



Shuanghua Holdings Limited 雙樺控股有限公司

(Incorporated in the Cayman Islands with limited liability)
Stock Code : 1241



INTERIM REPORT

2026

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CORPORATE INFORMATION

Company Name:	Shuanghua Holdings Limited
Registered Office:	Conyers Trust Company (Cayman) Limited Cricket Square, Hutchins Drive PO Box 2681, Grand Cayman KY1-1111, Cayman Islands
Headquarter:	9/F, Tongsheng Building 458 Fushan Road Pudong District Shanghai PRC
Hong Kong Principal Business Address:	Unit No. 1, 6/F, Chevalier Commercial Centre No. 8 Wang Hoi Road Kowloon Bay Hong Kong
Company Website:	http://www.shshuanghua.com
Telephone:	(86 21) 5058 6337
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Enquiry Email:	ir@shshuanghua.com
Financial Year End:	31 December
Board of Directors:	<i>Executive Directors</i> Mr. ZHENG Ping (Chairman & Chief Executive Officer) Ms. ZHENG Fei Ms. TANG Lo Nar <i>Non-executive Director</i> Ms. KONG Xiaoling <i>Independent non-executive Directors</i> Mr. HE Binhui Mr. CHEN Lifan Ms. GUO Ying

CORPORATE INFORMATION



Company Secretary:	Ms. TANG Lo Nar
Authorised Representatives:	Mr. ZHENG Ping Ms. TANG Lo Nar
Audit Committee:	Mr. HE Binhui (<i>Chairman</i>) Ms. GUO Ying Mr. CHEN Lifan
Remuneration Committee:	Ms. GUO Ying (<i>Chairman</i>) Mr. HE Binhui Mr. CHEN Lifan
Nomination Committee:	Mr. CHEN Lifan (<i>Chairman</i>) Mr. HE Binhui Ms. GUO Ying
Hong Kong Share Registrar:	Computershare Hong Kong Investor Services Limited Shops 1712-1716 17/F, Hopewell Centre 183 Queen's Road East Wan Chai Hong Kong
Principal Banker:	China Construction Bank Corporation Shanghai Branch Fengxian Sub-branch 332 Jiefang Zhong Road Nanqiao Town, Fengxian District Shanghai PRC
Stock Code:	1241.HK
Listing Date:	30 June 2011

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

For the six months ended 30 June 2026 (the “Period” or “Period under Review”), Shuanghua Holdings Limited (“Shuanghua” or the “Company”) and its subsidiaries (collectively referred to as the “Group”) were principally engaged in the supply chain management business based on the Group’s properties, and the food supply business focusing on domestic and overseas high-end fruits and other agricultural and sideline products, with a view to contributing to the development of agriculture and the well-being of people’s livelihoods.

In the first half of 2026, global supply chains continued to face headwinds from geopolitical tensions and rising energy costs, particularly amid the escalating situation in the Middle East. Against this backdrop, China entered the inaugural year of the 15th Five-Year Plan, with the economy maintaining overall stability amid real estate adjustments and a gradual recovery in domestic demand, though structural imbalances persisted. In such a macroeconomic environment, the Group remained committed to pursuing steady growth in its businesses.

Facing a complex and evolving domestic and international environment, the Group continued to advance the diversification of its products and services in response to varied market demands. In addition, the 2026 Chinese New Year fell later than in previous years, which extended the festive consumption cycle and provided support to the Group’s sales. During the Period under Review, the Group recorded sales revenue of approximately RMB31.2 million, an increase of approximately RMB18.4 million as compared with the corresponding period in 2025.

As regards the supply chain management business, which is primarily operated from the Group’s properties in Shanghai, the Group enhanced the quality of services provided to existing customers while stepping up efforts to develop new customers. The Group also incurred capital expenditures for the upgrade and construction of the Group’s property, plant and equipment to enhance its service capabilities. During the Period under Review, the occupancy rate of the Group’s properties improved to a certain extent as compared with the corresponding period in 2025, and the supply chain management business generated revenue of approximately RMB8.5 million.

As regards the food supply business, the Group pursued its product diversification strategy, expanding into new product lines such as cooking oil and fruit juice to enrich its product portfolio, and further developing upstream and downstream resources to address the diversified needs of the market. During the Period under Review, the revenue from the food supply business amounted to approximately RMB22.7 million.

MANAGEMENT DISCUSSION AND ANALYSIS

Despite the growth in sales revenue, the Group recorded a net loss for the Period under Review. The Group reviewed its non-core assets and disposed of those idle assets whose recoverable amount was lower than their carrying amount. In addition, fluctuations in the international foreign exchange market and changes in the fair value of financial assets resulted in exchange losses and fair value losses, respectively. During the Period under Review, the Company recorded a loss attributable to the owners of the Company of approximately RMB15.2 million, as compared with the loss attributable to the owners of the Company of approximately RMB2.1 million for the corresponding period in 2025.

OUTLOOK AND STRATEGY

In the second half of 2026, the global geopolitical landscape is expected to remain complex and volatile, with geopolitical risks in the Middle East likely to persist, which may disrupt global supply chains. Against this backdrop, China's economy remains at a critical stage of transitioning from old to new growth drivers, and the adjustment of the real estate market and the recovery of domestic demand are expected to take time. Both domestic and international market environments continue to face instability and uncertainty. In such an environment, the Group will focus on (i) diversifying the Group's products and services, as well as customer base and distribution channels, to promote business expansion; and (ii) developing the Group's supply chain business of other goods and services, to foster further expansion and diversification of the Group's business.

