense) for the period	-	-	-	-	-	-	-	59	(3,956)	(3,897)	(51)	(3,948)
At 30 June 2026 (unaudited)	2,387	169,904	84	(6,200)	200	15,836	873	5,494	(128,533)	60,045	835	60,880
At 1 January 2025 (audited)	2,387	169,904	84	(6,200)	200	15,836	873	5,863	(107,601)	81,346	1,012	82,358
Loss for the period	-	-	-	-	-	-	-	-	(3,200)	(3,200)	(85)	(3,285)
Other comprehensive expense for the period												
Exchange differences arising on translation of financial statements from functional currency to presentation currency	-	-	-	-	-	-	-	(677)	-	(677)	-	(677)
Total comprehensive expense for the period	-	-	-	-	-	-	-	(677)	(3,200)	(3,877)	(85)	(3,962)
At 30 June 2025 (unaudited)	2,387	169,904	84	(6,200)	200	15,836	873	5,186	(110,801)	77,469	927	78,396

Notes:

- Special reserve represents the investment cost of a subsidiary which has been carved out of the Group as part of the reorganisation and the proceeds from disposal of that subsidiary.
- The merger reserve of the Group arose as a result of the reorganisation. As at 30 June 2026 and 2025, the balance of the merger reserve included the deemed distribution upon the acquisition of a subsidiary from the controlling shareholders as part of the reorganisation.
- Capital reserve represents the capital contribution from the previous shareholders to a subsidiary of the Group.
- In accordance with the People's Republic of China (the "PRC") Company Law, the Company's subsidiaries registered in the PRC are required to appropriate 10% of the annual statutory net profit after tax (after offsetting any prior years' losses) to the statutory reserve fund. When the balance of the statutory reserve fund reaches 50% of each entity's registered capital, any further appropriation is optional. The statutory reserve fund can be utilised to offset prior years' losses or to increase the registered capital. However, such balance of the statutory reserve fund must be maintained at a minimum of 25% of the registered capital after such usages.
- Capital contribution reserve represented the capital contribution upon acquisition of the net assets of a subsidiary pursuant to a group reorganisation.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Operating activities		
Net cash from operating activities	7,285	22,544
Investing activities		
Interest received	54	42
Proceeds from disposals of property, plant and equipment	374	424
Purchases of property, plant and equipment	(405)	(4,079)
Net cash from (used in) investing activities	23	(3,613)
Financing activities		
Repayment of capital element of lease liabilities	(10,688)	(11,780)
Interest paid on lease liabilities and bank borrowings	(1,756)	(2,242)
Government grants received	47	110
Net cash used in financing activities	(12,397)	(13,912)
Net (decrease) increase in cash and cash equivalents	(5,089)	5,019
Cash and cash equivalents at 1 January	40,340	21,152
Effect of foreign exchange rate changes	423	(648)
Cash and cash equivalents at 30 June	35,674	25,523

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2026

1. GENERAL INFORMATION AND BASIS OF PREPARATION

China Shun Ke Long Holdings Limited (the “Company”, together with its subsidiaries collectively referred to as the “Group”) was incorporated as an exempted company with limited liability in the Cayman Islands on 18 March 2013 under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Company’s registered office is located at P.O. Box 31119, Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman KY1-1205, the Cayman Islands and its principal place of business in the PRC is located at 2nd Floor, Huale Building, No.60 Hebin North Road, Lecong Town Shunde District, Foshan, Guangdong Province, the PRC.

The Company was registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance on 26 May 2015. The ordinary shares of the Company (the “Shares”) were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 10 September 2015.

The Group is a supermarket chain store operator with geographical focus in Guangdong province of the PRC and maintains both retail and wholesale distribution channels.

CCOOP International Holdings Limited, which is a company incorporated in the Cayman Islands and an indirectly wholly-owned subsidiary of CCOOP Group Co., Ltd. (供銷大集團股份有限公司) (“CCOOP Group”), a company incorporated in the PRC, holds 204,558,317 ordinary shares in aggregate, representing 70.42% of the entire issued share capital of the Company. To the best knowledge of the Directors of the Company, the controlling shareholder of the Company is CCOOP Group, the shares of which are listed on the Shenzhen Stock Exchange.

The controlling shareholder of CCOOP Group is Beijing Zhonghe Nongxin Enterprise Management Consulting Co., Ltd (北京中合農信企業管理諮詢有限公司) and the actual controller of CCOOP Group is All China Federation of Supply and Marketing Cooperatives (中華全國供銷合作總社).

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The condensed consolidated financial statements of the Group are presented in Renminbi (“RMB”), which is the functional currency of the principal subsidiaries of the Company where the primary economic environment is in the PRC. Other than those subsidiaries established in the PRC and Macau which functional currencies are RMB and Macau Pataca (“MOP”) respectively, the functional currency of the Company and other subsidiaries is Hong Kong dollars (“HK\$”). All values are rounded to the nearest thousand (“RMB’000”) unless otherwise stated.

The condensed consolidated financial statements of the Group for the six months ended 30 June 2026 have been prepared in accordance with International Accounting Standard (“IAS”) 34 “Interim Financial Reporting” issued by the International Accounting Standards Board (“IASB”) and the applicable disclosure provisions of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2026

2. ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis at the end of each reporting period.

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except as described below.

Application of amendments to IFRS Accounting Standards

In the current interim period, the Group has applied, for its first time, the following amendments to IFRS Accounting Standards issued by IASB which are effective for the Group's financial year beginning on 1 January 2026:

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

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

3. OPERATING SEGMENT INFORMATION

The Group determines its operating segments based on the reports reviewed by the chief operating decision maker ("CODM"), being the chief executive of the Company, that are used to make strategic decisions. The Group has two reportable segments. The segments are managed separately as each business offers different services and requires different business strategies. The following summary describes the operations in each of the Group's reportable segments:

- Retail outlet operation (sales of fresh food, non-staple food and household products); and
- Wholesale distribution (sales of fast consumable products and non-staple food).

