



# 2025

## INTERIM REPORT



**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

# CONTENTS

Corporate Information	2
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	3
Condensed Consolidated Statement of Financial Position	4
Condensed Consolidated Statement of Changes in Equity	6
Condensed Consolidated Statement of Cash Flows	7
Notes to the Condensed Consolidated Interim Financial Statements	8
Management Discussion and Analysis	24
Other Information	32





## 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  
Ms. Pang Hui

### COMPANY SECRETARY

Ms. Pang Hui

### COMPANY'S WEBSITE

[www.skl.com.cn](http://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

Room 1602, 16/F, Progress Commercial Building  
9 Irving Street  
Causeway Bay, 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  
China Everbright Bank Hong Kong Branch

### AUDITOR

SHINEWING (HK) CPA Limited  
17/F, Chubb Tower, Windsor House  
311 Gloucester Road  
Causeway Bay, Hong Kong

### 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 2025

		Six months ended 30 June	
	Notes	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Revenue	4	245,947	308,164
Cost of inventories sold		(217,138)	(269,381)
Gross profit		28,809	38,783
Other operating income	4	14,014	8,589
Selling and distribution costs		(36,482)	(56,311)
Administrative expenses		(8,043)	(6,891)
Impairment losses reversed (impairment losses recognised) in respect of trade receivables		868	(583)
Impairment losses recognised in respect of other receivables		(167)	–
Finance costs	6	(2,242)	(2,264)
Loss before tax	5	(3,243)	(18,677)
Income tax expenses	7	(42)	(70)
Loss for the period		(3,285)	(18,747)
Other comprehensive (expense) income			
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		(677)	267
Total comprehensive expense for the period		(3,962)	(18,480)
Loss for the period attributable to:			
– Owners of the Company		(3,200)	(18,596)
– Non-controlling interests		(85)	(151)
		(3,285)	(18,747)
Total comprehensive expense for the period attributable to:			
– Owners of the Company		(3,877)	(18,329)
– Non-controlling interests		(85)	(151)
		(3,962)	(18,480)
Loss per share – basic and diluted (RMB)	9	(0.01)	(0.06)

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

	Notes	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
<b>Non-current assets</b>			
Property, plant and equipment	10	23,625	23,452
Right-of-use assets	11	45,645	54,785
Investment properties	10	8,207	8,370
Deposits paid		5,308	5,760
Deferred tax assets		1,127	1,127
		<u>83,912</u>	<u>93,494</u>
<b>Current assets</b>			
Inventories		62,459	77,535
Trade and bills receivables	12	36,844	35,088
Deposits paid, prepayments and other receivables		64,682	77,229
Amounts due from related companies	14	202	202
Cash and cash equivalents		25,523	21,152
		<u>189,710</u>	<u>211,206</u>
<b>Current liabilities</b>			
Trade payables	13	50,709	66,591
Deposits received, receipts in advance, accruals and other payables		25,423	21,503
Lease liabilities	11	18,911	24,303
Contract liabilities		16,452	16,417
Bank borrowings	15	62,000	62,000
Tax payable		–	1
		<u>173,495</u>	<u>190,815</u>
<b>Total current liabilities</b>			
		<u>173,495</u>	<u>190,815</u>
<b>Net current assets</b>		<u>16,215</u>	<u>20,391</u>
<b>Total assets less current liabilities</b>		<u>100,127</u>	<u>113,885</u>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

		30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
	Notes		
<b>Non-current liability</b>			
Lease liabilities	11	21,731	31,527
<b>Net assets</b>		<u>78,396</u>	<u>82,358</u>
<b>Capital and reserves</b>			
Share capital	16	2,387	2,387
Reserves		<u>75,082</u>	<u>78,959</u>
Equity attributable to owners of the Company		77,469	81,346
Non-controlling interests		<u>927</u>	<u>1,012</u>
<b>Total equity</b>		<u>78,396</u>	<u>82,358</u>