(i) Diversifying the Group's products and services, as well as customer base and distribution channels, to promote business expansion

The Group will continue to expand its business scale in a steady manner and enhance its profitability, and will continue to consolidate its one-stop supply chain solution model and diversify its portfolio of products and services in response to market changes. Regarding the supply chain management business, the Group will steadily advance cooperation with existing customers, develop new clients in a prudent manner, and continuously upgrade its properties to improve service quality, with a view to enhancing the utilisation rate of its properties. For the food supply business, the Group will conduct in-depth analysis of its products and services, and further develop upstream and downstream resources in this regard. The Group will also step up efforts to develop its customer base and distribution channels, such as restaurant chains and food catering services in different regions of China. In response to customer demand, the Group will seek to diversify the range of agricultural products and enhance its supply capabilities. Meanwhile, the Group will strengthen quality control and risk management, embedding quality and risk control elements throughout its business chain to support the steady development of the Group's business.

MANAGEMENT DISCUSSION AND ANALYSIS

(ii) **Developing the Group's supply chain business of other goods and services, to foster further expansion and diversification of the Group's business**

The Group will endeavour to seize the development opportunities presented by the 15th Five-Year Plan and identify supply chain business opportunities for products and services in emerging fields, with a view to exploring new growth drivers. Where appropriate, the Group will further strengthen its market position through means such as investment, joint ventures and the establishment of strategic alliances, so as to pursue high-quality growth and promote the long-term and sustainable development of the Group's businesses. The management is committed to laying a solid foundation for the Group's diversified development and to further expanding its business operations.

The Group will continue to conduct comprehensive assessments of the market conditions of different business segments, adjust its strategies and business plans in a prudent and timely manner, and manage and develop its existing businesses while exploring potential businesses to achieve sustainable business development. The Group will continue to build competitive advantages with a view to achieving long-term sustainable growth, underpinned by its professional management and expertise, business cooperation, and technological strengths and capabilities.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

For the six months ended 30 June 2026, the Group's revenue was approximately RMB31.2 million, an increase of approximately RMB18.4 million compared with approximately RMB12.8 million in the corresponding period of 2025.

The following table sets forth the breakdown of the Group's revenue by business segments for the periods indicated:

	For the six months ended 30 June			
	2026		2025	
Revenue	RMB'000	% of Revenue	RMB'000	% of Revenue
Supply chain management business	8,519	27.3%	6,463	50.5%
Food supply business	22,673	72.7%	6,326	49.5%
Total	31,192	100.0%	12,789	100.0%

Gross profit/(loss)

For the six months ended 30 June 2026, the Group recorded a gross profit of approximately RMB1.6 million (gross profit for the six months ended 30 June 2025: approximately RMB1.1 million), increased by approximately RMB0.5 million as compared to the corresponding period of last year, mainly attributable to the expansion of the Group's business scale.

MANAGEMENT DISCUSSION AND ANALYSIS

The following table sets forth the breakdown of the Group's gross profit/(loss) by business segments for the periods indicated:

	For the six months ended 30 June	
	2026 RMB'000	2025 RMB'000
Gross profit/(loss)		
Supply chain management business	3,860	1,112
Food supply business	(2,296)	7
Total	1,564	1,119

Other income, gains and losses

For the six months ended 30 June 2026, the Group's other income, gains and losses amounted to a net loss of approximately RMB8.9 million (for the six months ended 30 June 2025: a net gain of approximately RMB3.0 million). The other income, gains and losses was mainly due to the loss on disposal of the idle assets, exchange loss arising from the depreciation of the US dollar against RMB, and loss arising from changes in the fair value of financial assets.

Reversal of impairment losses of trade receivables under expected credit loss model

For the six months ended 30 June 2026, the Group's reversal of impairment losses under expected credit loss model amounted to approximately RMB24,000. For the six months ended 30 June 2025, the Group's reversal of impairment loss under expected credit loss model amounted to approximately RMB2.7 million.

MANAGEMENT DISCUSSION AND ANALYSIS



Selling and distribution costs

Selling and distribution costs primarily comprised of staff-related costs, sales transportation fees, operating lease rental expenses, entertainment and travelling expenses. For the six months ended 30 June 2026, the Group's selling and distribution costs amounted to approximately RMB0.4 million, a decrease by approximately RMB0.5 million, mainly due to reduction of sales commission and travelling expenses compared to last year (for the six months ended 30 June 2025: approximately RMB0.9 million).

Administrative expenses

Administrative expenses primarily comprised 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 six months ended 30 June 2026, the Group's administrative expenses amounted to approximately RMB7.5 million, decreased by approximately RMB0.8 million as compared to the corresponding period of last year, mainly attributable to the decrease in depreciation expense of equipment.

Interest expense

The Group's interest expense for the six months ended 30 June 2026 amounted to approximately RMB10,000 (for the six months ended 30 June 2025: approximately RMB3,000).