The management assesses the performance of the operating segments based on the measure of segment results which represents the net of revenue, cost of inventories sold, other operating income, selling and distribution costs, administrative expenses and finance costs directly attributable to each operating segment without allocation of certain other operating income and central administrative costs. This is the measure reported to the CODM for the purpose of resource allocation and performance assessment.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2026

3. OPERATING SEGMENT INFORMATION – CONTINUED

Segment revenue and results

For the six months ended 30 June 2026 (unaudited):

	Retail outlet Operation RMB'000	Wholesale distribution RMB'000	Inter-segment elimination RMB'000	Total RMB'000
Revenue				
From external customers	158,285	36,883	–	195,168
From inter-segment	2,397	4,098	(6,495)	–
Reportable segment revenue	<u>160,682</u>	<u>40,981</u>	<u>(6,495)</u>	<u>195,168</u>
Reportable segment loss	<u>(51)</u>	<u>(2,481)</u>	–	<u>(2,532)</u>
Other corporate income				55
Other corporate expenses				<u>(1,497)</u>
Loss before tax				<u><u>(3,974)</u></u>

For the six months ended 30 June 2025 (unaudited):

	Retail outlet operation RMB'000	Wholesale Distribution RMB'000	Inter-segment elimination RMB'000	Total RMB'000
Revenue				
From external customers	188,366	57,581	–	245,947
From inter-segment	6,775	1,036	(7,811)	–
Reportable segment revenue	<u>195,141</u>	<u>58,617</u>	<u>(7,811)</u>	<u>245,947</u>
Reportable segment loss	<u>(115)</u>	<u>(2,568)</u>	–	<u>(2,683)</u>
Other corporate income				301
Other corporate expenses				<u>(861)</u>
Loss before tax				<u><u>(3,243)</u></u>

Inter-segment sales are charged at prevailing market rates.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2026

3. OPERATING SEGMENT INFORMATION – CONTINUED

Geographic information

The Group's revenue from external customers and its non-current assets are all divided into the following geographical areas:

	Revenue from external customers		Non-current assets	
	Six months ended 30 June		At 30 June	At 31 December
	2026	2025	2026	2025
	RMB'000	RMB'000	RMB'000	RMB'000
	(unaudited)	(unaudited)	(unaudited)	(audited)
The PRC (place of domicile)	195,153	245,947	72,541	57,575
Hong Kong	15	–	5	6
	<u>195,168</u>	<u>245,947</u>	<u>72,546</u>	<u>57,581</u>

Deposits paid is excluded from non-current assets under geographical information.

The PRC is the country of domicile of the Group. The country of domicile is determined by referring to the country which the Group regards as its home country with the majority of operations and centre of management.

The geographical location of customers is based on the location at which the goods were sold and the services were rendered. The geographical location of the non-current assets is based on the physical location of the asset.

The Group's revenue from external customers is mainly derived from the PRC. During the six months ended 30 June 2026 and 2025, there is no single customer or a group of customers contributing over 10% of the total revenue of the Group.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2026

4. REVENUE AND OTHER OPERATING INCOME

(a) Revenue

Revenue represents revenue arising on sale of goods, net of discounts and sales related taxes, where applicable, rental income and the value of services rendered. An analysis of the Group's revenue for the period is as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Revenue from contracts with customers within the scope of IFRS 15		
– Sales of goods		
General retail sales under retail outlet operation	150,769	178,602
Bulk sales under retail outlet operation	3,524	5,532
General wholesales under wholesale distribution	36,883	57,581
– Services rendered		
Commission from concessionaire sales under retail outlet operation	363	532
	<u>191,539</u>	<u>242,247</u>
Revenue from other sources		
Rental income from subleasing certain retail areas under retail outlet operation		
– Lease payments that are fixed	3,629	3,700
	<u>195,168</u>	<u>245,947</u>

Disaggregation of revenue from contracts with customers by timing of recognition

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Timing of revenue recognition		
At a point of time	<u>191,539</u>	<u>242,247</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2026

4. REVENUE AND OTHER OPERATING INCOME – CONTINUED

(b) Other operating income

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

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Gain on early termination of leases (<i>Note</i>)	2,050	3,111
Gain on disposals of property, plant and equipment	265	29
Government grants	47	110
Interest income on bank deposits	54	42
Promotion income from suppliers	4,328	5,012
Net rental income from investment properties	1,730	1,458
Others	878	4,252
	9,352	14,014

Note:

During the six months ended 30 June 2026, gain on early termination of leases represented the net difference of approximately RMB2,050,000 comprising a decrease of approximately RMB1,136,000 in right-of-use assets and a decrease of approximately RMB3,186,000 in lease liabilities.

During the six months ended 30 June 2025, gain on early termination of leases represented the net difference of approximately RMB3,111,000, comprising a decrease of approximately RMB4,721,000 in right-of-use assets and a decrease of approximately RMB7,832,000 in lease liabilities.

5. LOSS BEFORE TAX

Loss before tax has been arrived at after charging:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Depreciation of property, plant and equipment	1,628	3,511
Depreciation of investment properties	163	163
Depreciation of right-of-use assets	5,651	8,843
Employee benefits expenses (including directors' emoluments):		
– Wages and salaries	12,862	18,341
– Pension scheme contributions	2,978	3,400
– Other benefits	495	434
	16,335	22,175

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2026

6. FINANCE COSTS

	Six months ended 30 June	
	2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Interest expense on:		
Bank borrowings	976	1,061
Lease liabilities	696	1,181
	<u>1,672</u>	<u>2,242</u>

7. INCOME TAX EXPENSES

	Six months ended 30 June	
	2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
PRC Enterprise Income Tax		
Charge for the period	31	42
Deferred tax	2	–
	<u>33</u>	<u>42</u>

The Group is not subject to any income tax under the jurisdiction of the Cayman Islands and the British Virgin Islands for the six months ended 30 June 2026 and 2025.

No provision for Hong Kong Profits Tax has been provided as the Group has no estimated assessable profits arising in Hong Kong for the six months ended 30 June 2026 and 2025.

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries of 25% for the six months ended 30 June 2026 and 2025.

From 1 January 2019 to 30 June 2026, under the relevant EIT Law, for PRC enterprises that qualifies for small enterprises, annual taxable income below RMB3 million and thin-profit enterprises with an annual taxable income of RMB1 million or less are applicable to the effective tax rate of 5%. Where their annual taxable income exceeds RMB1 million but does not exceed RMB3 million, the RMB1 million portion will be subject to an effective tax rate of 5%, whereas the excess portion will be subject to the effective tax rate of 10%.