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Equity attributable to owners of the Company										Non-controlling Interests	Total
	Share capital RMB'000	Share premium RMB'000	Special reserve RMB'000 (Note a)	Merger reserve RMB'000 (Note b)	Capital reserve RMB'000 (Note c)	Statutory reserve RMB'000 (Note d)	Capital contribution reserve RMB'000 (Note e)	Translation reserve RMB'000	Retained earnings RMB'000	Total RMB'000		
<b>At 1 January 2025 (audited)</b>	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)
<b>At 30 June 2025 (unaudited)</b>	<u>2,387</u>	<u>169,904</u>	<u>84</u>	<u>(6,200)</u>	<u>200</u>	<u>15,836</u>	<u>873</u>	<u>5,186</u>	<u>(110,801)</u>	<u>77,469</u>	<u>927</u>	<u>78,396</u>
<b>At 1 January 2024 (audited)</b>	2,387	169,904	84	(6,200)	200	15,836	873	5,722	(39,625)	149,181	1,234	150,415
Loss for the period	-	-	-	-	-	-	-	-	(18,596)	(18,596)	(151)	(18,747)
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	-	-	-
Exchange differences arising on translation of financial statements from functional currency to presentation currency	-	-	-	-	-	-	-	267	-	267	-	267
Total comprehensive income (expense) for the period	-	-	-	-	-	-	-	267	(18,596)	(18,329)	(151)	(18,480)
<b>At 30 June 2024 (unaudited)</b>	<u>2,387</u>	<u>169,904</u>	<u>84</u>	<u>(6,200)</u>	<u>200</u>	<u>15,836</u>	<u>873</u>	<u>5,989</u>	<u>(58,221)</u>	<u>130,852</u>	<u>1,083</u>	<u>131,935</u>

### 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 2025 and 2024, 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 2025

	Six months ended 30 June	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
<b>Operating activities</b>		
<b>Net cash from (used in) operating activities</b>	<b>22,544</b>	<b>(3,855)</b>
<b>Investing activities</b>		
Interest received	42	130
Proceeds from disposals of property, plant and equipment	424	437
Purchases of property, plant and equipment	(4,079)	(4,916)
<b>Net cash used in investing activities</b>	<b>(3,613)</b>	<b>(4,349)</b>
<b>Financing activities</b>		
Repayment of capital element of lease liabilities	(11,780)	(13,377)
Interest paid on lease liabilities and bank borrowings	(2,242)	(2,264)
Government grants received	110	8
<b>Net cash used in financing activities</b>	<b>(13,912)</b>	<b>(15,633)</b>
<b>Net increase in cash and cash equivalents</b>	<b>5,019</b>	<b>(23,837)</b>
Cash and cash equivalents at 1 January	21,152	48,683
Effect of foreign exchange rate changes	(648)	272
<b>Cash and cash equivalents at 30 June</b>	<b>25,523</b>	<b>25,118</b>



# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

## 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 the 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 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 are presented in Renminbi (“RMB”), which is the functional currency of the principal subsidiaries of the Company where their 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 2025 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 requirements 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 INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

## 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 2024, except as described below.

### Application of amendments to IFRS Accounting Standards

In the current interim period, the Group has applied, for the first time, the following amendments to IFRS Accounting Standards issued by the IASB which are effective for the Group's financial year beginning 1 January 2025:

Amendments to HKAS 21	Lack of Exchangeability
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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 the 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 INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

## 3. OPERATING SEGMENT INFORMATION – CONTINUED

### Segment revenue and results

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

For the six months ended 30 June 2024 (unaudited):

	Retail outlet Operation RMB'000	Wholesale distribution RMB'000	Inter-segment elimination RMB'000	Total RMB'000
<b>Revenue</b>				
From external customers	231,307	76,857	–	308,164
From inter-segment	12,986	4,894	(17,880)	–
<b>Reportable segment revenue</b>	<u>244,293</u>	<u>81,751</u>	<u>(17,880)</u>	<u>308,164</u>
<b>Reportable segment (loss) gain</b>	<u>(16,839)</u>	<u>25</u>		<u>(16,814)</u>
Other corporate income				9
Other corporate expenses				<u>(1,872)</u>
<b>Loss before tax</b>				<u><u>(18,677)</u></u>

Inter-segment sales are charged at prevailing market rates.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

## 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 Six months ended 30 June		Non-current assets	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)	At 30 June 2025 RMB'000 (unaudited)	At 31 December 2024 RMB'000 (audited)
The PRC (place of domicile)	245,947	308,164	77,477	86,604
Hong Kong	–	–	–	3
	<u>245,947</u>	<u>308,164</u>	<u>77,477</u>	<u>86,607</u>

Deposits paid and deferred tax assets are 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 assets.