Income tax (expense)/credit

For the six months ended 30 June 2026, the Group's tax expense was approximately RMB12,000. For the six months ended 30 June 2025, the Group's tax credit was approximately RMB283,000.

Loss for the Period

For the six months ended 30 June 2026, the loss attributable to the owners of the Company was approximately RMB15.2 million, while the loss attributable to the owners of the Company for the corresponding period of last year was approximately RMB2.1 million.

MANAGEMENT DISCUSSION AND ANALYSIS

LIQUIDITY AND FINANCIAL RESOURCES

Net current assets

The Group's net current assets increased from approximately RMB88.0 million as at 31 December 2025 to approximately RMB88.5 million as at 30 June 2026.

Financial position and bank borrowings

As at 30 June 2026, the Group's total cash and cash equivalents and financial assets at fair value through profit or loss amounted to approximately RMB81.8 million. 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 30 June 2026 and 31 December 2025, the Group did not have any borrowings. The gearing ratio was not applicable to the Group (as at 31 December 2025: nil).

Save as aforesaid or otherwise disclosed in the notes to the financial information, and apart from intra-group liabilities, as at 30 June 2026, the Group did not have any outstanding mortgages, charges, debentures, debt securities or other loan capitals or bank overdrafts or loans or similar indebtedness or finance lease commitments, liabilities under acceptances or acceptance credits or hire purchase commitments, guarantees or other material contingent liabilities (as at 31 December 2025: nil).

The directors of the Company (the "Directors") have confirmed that there has not been any material change in the indebtedness and contingent liabilities of the Group during the period since 31 December 2025.

Working capital

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

For the six months ended 30 June 2026, the average inventory turnover days were 2.5 days (for the six months ended 30 June 2025: 0 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 180 days. The average inventory turnover days were similar to that of last year.

MANAGEMENT DISCUSSION AND ANALYSIS

For the six months ended 30 June 2026, the average turnover days of trade and bills receivables were 124 days (for the six months ended 30 June 2025: 135 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 180 days. The average turnover days of trade and bills receivables decreased as compared with the corresponding period in 2025, mainly attributable to the Group's adjustment of its sales strategy and preference for customers with shorter payment terms.

For the six months ended 30 June 2026, the average turnover days of trade and bills payables were 73 days (for the six months ended 30 June 2025: 97 days). The average turnover days of trade and bills payables are arrived at by dividing the arithmetic means of the opening and ending balances of trade and bills payables for the relevant period by cost of sales of the same period and multiplying the quotient by 180 days. The average turnover days of trade and bills payables decreased mainly due to the Group's efforts to expand its business scale by selecting high-quality suppliers and appropriately shortening the settlement cycle while ensuring supply stability.

CAPITAL EXPENDITURES, CAPITAL COMMITMENTS AND HUMAN RESOURCES

For the six months ended 30 June 2026, the Group's capital expenditures were approximately RMB0.9 million, mainly due to upgrade and construction of the Group's property, plant and equipment (for the six months ended 30 June 2025: approximately RMB1.7 million).

As at 30 June 2026, the Group had no capital commitments (as at 30 June 2025: approximately RMB1.0 million).

As at 30 June 2026, the Group had 34 employees, including Directors, management, sales, manufacturing, logistics support and other ancillary personnel. The decrease in the number of employees was mainly attributable to the Group's internal structural optimisation of personnel, as well as the implementation of a more advanced management system and equipment which reduced the Group's manpower requirements amid the adjustment and optimisation of its businesses. For the six months ended 30 June 2026, the Group's total wages and salaries amounted to approximately RMB1.9 million (excluding directors' and chief executives' remuneration). 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.

MANAGEMENT DISCUSSION AND ANALYSIS

Pursuant to the relevant 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. The Group provides social insurances and pays contributions to housing reserve funds for its employees in accordance with the interpretations to the relevant labour laws and regulations given, and policies and measures executed by local government departments. The Group has established various welfare plans including the provision of pension funds, medical insurance, unemployment insurance and other relevant insurance for employees who are employed by our Group pursuant to the PRC rules and regulations and the existing policy requirements of the local government. For the six months ended 30 June 2026, the Group's welfare expenses amounted to approximately RMB0.5 million. The Group has complied, in all material respects, with all statutory requirements on retirement contribution in the jurisdictions where the Group operates.

The determination of the remuneration to 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 its operational and financial performance. The basic salary of each of our executive and non-executive Directors will be reviewed by the remuneration committee ("Remuneration Committee") of the board of Directors (the "Board") at the end of each financial year.

Significant investments, material acquisitions and disposals

For the six months ended 30 June 2026, the Group did not have any significant investments, material acquisitions or disposals of subsidiaries, associates and joint ventures.

Foreign exchange risk

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 economic situation and the Group's foreign exchange risk profile and will consider appropriate hedging measures in the future when necessary.

MANAGEMENT DISCUSSION AND ANALYSIS

Contingent liabilities

As at 30 June 2026, the Group had no significant contingent liabilities (as at 31 December 2025: nil).

Pledge of assets

As at 30 June 2026, the Group had no pledge of assets (as at 31 December 2025, the Group had no pledge of assets).

INTERIM DIVIDEND

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2026 (for the six months ended 30 June 2025: nil).