The Group’s subsidiaries in Macau are subject to Complementary Tax at rate of 12% based on the estimated assessable profits for the six months ended 30 June 2026 and 2025. During the six months ended 30 June 2026 and 2025, no Macau Complementary Income Tax has been provided as there were no assessable profits generated.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2026

8. DIVIDEND

No dividend was paid or proposed for the six months ended 30 June 2026 (six months ended 30 June 2025: nil), nor has any dividend been proposed since the end of the reporting period (2025: nil).

9. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to owners of the Company is based on the following data:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Loss for the period attributable to owners of the Company	<u>(3,956)</u>	<u>(3,200)</u>

	Six months ended 30 June	
	2026	2025
	(unaudited)	(unaudited)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	<u>290,457,000</u>	<u>290,457,000</u>

The diluted loss per share is the same as basic loss per share as there are no potential dilutive ordinary shares outstanding during both periods or at the end of both reporting periods.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2026

10. CAPITAL EXPENDITURES

	Property, plant and equipment RMB'000	Investment properties RMB'000
Opening carrying amount as at 1 January 2026 (audited)	18,334	8,043
Additions	405	—
Disposals	(109)	—
Depreciation/amortisation (Note 5)	(1,628)	(163)
Exchange realignment	(37)	—
	<u>16,965</u>	<u>7,880</u>
Carrying amounts as at 30 June 2026 (unaudited)	<u>16,965</u>	<u>7,880</u>
Opening carrying amount as at 1 January 2025 (audited)	23,452	8,370
Additions	4,079	—
Disposals	(395)	—
Depreciation/amortisation (Note 5)	(3,511)	(163)
	<u>23,625</u>	<u>8,207</u>
Carrying amounts as at 30 June 2025 (unaudited)	<u>23,625</u>	<u>8,207</u>

Assets with carrying amounts of RMB109,000 (30 June 2025: RMB395,000) were disposed of by the Group during the six months ended 30 June 2026, resulting in a net gain on disposal of RMB265,000 (30 June 2025: gain of RMB29,000).

As at 30 June 2026 and 31 December 2025, certain buildings with carrying amounts of RMB9,901,000 and RMB10,118,000 respectively have been pledged to the bank for banking facilities granted to the Group (Note 15).

As at 30 June 2026 and 31 December 2025, certain investment properties with carrying amounts of RMB7,880,000 and RMB8,043,000 respectively have been pledged to the bank for banking facilities granted to the Group (Note 15).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2026

11. LEASES

(i) Right-of-use assets

	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Other properties leased for own use	28,749	11,816
Ownership interests on leasehold land	18,952	19,388
	<u>47,701</u>	<u>31,204</u>

As at 30 June 2026, right-of-use assets of RMB18,952,000 (31 December 2025: RMB19,388,000) represents land use rights locating in the PRC.

As at 30 June 2026, certain ownership interests on leasehold land with carrying amounts of approximately RMB17,363,000 (31 December 2025: RMB17,738,000) have been pledged to the bank for banking facilities granted to the Group (Note 15).

The Group has lease arrangements for retail outlets, warehouses and office premises. The lease terms are generally ranged from thirteen months to fourteen years at fixed rentals. The Group has also entered into short-term leases arrangements in respect of retail outlets, warehouses and office premises. During the six months ended 30 June 2026 and 2025, no expenses related to variable lease payments of the lease were recognised into profit or loss.

Additions to the right-of-use assets for the six months ended 30 June 2026 amounted to RMB23,615,000 (six months ended 30 June 2025: RMB4,424,000), due to new leases of retail outlets, warehouse and office premises and renewal of existing leases.

During the six months ended 30 June 2026 and 2025, the Group has subleased part of the rented retail outlets. The Group has classified the subleases as operating leases. During the six months ended 30 June 2026, the Group recognised rental income of RMB3,629,000 (six months ended 30 June 2025: RMB3,700,000) from subleasing right-of-use assets.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2026

11. LEASES – CONTINUED

(ii) Lease liabilities

	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Current	9,594	13,287
Non-current	28,183	12,401
	<u>37,777</u>	<u>25,688</u>
Analysed into payable		
Within one year	9,594	13,287
After one year but within two years	6,421	6,597
After two years but within five years	13,544	3,491
After five years	8,218	2,313
	<u>37,777</u>	<u>25,688</u>
Less: amount due for settlement within 12 months (shown under current liabilities)	<u>(9,594)</u>	<u>(13,287)</u>
Amount due for settlement after 12 months	<u>28,183</u>	<u>12,401</u>

During the six months ended 30 June 2026, the Group entered into new leases of retail outlets, warehouses and office premises and renewed existing leases of RMB23,615,000 (six months ended 30 June 2025: RMB4,424,000).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2026

11. LEASES – CONTINUED

(iii) Amounts recognised in profit or loss

	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Depreciation of right-of-use assets by class of underlying asset:		
Other properties leased for own use	5,215	13,599
Ownership interests in leasehold land	436	872
	<u>5,651</u>	<u>14,471</u>
Impairment losses recognised in respect of right-of-use assets	–	5,060
Gain on early termination of leases	2,050	4,504
Interest expenses on lease liabilities	696	1,960
Expense relating to short-term leases	626	409
	<u>626</u>	<u>409</u>

(iv) Others

During the six months ended 30 June 2026, the total cash outflow for leases amount to RMB12,010,000 (six months ended 30 June 2025: RMB13,298,000).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2026

12. TRADE AND BILLS RECEIVABLES

	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Trade receivables	40,005	27,694
Less: allowance for impairment of trade receivables	(2,170)	(895)
	<u>37,835</u>	<u>26,799</u>
Bills receivables	59	22
	<u>37,894</u>	<u>26,821</u>

All of the Group's sales are on cash basis except for the wholesale of goods, bulk sales of merchandise to corporate customers and rental income receivable from tenants. The average credit terms offered to these customers or tenants are generally for a period of 0–180 days from the invoice date. The following is an aged analysis of the trade receivables, presented based on the invoice date, which approximates the respective revenue recognition dates, at the end of the respective reporting periods:

	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Within 30 days	23,394	14,633
31 to 60 days	6,443	5,134
61 to 180 days	6,864	6,124
181 to 365 days	1,095	799
Over 1 year	39	109
	<u>37,835</u>	<u>26,799</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2026

13. TRADE PAYABLES

The Group normally obtains credit terms of 0 to 360 days from its suppliers.