The Group's revenue from external customers is mainly derived from the PRC. During the six months ended 30 June 2025 and 2024, 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 INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

## 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	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
<b>Revenue from contracts with customers within the scope of IFRS 15</b>		
– Sales of goods		
General retail sales under retail outlet operation	178,602	218,036
Bulk sales under retail outlet operation	5,532	2,770
General wholesales under wholesale distribution	57,581	76,857
– Services rendered		
Commission from concessionaire sales under retail outlet operation	532	6,292
	<u>242,247</u>	<u>303,955</u>
<b>Revenue from other sources</b>		
Rental income from subleasing certain retail areas under retail outlet operation		
– Lease payments that are fixed	3,700	4,209
	<u>245,947</u>	<u>308,164</u>

### Disaggregation of revenue from contracts with customers by timing of recognition

	Six months ended 30 June	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
<b>Timing of revenue recognition</b>		
At a point of time	<u>242,247</u>	<u>303,955</u>



# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

## 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	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Gain on early termination of leases ( <i>Note</i> )	3,111	183
Gain on disposals of property, plant and equipment	29	89
Government grants	110	8
Interest income on bank deposits	42	130
Promotion income from suppliers	5,012	5,299
Net rental income from investment properties	1,458	1,371
Others	4,252	1,509
	<u>14,014</u>	<u>8,589</u>

*Note:*

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.

During the six months ended 30 June 2024, gain on early termination of leases represented the net difference of approximately RMB183,000, comprising a decrease of approximately RMB6,637,000 in right-of-use assets and a decrease of approximately RMB6,820,000 in lease liabilities.

## 5. LOSS BEFORE TAX

Loss before tax has been arrived at after charging:

	Six months ended 30 June	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Depreciation of property, plant and equipment	3,511	3,571
Depreciation of investment properties	163	163
Depreciation of right-of-use assets	8,843	14,303
Employee benefits expenses (including directors' emoluments):		
– Wages and salaries	18,341	25,172
– Pension scheme contributions	3,400	4,140
– Other benefits	434	534
	<u>22,175</u>	<u>29,846</u>

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

## 6. FINANCE COSTS

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Interest expense on:		
Bank borrowings	1,061	562
Lease liabilities	1,181	1,702
	<u>2,242</u>	<u>2,264</u>

## 7. INCOME TAX EXPENSES

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
PRC Enterprise Income Tax		
Charge for the period	<u>42</u>	<u>70</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 2025 and 2024.

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 2025 and 2024.

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 is 25% for the six months ended 30 June 2025 and 2024.

From 1 January 2019 to 30 June 2025, 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 2025 and 2024. During the six months ended 30 June 2025 and 2024, no Macau Complementary Income Tax has been provided as there were no assessable profits generated.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

### 8. DIVIDEND

No dividend was paid or proposed for the six months ended 30 June 2025 (six months ended 30 June 2024: nil), nor has any dividend been proposed since the end of the reporting period (2024: 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	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Loss for the period attributable to owners of the Company	<u>(3,200)</u>	<u>(18,596)</u>

  

	Six months ended 30 June	
	2025	2024
	(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 INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

## 10. CAPITAL EXPENDITURES

	Property, plant and equipment RMB'000	Investment properties RMB'000
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>
Opening carrying amount as at 1 January 2024 (audited)	28,095	8,697
Additions	4,916	–
Disposals	(348)	–
Depreciation/amortisation (Note 5)	(3,571)	(163)
	<u>29,092</u>	<u>8,534</u>
Carrying amounts as at 30 June 2024 (unaudited)	<u>29,092</u>	<u>8,534</u>

Assets with carrying amounts of RMB395,000 (30 June 2024: RMB348,000) were disposed of by the Group during the six months ended 30 June 2025, resulting in a net gain on disposal of RMB29,000 (30 June 2024: gain of RMB89,000).

As at 30 June 2025 and 31 December 2024, certain buildings with carrying amounts of RMB10,334,000 and RMB10,551,000 respectively have been pledged to the bank for banking facilities granted to the Group (Note 15).

As at 30 June 2025 and 31 December 2024, certain investment properties with carrying amounts of RMB8,207,000 and RMB8,370,000 respectively have been pledged to the bank for banking facilities granted to the Group (Note 15).