MATERIAL EVENTS AFTER THE REPORTING PERIOD

On 24 July 2026, Anhui Shuanghua Intelligent Technology Co., Ltd. (“Anhui Shuanghua”), a subsidiary of the Company, entered into a disposal agreement with Huangshan Jiulong Construction Investment Co., Ltd. (“Jiulong Construction”), pursuant to which Anhui Shuanghua conditionally agreed to sell, and Jiulong Construction conditionally agreed to acquire, an industrial real estate property located at No. 1 Chengxiang Road, Jiulong Low-Carbon Economic Park, Tunxi District, Huangshan City, Anhui Province, the PRC (the “Target Properties”), for a total consideration of RMB45,830,250 (the “Disposal”).

As the Disposal constitutes a major transaction under the Listing Rules, the Company published a circular on the major transaction in relation to the Disposal of Target Properties and a notice of extraordinary general meeting (the “EGM Notice”) on 14 August 2026. On 3 September 2026, the proposed resolution as set out in the EGM Notice was duly passed by way of poll at the EGM. For details, please refer to the announcement of poll results dated 3 September 2026.

CORPORATE GOVERNANCE AND OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2026, the interests and short positions of the Directors and chief executives of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO"), which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or which were required to be recorded in the register kept by the Company under Section 352 of SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

Long positions in the Shares

As at 30 June 2026, the issued share capital of the Company comprised 650,000,000 ordinary shares in the capital of the Company (the "Shares").

Name of Directors	Number of Shares			Total	Percentage of issued share capital
	Personal interests	Family interests	Corporate interests		
Mr. Zheng Ping (Note 1)	–	–	282,750,000	282,750,000	43.5%
Ms. Kong Xiaoling (Note 2)	–	282,750,000	–	282,750,000	43.5%

Notes:

- Mr. Zheng Ping is an executive Director and holds 100% interest in Youshen International Group Limited ("Youshen Group") and he is deemed to be interested in the 282,750,000 Shares held by Youshen Group.
- Ms. Kong Xiaoling is a non-executive Director and the spouse of Mr. Zheng Ping. Accordingly, Ms. Kong is deemed to be interested in the 282,750,000 Shares held by Youshen Group under the SFO.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Save as disclosed above, as at 30 June 2026, none of the Directors nor the chief executives of the Company had any interests or short positions in any Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required to be recorded in the register kept by the Company under Section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

INTERESTS DISCLOSEABLE UNDER THE SFO AND SUBSTANTIAL SHAREHOLDERS

As at 30 June 2026, to the best knowledge of the Directors, the following persons (not being a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares of the Company which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which would be required to be recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Long positions in the Shares

As at 30 June 2026, the issued share capital of the Company comprised 650,000,000 Shares.

Name of shareholders	Capacity	Nature of Interests	Number of Shares	Percentage of issued share capital
Youshen Group (Note 1)	Beneficial owner	Corporate	282,750,000	43.5%
Ms. Zhou Shu Xian	Beneficial owner	Individual	120,160,000	18.5%
Mr. Xu Zong Lin	Beneficial owner	Individual	59,144,000	9.1%

Note:

- Mr. Zheng Ping is an executive Director and holds 100% interest in Youshen Group and he is deemed to be interested in the 282,750,000 Shares held by Youshen Group. Ms. Kong Xiaoling is the spouse of Mr. Zheng Ping and she is deemed to be interested in the 282,750,000 Shares held by Youshen Group under the SFO.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Save as disclosed above, as at 30 June 2026, the Directors were not aware of any persons (not being a Director or chief executive of the Company) who had any interests or short positions in the Shares or underlying Shares of the Company which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which would be required to be recorded in the register kept by the Company pursuant to Section 336 of the SFO.

SHARE OPTION SCHEME

In light of the expiry of the share option scheme which was adopted on 8 June 2011 (became effective on 29 June 2011) and expired on 29 June 2021, the Company adopted a new share option scheme on 30 June 2022 (the “2022 Share Option Scheme”) to enable the Company to grant options to eligible participants as incentives or rewards for their contributions to our Group.

The maximum number of Shares which may be issued upon exercise of all options granted and to be granted under the 2022 Share Option Scheme is 65,000,000 Shares, representing 10% of the Shares of the Company in issue as at the date of adoption of the 2022 Share Option Scheme. The maximum number of Shares issuable under share options granted to each eligible participant in the 2022 Share Option Scheme (including both exercised and outstanding options) within any 12-month period is limited to 1% of the Shares in issue. Any grant or further grant of share options in excess of this limit is subject to Shareholders’ approval in a general meeting. Eligible participants of the 2022 Share Option Scheme include any full-time or part-time employees, executives or officers (including executive and non-executive Directors, but excluding independent non-executive Directors) of the Company or any of the subsidiaries of the Company, as absolutely determined by the Board.