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

	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Current to 30 days	25,153	16,189
31 to 60 days	7,235	7,882
61 to 180 days	8,435	8,891
181 to 365 days	3,574	2,991
Over 1 year to 2 year	3,767	3,917
Over 2 year	5,336	5,482
	53,500	45,352

14. AMOUNTS DUE FROM RELATED COMPANIES

As at 30 June 2026 and 31 December 2025, the amounts due from related companies are trade-related, unsecured, interest-free and repayable on demand.

Included in the carrying amounts due from related companies as at 30 June 2026 is accumulated impairment loss of RMB444,000 (31 December 2025: RMB444,000).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2026

15. BANK BORROWINGS

	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Secured bank borrowings classified as current liabilities	<u>62,000</u>	<u>62,000</u>
Carrying amount of bank borrowings that contain a repayable on demand clause but repayable:*		
Within one year	<u>62,000</u>	<u>62,000</u>

* The amounts due are based on scheduled repayment dates set out in the loan agreements.

As at 30 June 2026, the bank borrowings were denominated in RMB, bore interest at fixed rates ranging from 3.05% to 3.20% (31 December 2025: 3.20% to 3.45%) per annum.

The Group's interest-bearing bank borrowings are secured by:

- (i) the pledge of certain buildings of the Group with carrying amounts of approximately RMB9,901,000 and RMB10,118,000 as at 30 June 2026 and 31 December 2025 respectively (Note 10);
- (ii) the pledge of certain right-of-use assets of the Group with carrying values of approximately RMB17,363,000 and RMB17,738,000 as at 30 June 2026 and 31 December 2025 respectively (Note 11);
- (iii) the pledge of certain investment properties of the Group with carrying values of approximately RMB7,880,000 and RMB8,043,000 as at 30 June 2026 and 31 December 2025 respectively (Note 10).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2026

16. SHARE CAPITAL

	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Authorised:		
2,000,000,000 ordinary shares of HK\$0.01 each	<u>15,826</u>	<u>15,826</u>
Issued and fully paid:		
290,457,000 ordinary shares of HK\$0.01 each	<u>2,387</u>	<u>2,387</u>

17. OPERATING LEASE ARRANGEMENTS

The Group as a lessor

The Group sub-leases certain areas inside its retail outlets and leases out its investment properties. The leases are negotiated for terms ranging from 1 to 10 years. None of the leases includes contingent rentals.

Undiscounted lease payments under non-cancellable operating leases in place at the reporting date, which will be receivable by the Group in future periods, are as follows:

	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Within one year	<u>14,824</u>	<u>14,000</u>

18. MAJOR NON-CASH TRANSACTIONS

During the six months ended 30 June 2026, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB23,615,000 and RMB23,615,000 respectively, in respect of lease arrangements for retail outlets (six months ended 30 June 2025: RMB4,424,000 and RMB4,424,000 respectively).

During the six months ended 30 June 2026, the Group had non-cash reductions to right-of-use assets and lease liabilities of RMB1,136,000 (six months ended 30 June 2025: RMB4,721,000) and RMB3,186,000 (six months ended 30 June 2025: RMB7,832,000) respectively, in respect of early termination of leases.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2026

19. RELATED PARTY TRANSACTIONS

- (i) In addition to the transactions detailed elsewhere in these condensed consolidated financial statements, the Group had the following material transactions with related parties during the periods:

Related party relationship	Nature of transaction	Six months ended 30 June	
		2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Related companies	Sale of goods (<i>Note a</i>)	13	–
Related companies	Purchase of goods (<i>Note b</i>)	351	256

Notes:

- (a) The consideration of sale transactions are based on (i) historical transaction prices and amount; (ii) prevailing market prices; and (iii) discount rate offered to bulk purchase customers. The credit period for sales to related parties is within 90 days.
- (b) The consideration of purchase transaction are based on (i) historical transaction prices and amount; (ii) prevailing market prices; and (iii) discount rate offered from seller. The credit period for purchase from related parties are within 90 days.
- (ii) Compensation of key management personnel of the Group, including directors' emoluments, is as follows:

	Six months ended 30 June	
	2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Salaries, allowances and benefits in kind	631	1,320
Pension scheme contributions	93	129
	<u>724</u>	<u>1,449</u>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

China Shun Ke Long Holdings Limited (the “Company”, together with its subsidiaries, collectively referred to as the “Group”) is an investment holding company, and the Group is a supermarket chain store operator with a geographical focus in Guangdong Province of the People’s Republic of China (the “PRC”). During the six months ended 30 June 2026 (the “Period”), the Group maintained both retail and wholesale distribution channels.

Retail Outlets

During the Period, the Group opened 3 new retail outlets and closed or re-franchised 3 retail outlets. As at 30 June 2026, the Group had 39 retail outlets located in Guangdong Province of the PRC and one retail outlet located in the Macau Special Administrative Region (“Macau”) of the PRC, respectively.

The following table sets out the changes in the number of retail outlets of the Group during the Period and for the year ended 31 December 2025 (the “FY2025”):

	For the Period/year ended	
	30 June 2026	31 December 2025
At the beginning of the Period/year	40	51
Additions	3	1
Reductions	(3)	(12)
At the end of the Period/year	40	40

The following table sets forth the breakdown of the number of retail outlets of the Group by geographical location as at 30 June 2026:

Location	Number of retail outlets
Foshan	31
Zhaoqing	4
Zhuhai	1
Guangzhou	2
Shenzhen	1
Guangdong Province	39
Macau	1
Total	40

MANAGEMENT DISCUSSION AND ANALYSIS

General Wholesale

As at 30 June 2026, the Group maintained sole and exclusive distribution rights for 16 brands covering Foshan and Zhaoqing. The exact coverage of the Group's sole and exclusive distribution rights varied among those 16 brands. Instead of developing the size of general wholesale customer base, the Group put more emphasis on gaining more distributors rather than retailers as the Group's customers.

Franchise Operation

The Group has a franchise scheme opened for application by interested parties to franchise retail outlets. The proceeds from selling goods to franchisees of the Group form part of its wholesale distribution revenue.