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

## 11. LEASES

### (i) Right-of-use assets

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Other properties leased for own use	25,821	34,525
Ownership interests on leasehold land	19,824	20,260
	<u>45,645</u>	<u>54,785</u>

As at 30 June 2025, right-of-use assets of RMB19,824,000 (31 December 2024: RMB20,260,000) represents land use rights located in the PRC.

As at 30 June 2025, certain ownership interests on leasehold land with carrying amounts of approximately RMB18,111,000 (31 December 2024: RMB18,485,000) 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 2025 and 2024, 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 2025 amounted to RMB4,424,000 (six months ended 30 June 2024: RMB11,364,000), due to new leases of retail outlets, warehouse and office premises and renewal of existing leases.

During the six months ended 30 June 2025 and 2024, 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 2025, the Group recognised rental income of RMB3,700,000 (six months ended 30 June 2024: RMB4,209,000) from subleasing right-of-use assets.



# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

## 11. LEASES – CONTINUED

### (ii) Lease liabilities

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Current	18,911	24,303
Non-current	21,731	31,527
	<u>40,642</u>	<u>55,830</u>
	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Analysed into payable		
Within one year	18,911	24,303
After one year but within two years	9,857	14,619
After two years but within five years	6,680	10,310
After five years	5,194	6,598
	<u>40,642</u>	<u>55,830</u>
Less: amount due for settlement within 12 months (shown under current liabilities)	<u>(18,911)</u>	<u>(24,303)</u>
Amount due for settlement after 12 months	<u>21,731</u>	<u>31,527</u>

During the six months ended 30 June 2025, the Group entered into new leases of retail outlets, warehouses and office premises and renewed existing leases of RMB4,424,000 (six months ended 30 June 2024: RMB11,364,000).

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

## 11. LEASES – CONTINUED

### (iii) Amounts recognised in profit or loss

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Depreciation of right-of-use assets by class of underlying asset:		
Other properties leased for own use	8,407	25,224
Ownership interests in leasehold land	436	872
	<u>8,843</u>	<u>26,096</u>
Impairment losses recognised in respect of right-of-use assets	–	16,796
Interest expenses on lease liabilities	1,181	3,027
Expense relating to short-term leases	337	460
Gain on early termination of leases ( <i>Note 4</i> )	3,111	421
	<u>3,111</u>	<u>421</u>

### (iv) Others

During the six months ended 30 June 2025, the total cash outflow for leases amount to RMB13,298,000 (six months ended 30 June 2024: RMB17,295,000).

## 12. TRADE AND BILLS RECEIVABLES

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Trade receivables	39,020	38,111
Less: allowance for impairment of trade receivables	<u>(2,201)</u>	<u>(3,069)</u>
	<u>36,819</u>	<u>35,042</u>
Bills receivables	25	46
	<u>36,844</u>	<u>35,088</u>

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

### 12. TRADE AND BILLS RECEIVABLES – CONTINUED

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 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Within 30 days	15,378	13,172
31 to 60 days	6,924	6,742
61 to 180 days	10,549	7,607
181 to 365 days	299	3,120
Over 1 year to 2 year	3,635	4,326
Over 2 year	34	75
	<u>36,819</u>	<u>35,042</u>

### 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 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Current to 30 days	16,740	29,472
31 to 60 days	9,100	11,643
61 to 180 days	10,667	12,481
181 to 365 days	7,593	4,901
Over 1 year to 2 year	1,829	2,357
Over 2 year	4,780	5,737
	<u>50,709</u>	<u>66,591</u>

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

### 14. AMOUNTS DUE FROM RELATED COMPANIES

As at 30 June 2025 and 31 December 2024, 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 2025 is accumulated impairment loss of RMB440,000 (31 December 2024: RMB440,000).

### 15. BANK BORROWINGS

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Secured bank borrowings classified as current liabilities	62,000	62,000
Carrying amount of bank borrowings that contain a repayment on demand clause but repayable:*		
Within one year	62,000	62,000

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

As at 30 June 2025, the bank borrowings were denominated in RMB, bore interest at fixed rates ranging from 3.35% to 3.45% (31 December 2024: 3.45% to 3.6%) per annum.

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

- (i) the pledge of certain buildings of the Group with carrying values of approximately RMB10,334,000 and RMB10,551,000 as at 30 June 2025 and 31 December 2024 respectively (Note 10);
- (ii) the pledge of certain right-of-use assets of the Group with carrying values of approximately RMB18,111,000 and RMB18,485,000 as at 30 June 2025 and 31 December 2024 respectively (Note 11); and
- (iii) the pledge of certain investment properties of the Group with carrying values of approximately RMB8,207,000 and RMB8,370,000 as at 30 June 2025 and 31 December 2024 respectively (Note 10).