CORPORATE GOVERNANCE AND OTHER INFORMATION

The 2022 Share Option Scheme is valid and effective for a period of 10 years commencing from the approval of the 2022 Share Option Scheme at the 2021 annual general meeting of the Company held on 30 June 2022. As at 30 June 2026, the remaining life of the 2022 Share Option Scheme is approximately six and a half years. The exercise period of any option granted under the 2022 Share Option Scheme must not be more than ten years commencing from the date of grant. The acceptance of an offer of the grant of the option must be made within 28 days from the date of grant with a nonrefundable payment of HKD1.00 from the grantee. A grant of share options under the 2022 Share Option Scheme to a Director, chief executive or substantial Shareholder of the Company, or to any of their associates, is subject to approval in advance by the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the option). In addition, any share options granted to a substantial Shareholder or an independent non-executive Director of the Company, or to any of their associates, which would result in the Shares issued and to be issued, upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding), to such person in the 12-month period up to and including the date of the grant in excess of 0.1% of the Shares in issue and with an aggregate value (based on the closing price of the Shares at the date of grant) in excess of HK\$5 million, are subject to Shareholders' approval in advance in a general meeting. The exercise period of the share options granted is determined by the Directors, save that such a period shall not be more than 10 years from the date of offer of the share options and subject to the provisions for early termination as set out in the 2022 Share Option Scheme. There is no requirement of a minimum period for which an option must be held before it can be exercised. The subscription price for a Share in respect of any particular option granted under the 2022 Share Option Scheme (subject to adjustments upon capital restructuring) shall be such price as the Board in its absolute discretion shall determine, save that such price must not be less than the highest of (i) the official closing price of the Shares as stated in the daily quotations sheet of the Stock Exchange on the date of offer to grant option; (ii) the average of the official closing price of the Shares as stated in the daily quotations sheet of the Stock Exchange for the five business days immediately preceding the date of offer to grant option; and (iii) the nominal value of a Share.

No share options have been granted under the 2022 Share Option Scheme since it became effective. During the six months ended 30 June 2026, no share options were granted, exercised, lapsed or cancelled, and as at 30 June 2026, no options under the 2022 Share Option Scheme were outstanding. As at the date of this report, the total number of shares available for issue under the 2022 Share Option Scheme was 65,000,000 Shares, representing 10% of the issued share capital of the Company as at the date of this report.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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

During the six months ended 30 June 2026, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale or transfer of treasury Shares (as defined under the Listing Rules)). As at 30 June 2026, the Company did not hold any treasury Shares (as at 31 December 2025: nil).

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has adopted all the requirements of the code provisions of the Corporate Governance Code contained in Appendix C1 to the Listing Rules (the "Corporate Governance Code"). 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 six months ended 30 June 2026, except the deviation from provisions C.2.1 as explained below.

Code provision C.2.1

Under provision C.2.1 of the Corporate Governance Code, the roles of the chairman of the Board 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 of the Board and the CEO of the Group are not separated and are performed by the same individual. Mr. Zheng Ping acted as both the chairman of the Board and CEO throughout the Period under Review. The Directors met regularly to consider major matters affecting the operations of the Group. The Directors considered that this structure will not impair the balance of power and authority between the Directors and management of the Group and believed that this structure will enable the Group to make and implement decisions promptly and efficiently.

COMPLIANCE WITH THE MODEL CODE

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 set out in the Model Code during the six months ended 30 June 2026.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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 report.

NOMINATION COMMITTEE

The Company established a nomination committee of the Board (“Nomination Committee”) which is primarily responsible for making recommendations to the Board regarding the Group’s engagement of appropriate directors and managerial personnel (including the skills, knowledge and experience) to complement the Company’s corporate strategies. The Nomination Committee comprises Mr. Chen Lifan, Mr. He Binhui and Ms. Guo Ying, and is chaired by Mr. Chen Lifan.

BOARD DIVERSITY POLICY

The Board adopted a board diversity policy on 5 March 2019, and further amended the board diversity policy on 31 August 2023 to take effect on the same date (the “Board Diversity Policy”), which aims to set out the principles and approach to achieve diversity of the Board.

The Group recognizes that diversification at the Board level is one of the important factors to improve corporate performance, optimize leadership structure, improve talent quality, and promote the long-term development of the Group. The candidates selected will be based on a range of diverse categories, including but not limited to, gender, age, ethnicity, cultural and educational background, professional skills, career experience, management level and length of service. The Nomination Committee will ultimately make appointment decisions based on the overall quality of the candidates and their contributions to the Board. The Nomination Committee will review the Board Diversity Policy, as appropriate, to ensure its continued effectiveness from time to time.

REMUNERATION COMMITTEE

The Company established a Remuneration Committee which is primarily responsible for making recommendations to the Board regarding the Group’s policy and structure for remuneration of Directors and senior management and determining the specific remuneration packages of all executive Directors and senior management of the Company. The Remuneration Committee comprises Ms. Guo Ying, Mr. He Binhui and Mr. Chen Lifan, and is chaired by Ms. Guo Ying.

CORPORATE GOVERNANCE AND OTHER INFORMATION

AUDIT COMMITTEE

The Company established an audit committee of the Board (“Audit Committee”) 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 Effective Audit Committee” published by the Hong Kong Institute of Certified Public Accountants. The Audit Committee provides an important link between the Board and the Company’s auditor in matters coming within the scope of the Group’s audit. It also reviews the financial reporting process and the adequacy and effectiveness of the Group’s internal control and risk management system. The Audit Committee is of the view that the risk management and internal control system at present have been valid and adequate.