The following table sets forth the changes in the number of franchise outlets of the Group during the Period and for FY2025:

	For the Period/year ended	
	30 June 2026	31 December 2025
At the beginning of the Period/year	855	1,181
Additions	0	36
Reductions	(526)	(362)
At the end of the Period/year	329	855

RECENT DEVELOPMENTS AND OUTLOOK

In the first half of 2026, China's retail industry as a whole was in a period of adjustment, characterized by a slowdown in the pace of consumption recovery and a profound shift in growth drivers. According to official data from the National Bureau of Statistics, the total retail sales of consumer goods in the first half of the year amounted to approximately RMB24.87 trillion, representing a year-on-year increase of only about 1.3%. Online retail sales accounted for over 40% of the total retail sales of consumer goods, with online penetration continuing to deepen. At the format level, the industry exhibited a structural trend of "large stores contracting while small stores growing". According to data from the China Chain Store & Franchise Association, traditional large-scale hypermarkets continued to shrink, while community fresh food supermarkets and convenience stores expanded against the trend. The industry as a whole has moved away from the extensive expansion model and entered a stage of refined operations.

MANAGEMENT DISCUSSION AND ANALYSIS

Against this industry backdrop, the first half of 2026 was a critical period for the Group to proactively adapt to the pace of industry transformation. The Group adhered to a refined management approach of “one store, one strategy”, focusing on three core tasks, namely cost reduction and loss minimization, quality enhancement of existing operations, and expansion through new initiatives, while coordinating the synergistic operations of its business segments, including chain supermarkets, brand agency and group purchasing, thereby laying a solid foundation for the continued reduction of losses. The Group proactively responded to the trend of structural divergence in the industry by driving differentiated adjustments across its business segments. The chain supermarket segment moved towards community-based and smaller-scale formats, improving operating performance through supply chain optimization and rigid cost reduction. The brand agency segment, in line with the industry trend of phasing out inefficient distribution channels and restructuring distribution models, proactively scaled back its distribution channels in inefficient regions, accelerated the refocusing of its business structure on special distribution channels, and gradually phased out loss-making operations. The group purchasing segment capitalized on industry growth opportunities in B-end centralized procurement and distribution, as well as the outsourcing of logistics services for government, enterprises and educational institutions, and maintained a stable profitability trend. The middle and back-office departments upheld refined management across the entire corporate chain, improving quality and controlling costs across all dimensions.

In the first half of 2026, the Group implemented several core operational measures. First, we continued to deepen the “one store, one strategy” approach for refined management and control, completed the closure of inefficient and loss-making stores, simultaneously optimized the category structure and operational layout of stores, reduced inefficient operating areas, and continuously improved the profitability of individual stores. Second, focusing on supply chain restructuring as a core competitive direction, we upgraded the supply chain system, promoted models of direct procurement from manufacturers, direct procurement from places of origin, and joint procurement from bases to reduce intermediate costs, and steadily improved the gross profit margin of core categories such as food, general merchandise, and fresh produce. Third, in line with the trend of accelerated clearing of inefficient capacity in the industry, we expedited the exit from loss-making businesses, shut down loss-making agency operations, and fully stemmed the losses from these businesses. Fourth, we capitalized on B-end business opportunities, deepened our presence in areas such as guaranteed supply for government and enterprise group purchasing and campus delivery, and continuously broadened our revenue sources. Fifth, we strengthened comprehensive cost control, achieving precise control over operating expenses through various measures such as optimizing staffing, reducing rent, restructuring the logistics system, and implementing refined energy consumption management. Sixth, in line with the industry’s digital transformation trend, we promoted the upgrade of digital operations, strengthened control over product expiration dates and inventory turnover efficiency, and promoted closed-loop management of electronic contracts across all areas. Seventh, we solidified the baseline for compliant operations, strengthened the internal control and compliance system, established a risk assessment mechanism, and ensured the stable operation of the company.

In the second half of 2026, the retail industry is expected to continue the overall trend of “slow growth in total volume and deep structural adjustment”. According to general industry consensus, refined operational capabilities, vertical supply chain integration capabilities, B-end channel expansion capabilities, and community-oriented service capabilities will become the four core competitive strengths of enterprises. Building on its operational foundation in the first half of the year, the Group will focus on four key priorities, namely “loss reduction, quality enhancement, growth through new initiatives, and risk control”, and proactively adapt to the industry transformation trend. The Group will focus on making breakthroughs in four key areas. First, it will continue to deepen cost reduction and efficiency enhancement, rigidly reducing operating costs across the board, regularly phasing out inefficient operations, and consolidating the results of loss reduction. Second, it will focus on quality enhancement of existing operations, optimising category procurement and store operating models, improving gross profit margins across segments, accelerating the clearance of slow-moving inventory, and unlocking the value of existing assets.

MANAGEMENT DISCUSSION AND ANALYSIS

Third, it will capitalize on B-end business growth opportunities, enhancing the Company's bidding and tendering qualifications, accelerating the cultivation of new business initiatives, strengthening and expanding the scale of government and enterprise group buying, centralised procurement and distribution, deepening engagement in campus food distribution channels, and continuously expanding revenue growth drivers. Fourth, it will deepen internal control management, promoting the full implementation of digital store inspection and sorting systems, optimizing organizational effectiveness, and ensuring the Company's stable operations.

In summary, the Group will continue to focus on its four core development pillars, namely "chain supermarkets, centralised procurement and distribution, brand agency, and innovation-driven growth" and leverage the policy advantages of the Guangdong-Hong Kong-Macau Greater Bay Area and the Hainan Free Trade Port, together with its complete upstream and downstream supply and marketing system and warehousing and distribution capabilities, to vigorously develop the centralised procurement and distribution business and steadily advance towards becoming a leading national urban-rural circulation operator. At the same time, the Group remains committed to fulfilling its corporate social responsibilities, actively engaging in social welfare initiatives, and continuously enhancing its brand's social value and industry influence.

FINANCIAL REVIEW

Revenue

During the Period, the Group's revenue amounted to approximately RMB195.2 million, representing a decrease of approximately RMB50.8 million or 20.6% over the corresponding period in 2025. The decrease in revenue was mainly due to the optimisation and closure of certain underperforming retail outlets, which led to a year-on-year decrease in revenue from retail outlets, and the closure of certain loss-making wholesale distribution segments, which resulted in a decrease in distribution revenue.