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

## 16. SHARE CAPITAL

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
<b>Authorised:</b>		
2,000,000,000 ordinary shares of HK\$0.01 each	<u>15,826</u>	<u>15,826</u>
<b>Issued and fully paid:</b>		
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 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Within one year	<u>8,966</u>	<u>9,397</u>

## 18. MAJOR NON-CASH TRANSACTIONS

During the six months ended 30 June 2025, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB4,424,000 and RMB4,424,000 respectively, in respect of lease arrangements for retail outlets (six months ended 30 June 2024: RMB11,364,000 and RMB11,364,000 respectively).

During the six months ended 30 June 2025, the Group had non-cash reductions to right-of-use assets and lease liabilities of RMB4,721,000 (six months ended 30 June 2024: RMB6,637,000) and RMB7,832,000 (six months ended 30 June 2024: RMB6,820,000) respectively, in respect of early termination of leases.



# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

## 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	
		2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Related companies	Sale of goods ( <i>Note a</i> )	—	4
Related companies	Purchase of goods ( <i>Note b</i> )	265	17

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	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Salaries, allowances and benefits in kind	1,320	1,305
Pension scheme contributions	129	97
	<u>1,449</u>	<u>1,402</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 geographical focus in Guangdong province of the People’s Republic of China (the “PRC”). During the six months ended 30 June 2025, the Group maintained both retail and wholesale distribution channels.

#### Retail Outlets

As at 30 June 2025, the Group opened 0 retail outlets and closed or re-franchised 12 retail outlets. As at 30 June 2025, the Group had 38 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 as at 30 June 2025 and during the year ended 31 December 2024 (the “FY2024”):

	For the period/year ended	
	30 June 2025	31 December 2024
At the beginning of the period/year	51	61
Additions	0	6
Reductions	(12)	(16)
	<hr/>	<hr/>
At the end of the period/year	39	51
	<hr/>	<hr/>

The following table sets forth the breakdown of the number of retail outlets of the Group by geographical location as at 30 June 2025:

Location	Number of retail outlets
Foshan	32
Zhaoqing	4
Zhuhai	1
Guangzhou	0
Shenzhen	1
	<hr/>
Guangdong province	38
Macau	1
	<hr/>
Total	39
	<hr/>

## MANAGEMENT DISCUSSION AND ANALYSIS

### General Wholesale

As at 30 June 2025, 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 emphases on gaining more sub-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 a part of its wholesale distribution revenue.

The following table sets forth the changes in the number of franchise outlets of the Group as at 30 June 2025 and for FY2024:

	For the period/year ended	
	30 June 2025	31 December 2024
At the beginning of the period/year	1,181	1,008
Additions	3	173
Reductions	245	0
	<hr/>	<hr/>
At the end of the period/year	939	1,181
	<hr/>	<hr/>

## MANAGEMENT DISCUSSION AND ANALYSIS

### RECENT DEVELOPMENTS AND OUTLOOK

In the first half of 2025, Shun Ke Long continued to advance the implementation of its “store-specific” strategy and made positive progress in profit improvement measures. Although the overall operation was still in a loss-making state, the scale of loss has narrowed significantly. During the reporting period, the Group recorded revenue of approximately RMB246.0 million, representing a year-on-year decrease of 20.2%. The decrease was mainly attributable to the Company’s optimisation and closure of underperforming retail outlets: the Group’s net loss was approximately RMB3.285 million, with loss from operation significantly reduced compared to the same period of the previous year.

In terms of business segments, the supermarket division demonstrated notable operational improvements through optimised supply chains and cost structure adjustments. The brand agency business adjusted its distribution layout and began to expand its business model to reduce its reliance on single-brand performance. The group-buying segment achieved robust growth, driven by the active expansion into institutional and corporate client markets. Headquarter operations maintained stable performance through effective cost control and improved management efficiency.

Key operational measures in the first half of the year included continuous supply chain optimisation, closure or restructuring of underperforming stores, and targeted business model enhancements. Efforts to develop new customer channels also contributed to revenue generation during the reporting period.