REVIEW OF INTERIM RESULTS

The Audit Committee has reviewed the unaudited consolidated results of the Company for the six months ended 30 June 2026 and this interim report. In particular, the Audit Committee has reviewed with management of the Company on the accounting principles and practices adopted by the Group and held meetings to discuss the internal controls and financial reporting matters regarding the Group’s unaudited consolidated financial information for the six months ended 30 June 2026.

On behalf of the Board
Shuanghua Holdings Limited
Zheng Ping
Chairman

Hong Kong, 31 August 2026

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June

	Notes	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Revenue	5	31,192	12,789
Cost of sales		(29,628)	(11,670)
Gross profit		1,564	1,119
Other income, gains and losses	5	(8,856)	3,005
Reversal of impairment losses of trade receivables, other receivables and other assets		24	2,676
Selling and distribution costs		(408)	(938)
Administrative expenses		(7,505)	(8,257)
Interest expense		(10)	(3)
Loss before tax	6	(15,191)	(2,398)
Income tax (expense)/credit	7	(12)	283
Loss and total comprehensive income for the period		(15,203)	(2,115)
Attributable to:			
Owners of the parent		(15,203)	(2,115)
		(15,203)	(2,115)
Loss per share attributable to ordinary equity holders of the parent			
Basic and diluted	9	(2.3) cents	(0.3) cents

INTERIM 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	44,681	55,637
Investment properties		64,966	67,904
Right-of-use assets	11	21,701	22,264
Financial assets at fair value through profit or loss	12	7,844	9,127
Total non-current assets		139,192	154,932
CURRENT ASSETS			
Inventories		516	325
Trade and bills receivables	13	14,727	28,236
Prepayments, other receivables and other assets		15,241	14,923
Cash and bank balances	14	73,989	78,132
Total current assets		104,473	121,616
TOTAL ASSETS		243,665	276,548
CURRENT LIABILITIES			
Trade payables	15	5,265	18,705
Other payables and accruals		9,096	13,063
Lease liabilities		293	578
Tax payable		1,283	1,283
Total current liabilities		15,937	33,629
TOTAL ASSETS LESS CURRENT LIABILITIES		227,728	242,919

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
NON-CURRENT LIABILITY		
Deferred tax liabilities	1,043	1,031
Total non-current liability	1,043	1,031
NET ASSETS	226,685	241,888
EQUITY		
Equity attributable to owners of the parent		
Issued capital	5,406	5,406
Reserves	221,275	236,478
	226,681	241,884
Non-controlling interests	4	4
TOTAL EQUITY	226,685	241,888

Zheng Ping
Director

Tang Lo Nar
Director

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June

	Attributable to owners of the parent							
	Share capital	Share premium	Capital reserve	Statutory surplus reserve	Merger reserve	Retained profits/ (accumulated loss)	Total	Non-controlling interests
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2025 (audited)	5,406	133,658	168,134	43,222	(119,378)	29,652	260,694	4
Loss and total comprehensive income for the period (unaudited)	-	-	-	-	-	(2,115)	(2,115)	-
At 30 June 2025 (unaudited)	5,406	133,658	168,134	43,222	(119,378)	27,537	258,579	4
At 1 January 2026 (audited)	5,406	133,658	168,134	43,222	(119,378)	10,842	241,884	4
Loss and total comprehensive income for the period (unaudited)	-	-	-	-	-	(15,203)	(15,203)	-
At 30 June 2026 (unaudited)	5,406	133,658	168,134	43,222	(119,378)	(4,361)	226,681	4

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June



	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Net cash flows from operating activities	(5,184)	3,269
Net cash flows from investing activities	1,336	(1,680)
Net cash flows used in financing activities	(295)	(3)
Net (decrease)/increase in cash and cash equivalents	(4,143)	1,586
Cash and cash equivalents at beginning of period	78,132	79,934
Cash and cash equivalents at end of period	73,989	81,520

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2026

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 six months ended 30 June 2026, the Company and its subsidiaries (the “Group”) were principally engaged in the supply chain management business based on the Group’s properties, and the food supply business focusing on domestic and overseas high-end fruits and other agricultural and sideline products, with a view to contributing to the development of agriculture and the well-being of people’s livelihoods.

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

2. BASIS OF PREPARATION

The interim condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by The Hong Kong Institute of Certified Public Accountants (the “HKICPA”). In addition, the interim condensed consolidated financial statements include the applicable disclosures requirements of the Rules Governing the Listing of Securities (the “Listing Rules”) on the Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The interim condensed consolidated financial statements have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss and debt instruments at fair value through other comprehensive income, which have been measured at fair value. The interim condensed consolidated financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated.

The interim condensed consolidated financial statements should be read in conjunction with the annual financial statements of the Group for the year ended 31 December 2025.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2026

3. APPLICATION OF AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

Other than changes in accounting policies resulting from application of new and amendments to HKFRS Accounting Standards ("HKFRSs") and Interpretation effective for the first time for annual periods beginning on 1 January 2026, the accounting policies and methods of computation used in the interim condensed consolidated financial statements for the six months ended 30 June 2026 are the same as those followed in the preparation of the annual financial statements of the Group for the year ended 31 December 2025.

The HKICPA has issued the following amendments to HKFRSs that are first effective for the current accounting period of the Group:

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

The adoption of the above amended HKFRSs that are effective from 1 January 2026 did not have any significant impact on the Group's accounting policies.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2026

4. OPERATING SEGMENT INFORMATION

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:

Segment revenue and results

Supply chain management
business

The Group is involved in the business of supply chain management based on its properties.