During the Period, the Group's revenue from retail outlet business was approximately RMB158.3 million, representing a decrease of approximately RMB30.1 million or 16.0% as compared with the corresponding period in 2025. The decrease in revenue was mainly due to the optimisation and closure of certain underperforming retail outlets.

During the Period, the Group's wholesale distribution business generated revenue of approximately RMB36.9 million, representing a decrease of RMB20.7 million or 35.9% over the corresponding period in 2025. The decrease in revenue was mainly attributable to the closure of certain wholesale distribution segments, which led to a decrease in distribution revenue.

Gross Profit Margin

During the Period and the corresponding period in 2025, the gross profit margin of the Group was approximately 11.9% and approximately 11.7% respectively, representing an increase of approximately 0.2% from the previous period.

Other Operating Income

During the Period, the Group's other operating income amounted to approximately RMB9.4 million, representing a decrease of approximately RMB4.7 million, or 33.3%, as compared with the corresponding period in 2025, which was mainly due to a decrease in franchise income received from the closure of certain refranchised retail outlets and a decrease in gains on disposal from early termination of lease contracts.

MANAGEMENT DISCUSSION AND ANALYSIS

Selling and Distribution Costs

During the Period, the Group's selling and distribution costs amounted to approximately RMB26.3 million, representing a decrease of approximately RMB10.1 million or 27.8% as compared with the corresponding period in 2025. The decrease was mainly due to a significant reduction in expenses such as labour, rent, and utilities resulting from the optimisation and closure of underperforming retail outlets, as well as management's effective control over various expenses such as logistics, transportation, and packaging fees.

Administrative Expenses

During the Period, the administrative expenses of the Group amounted to approximately RMB6.6 million, representing a decrease of approximately RMB1.4 million or 17.4% as compared with the corresponding period in 2025. The decrease was primarily due to a reduction in labour costs from the optimisation of management staffing, and a reduction in various expenses such as consulting, office, communication and travel fees due to effective cost control.

Finance Costs

During the Period, the Group's finance costs amounted to approximately RMB1.7 million, representing a decrease of approximately RMB0.6 million or 25.4% as compared with the corresponding period in 2025. The decrease was primarily due to a year-on-year decrease in unrecognised finance costs on lease liabilities.

Income Tax Expense

During the Period, the Group's income tax expense amounted to approximately RMB33,000, representing a decrease of approximately RMB9,000 as compared to the corresponding period in 2025. The decrease was mainly due to a reduction in prepaid corporate income tax resulting from a decrease in taxable income.

Net Loss

During the Period, the net loss attributable to owners of the Company amounted to approximately RMB3.956 million, representing an increase in loss of approximately RMB0.755 million or 23.6% as compared with the corresponding period in 2025. The increase in net loss was mainly due to an increase in the provision for credit impairment losses resulting from an increase in trade receivables at the end of the period, while the recovery of opening bad debts in the corresponding period of the previous year further magnified the increase in the loss for the Period.

MANAGEMENT DISCUSSION AND ANALYSIS

Total Comprehensive Expense

During the Period, the total comprehensive expense attributable to owners of the Group amounted to approximately RMB3.948 million, representing a decrease of approximately RMB0.014 million or 0.4% as compared with the corresponding period in 2025. The decrease was primarily due to an increase in exchange differences during the Period.

Capital Expenditures

The Group's capital expenditure requirements mainly relate to additions of its property, plant and equipment for the opening of new retail outlets and renovation of existing retail outlets. The Group spent approximately RMB0.405 million on property, plant and equipment during the Period.

Use of Proceeds

The net proceeds (after deducting underwriting fees and related expenses) from public offering of the shares of the Company (the "Global Offering") on 10 September 2015 amounted to approximately HK\$188.6 million (equivalent to approximately RMB155.0 million). For the details of the Global Offering, please refer to the prospectus issued by the Company (the "Prospectus") on 28 August 2015.

On 24 October 2016, due to the slowdown in economic growth in the PRC, the board of directors (the "Board", and the members of the Board, the "Directors") of the Company resolved to re-allocate a portion of the unutilised net proceeds from "opening new retail outlets" to "upgrading existing retail outlets" and "repayment of bank borrowings", so as to enhance the Group's competitiveness as one of the major market players in Guangdong Province and reduce the Group's finance costs. For further details, please refer to the announcement of the Company dated 24 October 2016.

As of 19 June 2024, other than the RMB12.5 million as described below, the net proceeds have been applied according to the disclosure in the Prospectus and the announcement of the Company dated 24 October 2016. On that day, the Board further resolved to change the use of the remaining RMB12.5 million unutilised net proceeds from "upgrading and expanding the existing two distribution centres" to "upgrading existing retail outlets", as the existing distribution centres adequately met market demand and upgrading existing retail outlets aligned with the Group's ongoing efforts to optimize the store environment and enhance the shopping experience. For further details, please refer to the announcement of the Company dated 19 June 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

An analysis of the utilisation of the net proceeds as at 30 June 2026 is set out below:

	Revised allocation of the net proceeds disclosed in the announcement dated 19 June 2024 <i>RMB million</i>	Utilisation as at 30 June 2026 <i>RMB million</i>	Actual use of net proceeds during the Period <i>RMB million</i>	Remaining balance of net proceeds as at 30 June 2026 <i>RMB million</i>	Expected timeline for utilising the remaining net proceeds
Opening new retail outlets	74.4	74.4	–	–	
Upgrading existing retail outlets	27.1	20.3	0.1	6.8	Expected to be utilised by 31 December 2026 (Note)
Repayment of bank borrowings	27.9	27.9	–	–	
Upgrade of information systems	11.2	11.2	–	–	
Upgrading and expanding the existing two distribution centres	0.8	0.8	–	–	
General working capital	13.6	13.6	–	–	
Total	<u>155.0</u>	<u>148.2</u>	<u>0.1</u>	<u>6.8</u>	

Note: The Board expects that the unutilised balance will be used as disclosed in the announcement of the Company dated 19 June 2024. The expected timeline for utilising the net proceeds is based on the Group's existing business plans and subject to changes based on the business needs of the Group and market conditions.