In the second half of 2025, the Company will continue to focus on the strategic priorities of “stabilising existing business, expanding new business, and improving quality”. For the core supermarket business, we will further optimise supply chain management, innovate procurement models, and enhance gross profit margins, while strengthening operational guidance for adjusted stores to ensure cost reduction and efficiency improvement.

At the same time, the Company will accelerate the development of diversified growth drivers and new business formats. The group-buying segment will continue to expand its institutional and corporate client base and actively prepare for the launch of a large-scale school food ingredient delivery project. The brand agency business will expedite its transition to an integrated brand trading model, leveraging emerging business opportunities to diversify revenue sources.

At the corporate management level, robust cost controls will be maintained to continuously enhance operational efficiency.

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW

#### Revenue

During the reporting period, the Group's revenue amounted to approximately RMB246.0 million, representing a decrease of approximately RMB62.2 million or 20.2% over the corresponding period in 2024. The decrease in revenue was mainly due to the optimisation, closure, or refranchise of underperforming retail outlets, which led to a year-on-year decrease in revenue from retail outlets, coupled with a deliberate scaling back of distribution operations for certain agency brands, which led to a decrease in distribution revenue.

During the reporting period, the Group's revenue from retail outlet business was approximately RMB188.4 million, representing a decrease of approximately RMB42.9 million or 18.6% as compared with the corresponding period in 2024. The decrease in revenue was mainly due to the optimisation, closure or refranchise of certain underperforming retail outlets.

During the reporting period, the Group's wholesale distribution business generated revenue of approximately RMB57.6 million, representing a decrease of RMB19.3 million or 25.1% over the corresponding period in 2024. The decrease in revenue was mainly attributable to a deliberate scaling back of distribution operations for certain agency brands, which led to a decrease in distribution revenue.

#### Gross Profit Margin

During the reporting period and the corresponding period in 2024, the gross profit margin of the Group was approximately 11.7% and approximately 12.6% respectively, representing a decrease of approximately 0.9% from the previous period.

#### Other Operating Income

During the reporting period, the Group's other operating income amounted to approximately RMB14.0 million, representing an increase of approximately RMB5.4 million, or 63.2%, as compared with the corresponding period in 2024, which was mainly due to an increase in income from early termination of lease agreements and an increase in income received from refranchise of retail outlets.

#### Selling and Distribution Costs

During the reporting period, the Group's selling and distribution costs amounted to approximately RMB36.5 million, representing a decrease of approximately RMB19.8 million or 35.2% as compared with the corresponding period in 2024. The decrease was mainly due to a significant reduction in labour and rental costs resulting from the optimisation, closure, or refranchise of underperforming retail outlets. In addition, the management actively promoted "cost reduction and efficiency enhancement" initiatives, and reasonably controlled and reduced various expenses, with particularly large reductions in vehicle delivery fees, utility charges, and advertising and promotion expenses.



## MANAGEMENT DISCUSSION AND ANALYSIS

### Administrative Expenses

During the reporting period, the administrative expenses of the Group amounted to approximately RMB8.0 million, representing an increase of approximately RMB1.1 million or 16.7% as compared with the corresponding period in 2024. The increase was mainly due to a decrease in the amount of rent concessions for retail outlets and the forfeiture of deposits from early termination of leases for certain retail outlets that were optimised and closed.

### Finance Costs

During the reporting period, the Group's finance costs amounted to approximately RMB2.2 million, representing a decrease of approximately RMB20,000 or 1.0% as compared with the corresponding period in 2024. The decrease was mainly due to a year-on-year decrease in unrecognised financing charges on lease liabilities.

### Income Tax Expense

During the reporting period, the Group's income tax expense amounted to approximately RMB42,000, representing a decrease of approximately RMB28,000 as compared to the corresponding period in 2024. This was because in the corresponding period of 2024, a subsidiary of the Company was assessed by the local tax authority as not qualifying as a small and micro-profit enterprise for 2020 and thus had to make a back payment for the enjoyed EIT incentives, and the prepaid EIT for the current period was less than the said back payment.

### Net Loss

During the reporting period, the net loss attributable to owners of the Company amounted to approximately RMB3.2 million, representing a decrease in loss of approximately RMB15.4 million or 82.8% as compared with the corresponding period in 2024. The decrease in net loss was mainly attributable to the significant decrease in selling and distribution costs and the increase in other operating income.