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.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2026

4. OPERATING SEGMENT INFORMATION (continued)
Segment revenue and results (continued)
For the six months ended 30 June 2026 (unaudited)

	Food supply business RMB'000 (Unaudited)	Supply chain management business RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
REVENUE	22,673	8,519	31,192
RESULTS			
Segment results	(2,296)	3,860	1,564
Other income, gains and losses			(8,856)
Reversal of impairment losses on trade receivables, other receivables and other assets			24
Selling and distribution costs			(408)
Administrative expenses			(7,505)
Interest expense			(10)
Loss before tax			(15,191)

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2026

4. OPERATING SEGMENT INFORMATION (continued)

Segment revenue and results (continued)

For the six months ended 30 June 2025 (unaudited)

	Food supply business RMB'000 (Unaudited)	Supply chain management business RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
REVENUE	<u>6,326</u>	<u>6,463</u>	<u>12,789</u>
RESULTS			
Segment results	<u>7</u>	<u>1,112</u>	<u>1,119</u>
Other income, gains and losses			3,005
Reversal of impairment losses on trade receivables, other receivables and other assets			2,676
Selling and distribution costs			(938)
Administrative expenses			(8,257)
Interest expense			<u>(3)</u>
Loss before tax			<u>(2,398)</u>

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2026

4. OPERATING SEGMENT INFORMATION (continued)

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 six months ended 30 June 2026 and 2025 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 six months ended 30 June 2026, the respective revenue from two (for the six months ended 30 June 2025: three) customers accounted for more than 10% of the Group's total revenue individually.

	For the six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Customer A	12,964	—
Customer B	5,509	—
Customer C	—	6,265
Customer D	—	3,179
Customer E	—	1,318
	18,473	10,762

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2026

5. REVENUE, OTHER INCOME, GAINS AND LOSSES

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Revenue from contracts with customers within the scope of HKFRS 15		
– Supply chain management: supply chain services	–	1,835
– Food supply	22,673	6,326
Revenue from other sources		
– Supply chain management: leasing	8,519	4,628
	<u>31,192</u>	<u>12,789</u>

Disaggregated revenue information for revenue from contracts with customers

	For the six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Timing of revenue recognition		
Over time	–	1,835
At a point in time	22,673	6,326

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2026

5. REVENUE, OTHER INCOME, GAINS AND LOSSES (continued)

	For the six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Other income		
Interest income	952	1,457
	<u>952</u>	<u>1,457</u>
Gains and (losses)		
Fair value change on financial assets at fair value through profit or loss	(1,283)	1,320
Foreign exchange losses, net	(1,206)	(172)
Loss on disposal of property, plant and equipment	(7,590)	—
Others	271	400
	<u>(9,808)</u>	<u>1,548</u>
Total other income, gains and losses	<u>(8,856)</u>	<u>3,005</u>

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2026

6. LOSS BEFORE TAX

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

	For the six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Cost of inventories sold	24,968	6,319
Depreciation of property, plant and equipment	2,029	2,831
Depreciation of investment properties	2,938	2,904
Depreciation of right-of-use assets	277	277
Reversal of impairment losses of trade receivables, other receivables and other assets	(24)	(2,676)
Employee benefit expense (excluding directors' and chief executives' remuneration):		
Wages and salaries	1,946	2,069
Pension scheme contributions	356	384
Staff welfare expenses	186	7
	2,488	2,460

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2026

7. INCOME TAX EXPENSE/(CREDIT)

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 Group calculated the period income tax expense/(credit) using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense/(credit) in the interim condensed consolidated statement of profit or loss and other comprehensive income are:

	For the six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Current tax:		
Charge for the period	—	—
Deferred tax	12	(283)
Total tax expense/(credit) for the period	12	(283)

8. DIVIDENDS

The Board did not recommend the payment of a final dividend in respect of the year ended 31 December 2025 or an interim dividend in respect of the six months ended 30 June 2026.

9. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the loss per share amount is based on the loss for the period attributable to ordinary equity holders of the parent, and the number of ordinary shares in issue during the period is 650,000,000 (for the six months ended 30 June 2025: 650,000,000).

The Group did not have any dilutive potential ordinary shares in issue during the period (for the six months ended 30 June 2025: nil).

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2026

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2026, the Group acquired items of property, plant and equipment with a cost of RMB885,000 (for the six months ended 30 June 2025: RMB1,680,000).

During the six months ended 30 June 2026, there was no item transferred from property, plant and equipment to investment properties (for the six months ended 30 June 2025: nil).

During the six months ended 30 June 2026, the Group disposed of items of property, plant and equipment and resulted in a loss on disposal of RMB7,590,000 (For the six months ended 30 June 2025: nil).

None of the Group's buildings were pledged as at 30 June 2026 (as at 31 December 2025: nil).

11. RIGHT-OF-USE ASSETS

During the six months ended 30 June 2026, there is no transfer of right-of-use assets to investment properties (for the six months ended 30 June 2025: nil).