Liquidity and Financial Resources

As at 30 June 2026, the Group had cash and cash equivalents of approximately RMB35.7 million (31 December 2025: approximately RMB40.3 million), out of which approximately RMB32.4 million was denominated in RMB and approximately RMB3.3 million was denominated in HK\$ or MOP.

As at 30 June 2026, the Group had net current assets of approximately RMB8.5 million (31 December 2025: approximately RMB11.6 million) and net assets of approximately RMB60.9 million (31 December 2025: approximately RMB64.8 million). As at 30 June 2026, the Group had unutilised banking facilities of RMB28.0 million (31 December 2025: RMB28.0 million).

As at 30 June 2026, trade receivables and deposits paid, prepayments and other receivables were approximately RMB92.4 million (31 December 2025: approximately RMB84.0 million). Trade receivables and deposits paid, prepayments and other receivables increased by approximately RMB8.4 million or 10.1%, which was mainly due to the increase in trade receivables.

In order to minimise credit risk, the management of the Group has assigned responsible staff to determine credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. The management considers that the risk of default in respect of trade and other receivables is low and thus the identified impairment loss was immaterial.

Significant Investments

The Group did not hold any significant investments during the Period.

MANAGEMENT DISCUSSION AND ANALYSIS

Material Acquisitions and Disposals

The Group did not carry out any material acquisition or disposal of any subsidiary or associated company during the Period.

Indebtedness and Pledge of Assets

As at 30 June 2026, the Group had bank borrowings of RMB62.0 million (31 December 2025: RMB62.0 million) secured by:

- (i) the pledge of certain buildings of the Group with carrying amounts of approximately RMB9.9 million (31 December 2025: approximately RMB10.1 million);
- (ii) the pledge of certain right-of-use assets of the Group with carrying amounts of approximately RMB17.4 million (31 December 2025: approximately RMB17.7 million);
- (iii) the pledge of certain investment properties of the Group with carrying amounts of approximately RMB7.9 million (31 December 2025: approximately RMB8.0 million).

All these bank borrowings are repayable within one year. Those loans bear interest at a fixed rate of 3.05%-3.2% per annum (31 December 2025: at a fixed rate of 3.2%-3.45% per annum).

Gearing Ratio

As at 30 June 2026, the Group's gearing ratio (the gearing ratio is equivalent to total loans divided by total equity) was approximately 101.8% (31 December 2025: 95.6%).

Foreign Currency Exposure

The majority of the Group's assets, liabilities and cash flows are denominated in RMB, and the management of the Company considers that the change in exchange rate for RMB against foreign currencies did not have significant impact on the Group's financial position or performance. During the Period, the Group did not engage in any hedging activities, and the Group has no intention to carry out any hedging activities in the near future. The management of the Group will continue to monitor the foreign exchange market closely and will consider hedging activities when necessary.

Contingent Liabilities

As at 30 June 2026, the Group has not provided any guarantee for any third parties and did not have any significant contingent liabilities.

Employees

The Group had a total of 410 employees as at 30 June 2026. Salaries of employees are maintained at a competitive level and are reviewed annually, with close reference to the relevant labour market and economic situation. The Group also provides internal training for staff and bonuses based upon staff performance and profit of the Group. During the Period, the Group did not cause any significant impact on its operation due to labour disputes nor did it experience any difficulty in the recruitment of experienced staff. The Group maintains a good relationship with its employees.

OTHER INFORMATION

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the Period.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Period.

DIRECTORS' AND CHIEF EXECUTIVE'S INTEREST AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2026, the interests or short positions of the Directors and the chief executive of the Company in the Shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuer (the "Model Code") set out in Appendix C3 to the Listing Rules were as follows:

Long positions in the ordinary shares of the associated corporations

Name of Director(s)	Name of associated corporation(s)	Capacity/ Nature of interests	Number of shares held	Approximate percentage of the total number of issued shares of the associated corporation(s)
Ms. Wang Hui	CCOOP Group Co., Ltd (<i>Note</i>)	Beneficial owner	50,000	0.00%
Ms. Du Jing	CCOOP Group Co., Ltd (<i>Note</i>)	Beneficial owner	99,100	0.00%

Note: CCOOP Group Co., Ltd is an indirect controlling shareholder holding approximately 70.42% of the issued shares of the Company.

Save as the above, as at 30 June 2026, none of the Directors and the chief executive of the Company nor their respective associates had any interests or short positions in the Shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code as set out in Appendix C3 to the Listing Rules.

OTHER INFORMATION

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

So far as the Directors of the Company are aware, as at 30 June 2026, the interests or short position of persons, other than the Directors or the chief executive of the Company, in the Shares and underlying shares of the Company which would be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO or were recorded in the register required to be kept under section 336 of the SFO were as follows:

Name of Substantial Shareholders	Capacity	Number of Shares (long position)	Approximate percentage of shareholding
All China Federation of Supply and Marketing Cooperatives* (中華全國供銷合作總社) ("ACFSMC")	Interest of a controlled corporation	204,558,317 (Note 10)	70.42%
China Co-op Group Co., Ltd.* (中國供銷集團有限公司) ("China Co-op Group") (Note 1)	Interest of a controlled corporation	204,558,317 (Note 10)	70.42%
Zhonghelian Investment Co., Ltd.* (中合聯投資有限公司) ("Zhonghelian") (Note 2)	Interest of a controlled corporation	204,558,317 (Note 10)	70.42%
Zhonghe Supply and Marketing (Shanghai) Equity Investment Fund Management Co., Ltd. (中合供銷(上海)股權投資基金管理有限公司) ("Zhonghe Supply and Marketing") (Note 3)	Interest of a controlled corporation	204,558,317 (Note 10)	70.42%
New Cooperation Trade Chain Group Co., Ltd.* (新合作商貿連鎖集團有限公司) ("New Cooperation") (Note 4)	Interest of a controlled corporation	204,558,317 (Note 10)	70.42%
China Supply and Trade Group Co., Ltd.* (中國供銷商貿流通集團有限公司) ("China Supply and Trade") (Note 5)	Interest of a controlled corporation	204,558,317 (Note 10)	70.42%
Hebei Supply and Marketing Commerce and Trade Circulation Co., Ltd. (河北省供銷商貿流通有限公司) ("Hebei Supply and Marketing") (Note 6)	Interest of a controlled corporation	204,558,317 (Note 10)	70.42%
Beijing Zhonghe Nongxin Enterprise Management Consulting Co., Ltd.* (北京中合農信企業管理諮詢有限公司) ("Zhonghe Nongxin") (Note 7)	Interest of a controlled corporation	204,558,317 (Note 10)	70.42%
CCOOP Group Co., Ltd.* (供銷大集團股份有限公司) ("CCOOP") (Note 8)	Interest of a controlled corporation	204,558,317 (Note 10)	70.42%
Hainan Gongxiao Daji Holding Ltd.* (海南供銷大集控股有限公司) ("Hainan Gongxiao Daji Holding") (Note 9)	Interest of a controlled corporation	204,558,317 (Note 10)	70.42%
Hainan Gongxiao Daji Supply Chain Network Technology Ltd.* (海南供銷大集供銷鏈網絡科技有限公司) ("Hainan Gongxiao Daji") (Note 9)	Interest of a controlled corporation	204,558,317 (Note 10)	70.42%
Green Industrial (HK) Holding Co., Limited (綠色實業(香港)有限公司) ("Green Industrial") (Note 9)	Interest of a controlled corporation	204,558,317 (Note 10)	70.42%
CCOOP International Holdings Limited (供銷大集團國際控股有限公司) ("CCOOP International")	Beneficial owner	204,558,317	70.42%
Infini Capital Management	Beneficial owner	27,600,000	9.50%