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Listed equity investment, at fair value	7,844	9,127

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.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2026

13. TRADE AND BILLS RECEIVABLES

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Trade receivables	33,319	46,851
Bills receivable	—	1
	33,319	46,852
Impairment allowance	(18,592)	(18,616)
	14,727	28,236

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.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2026

13. TRADE AND BILLS RECEIVABLES (continued)

As at 30 June 2026, bills receivable of RMBNil (as at 31 December 2025: RMB1,000) 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 period.

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

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Within 1 month	10,430	28,024
1 to 3 months	—	—
3 to 12 months	4,210	182
Over 12 months	87	29
	14,727	28,235

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2026

14. CASH AND BANK BALANCES

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Cash and bank balances	73,989	78,132

As at 30 June 2026, cash and bank balances of the Group denominated in RMB amounted to RMB37,263,000 (as at 31 December 2025: RMB39,895,000). RMB is not freely convertible into other currencies. However, under the Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

15. TRADE PAYABLES

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Trade payables	5,265	18,705

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2026

15. TRADE PAYABLES (continued)

An ageing analysis of the trade payables as at the end of the reporting periods as indicated, based on the invoice dates, are as follows:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Within 1 month	305	15,374
1 to 3 months	293	36
3 to 6 months	1,033	—
6 to 12 months	—	—
Over 12 months	3,634	3,295
	5,265	18,705

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

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2026

16. RELATED PARTY TRANSACTIONS

- (a) In addition to the transactions detailed elsewhere in the unaudited interim condensed consolidated financial statements, the Group had the following transactions with a related party during the period:

	For the six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Office rental paid to Shanghai Automart Investment Co., Ltd. ("Shanghai Automart")	237	286

Office rental paid to Shanghai Automart was based on prices mutually agreed between the parties. The director, Kong Xiaoling, is interested in Shanghai Automart.

- (b) Compensation of key management personal of the Group:

	For the six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Short term employee benefits	1,015	929
Pension scheme contributions	94	38
Total compensation paid to key management personnel	1,109	967

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2026

17. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

Financial assets

30 June 2026 (Unaudited)

	Financial assets at fair value through profit or loss RMB'000	Financial assets at fair value through other comprehensive income RMB'000	Financial assets at amortised cost RMB'000	Total RMB'000
Financial assets at fair value through profit or loss	7,844	-	-	7,844
Trade and bills receivables	-	-	14,727	14,727
Financial assets included in prepayments, other receivables and other assets	-	-	2,444	2,444
Cash and bank balances	-	-	73,989	73,989
	<u>7,844</u>	<u>-</u>	<u>91,160</u>	<u>99,004</u>

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2026

17. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows: (continued)

Financial assets (continued)

31 December 2025 (Audited)

	Financial assets at fair value through profit or loss RMB'000	Financial assets at fair value through other comprehensive income RMB'000	Financial assets at amortised cost RMB'000	Total RMB'000
Financial assets at fair value through profit or loss	9,127	–	–	9,127
Trade and bills receivables	–	1	28,235	28,235
Financial assets included in prepayments, other receivables and other assets	–	–	2,088	2,088
Cash and bank balances	–	–	78,132	78,132
	<u>9,127</u>	<u>1</u>	<u>108,455</u>	<u>117,583</u>

Financial liabilities – at amortised cost

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Trade payables	5,265	18,705
Financial liabilities included in other payables and accruals	2,736	1,996
	<u>8,001</u>	<u>20,701</u>

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2026

18. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

All the carrying amounts of the Group's financial instruments approximate to their fair values.

Management has assessed that the fair values of cash and bank balances, trade and bills receivables, financial assets included in prepayments, other receivables and other assets, trade payables, financial liabilities included in other payables and accruals and lease liabilities approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance department reports directly to the finance manager. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the finance manager. The valuation process and results are discussed with the directors once a year for annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The fair values of listed equity investments are based on quoted market prices.

The fair values of the bills receivable classified as financial assets at fair value through other comprehensive income under HKFRS 9 have been calculated by discounting the expected future cash flows, which are the par values of the bills receivable. In addition, the bills receivable will mature within six months, thus their fair values approximate to their carrying values.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2026

18. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)**Fair value hierarchy**

Assets measured at fair value:

As at 30 June 2026 (unaudited)

	Fair value measurement using			
	Quoted price in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Debt investments at fair value through other comprehensive income:				
Bills receivable	-	-	-	-
Financial assets at fair value through profit or loss:				
Listed equity investments	<u>7,844</u>	<u>-</u>	<u>-</u>	<u>7,844</u>
	<u>7,844</u>	<u>-</u>	<u>-</u>	<u>7,844</u>

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2026

18. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)**Fair value hierarchy (continued)**

Assets measured at fair value: (continued)

As at 31 December 2025 (audited)

	Fair value measurement using			Total RMB'000
	Quoted price in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Debt investments at fair value through other comprehensive income:				
Bills receivable	-	1	-	1
Financial assets at fair value through profit or loss:				
Listed equity investments	9,127	-	-	9,127
	<u>9,127</u>	<u>1</u>	<u>-</u>	<u>9,128</u>

The Group did not have any financial liabilities measured at fair value as at 30 June 2026 (as at 31 December 2025: nil).

During the period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (for the six months ended 30 June 2025: nil).

19. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim condensed consolidated financial statements were approved and authorised for issue by the board of directors on 31 August 2026.