Notes:

- China Co-op Group is a wholly-owned subsidiary of ACFSMC.
- Zhonghelian is owned as to 87.97% by New Supply and Marketing Industry Development Fund Management Co., Ltd.* (新供銷產業發展基金管理有限責任公司), which in turn is owned as to 80.17% by China Co-op Group.
- Zhonghe Supply and Marketing is owned as to 50% by Zhonghelian.

OTHER INFORMATION

4. New Cooperation is owned as to 57.45% by China Co-op Group.
5. China Supply and Trade is a wholly-owned subsidiary of China Co-op Group.
6. Hebei Supply and Marketing is owned as to 75.20% by China Supply and Trade.
7. Zhonghe Nongxin is owned as to 69.97% by China Supply and Marketing Asset Management Co., Ltd.* (中國供銷資產管理有限公司), which in turn is an indirect wholly-owned subsidiary of ACFSMC. Zhonghelian, Zhonghe Supply and Marketing, New Cooperation, China Supply and Trade, Zhonghe Nongxin and Hebei Supply and Marketing are all controlled by ACFSMC. China Supply and Trade, Zhonghelian and New Cooperation, together with their concert parties, have entrusted their voting rights in the shares of CCOOP currently and subsequently held by them to Zhonghe Nongxin. Accordingly, the aforesaid parties are regarded as parties acting in concert at the level of CCOOP. Zhonghe Nongxin and its concert parties are interested in an aggregate of 24.64% of the total issued share capital of CCOOP.
8. CCOOP is owned as to 24.64% by Zhonghe Nongxin indirectly through a concert party group, rather than through a direct equity interest.
9. CCOOP holds 100% equity interests in Hainan Gongxiao Daji Holding, which in turn holds 93.75% equity interests in Hainan Gongxiao Daji. Hainan Gongxiao Daji holds 100% equity interests in Green Industrial, which in turn holds 100% equity interests in CCOOP International.
10. These parties were deemed to have interests in 204,558,317 Shares by virtue of their equity interests in CCOOP International.

Shareholders are advised to refer to the Company's announcements dated 4 January 2024, 19 January 2024, 6 March 2024, 18 March 2024, 22 March 2024 and 7 April 2024, and the Corporate Substantial Shareholder Notices (Forms 2) filed by ACFSMC and Zhonghe Nongxin on 5 August 2025 for matters relating to the Company's relevant controlling shareholders and substantial shareholders.

SHARE OPTION SCHEME

The Company had no share option scheme or share award scheme during the Period.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code of conduct regarding securities transactions by the Directors. The Company has made specific enquiry to all Directors regarding any non-compliance with the Model Code for the Period. All Directors confirmed that they have complied with the required standards as set out in the Model Code throughout the Period.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, the Directors confirm that the Company has maintained the prescribed public float under the Listing Rules for the Period and up to the date of this report.

OTHER INFORMATION

CHANGE IN INFORMATION OF DIRECTOR

Ms. Wang Hui, an executive Director and Chief Executive Officer of the Company, has been appointed as the general manager of Hainan Region of CCOOP since June 2026.

CORPORATE GOVERNANCE PRACTICES

The Company's corporate governance practices are based on the principles and code provisions as set out in the Corporate Governance Code (the "CG Code") contained in Appendix C1 of the Listing Rules. During the Period, the Company has complied with all the code provisions as set out in the CG Code.

EVENTS AFTER THE REPORTING PERIOD

The Board is not aware of any significant events requiring disclosure that has taken place subsequent to 30 June 2026 and up to the date of this report.

AUDIT COMMITTEE

The Company has established an audit committee (the "Audit Committee") with written terms of reference in compliance with Rule 3.21 and Rule 3.22 of the Listing Rules and the code provision D.3 of the CG Code. The primary duties of the Audit Committee are to assist the Board by providing an independent view of the effectiveness of the financial reporting process, internal control procedures and risk management systems of our Group; overseeing the audit process and the relationship with external auditor; reviewing arrangements enabling employees of the Group to raise concerns about possible improprieties in financial reporting, internal control or other matters of the Company; and performing other duties and responsibilities as assigned by our Board. The Group's condensed consolidated financial statements for the six months ended 30 June 2026 were unaudited, but have been reviewed by the Audit Committee.

As at the date of this report, Mr. Cheng Hok Kai Frederick, Mr. Gao Jingyuan and Mr. Ng Hoi are members of the Audit Committee. All of them are independent non-executive Directors. Mr. Cheng Hok Kai Frederick is the chairman of the Audit Committee.

By order of the Board
China Shun Ke Long Holdings Limited
Wang Rengang
Chairman and Executive Director

Hong Kong, 11 September 2026

As at the date of this report, the executive directors are Mr. Wang Rengang and Ms. Wang Hui; the non-executive director is Ms. Du Jing; and the independent non-executive directors are Mr. Cheng Hok Kai Frederick, Mr. Gao Jingyuan and Mr. Ng Hoi.

* For identification only