### Total Comprehensive Expense

During the reporting period, the total comprehensive expense attributable to owners of the Group amounted to approximately RMB3.9 million, representing a decrease of approximately RMB14.5 million or 78.8% as compared with the corresponding period in 2024. The decrease was mainly attributable to the significant decrease in selling and distribution costs and the increase in other operating income.

### 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 RMB4.1 million on property, plant and equipment during the reporting period.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Use of Proceeds

The shares of the Company (the “Shares”) were successfully listed on the Main Board of The Stock Exchange of Hong Kong Limited on 10 September 2015 through an offering of Shares (the “Global Offering”). For the details of the Global Offering, please refer to the prospectus issued by the Company (the “Prospectus”) on 28 August 2015. The net proceeds from the Global Offering, after deducting underwriting fees and related expenses, amounted to approximately HK\$188.6 million (equivalent to approximately RMB155.0 million), was intended to be applied in the manner as set out in the section headed “Future Plans and Use of Proceeds” of the Prospectus.

Nonetheless, the Board constantly evaluates the prospect of the retail market and the PRC’s economic conditions to determine the most efficient and effective method to deploy the Group’s resources. With reference to the announcements issued by the Company dated 24 October 2016 and 19 June 2024, the Board considered that if the net proceeds were still allocated in the original manner as stipulated in the Prospectus, it would not be cost-effective and would not be in the best interests of the Company and its shareholders. In view of the recent slowdown in economic growth in the PRC, the Group has been slowing down the pace of opening new retail outlets and thus freeing up proceeds originally intended to be used for such purpose. With a view to better use the net proceeds from the Global Offering, the Company has decided to re-allocate parts of the unutilised proceeds to upgrade the existing retail outlets to enhance the shopping experience and strengthen the Group’s competitiveness as one of the major market players in Guangdong province and repay the bank borrowings to reduce the Group’s finance costs in the manner as stated below.

	Original allocation of net proceeds		Revised allocation of the net proceeds		Utilisation as at 30 June 2025		Remaining balance of net proceeds as at 30 June 2025		Actual use of net proceeds during the reporting period	Expected timeline for utilising the remaining net proceeds
	Equivalent to RMB million	Percentage of net proceeds	Equivalent to RMB million	Percentage of net proceeds	Equivalent to RMB million	Percentage of net proceeds	Equivalent to RMB million	Percentage of net proceeds	RMB million	
Opening of new retail outlets	116.9	75.4%	74.4	48.0%	74.4	48.0%	–	0%	–	Expected to be utilised by 31 December 2026 (Note)
Upgrading existing retail outlets	–	0.0%	27.1	17.5%	20.2	13.0%	6.9	4.5%	1.9	
Repayment of bank borrowings	–	0.0%	27.9	18.0%	27.9	18.0%	–	0%	–	
Information systems upgrades	11.2	7.2%	11.2	7.2%	11.2	7.2%	–	0%	–	
Upgrading and expanding the existing two distribution centres	13.3	8.6%	0.8	0.5%	0.8	0.5%	–	0%	–	
General working capital	13.6	8.8%	13.6	8.8%	13.6	8.8%	–	0%	–	
<b>Total</b>	<b>155.0</b>	<b>100.0%</b>	<b>155.0</b>	<b>100.0%</b>	<b>148.1</b>	<b>95.5%</b>	<b>6.9</b>	<b>4.5%</b>	<b>1.9</b>	

*Note:* The Board expected 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.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Liquidity and Financial Resources

As at 30 June 2025, the Group had cash and cash equivalents of approximately RMB25.5 million (31 December 2024: approximately RMB21.2 million), out of which approximately RMB23.2 million was denominated in RMB and approximately RMB2.3 million was denominated in HK\$ or MOP.

As at 30 June 2025, the Group had net current assets of approximately RMB16.2 million (31 December 2024: approximately RMB20.4 million) and net assets of approximately RMB78.4 million (31 December 2024: approximately RMB82.4 million). As at 30 June 2025, the Group had unutilised banking facilities of RMB28.0 million (31 December 2024: RMB28.0 million).

As at 30 June 2025, trade receivables and deposits paid, prepayments and other receivables were approximately RMB101.5 million (31 December 2024: approximately RMB112.3 million). Trade receivables and deposits paid, prepayments and other receivables decreased by approximately RMB10.8 million or 9.6%, which was mainly attributable to the decrease in advance payments for goods from manufacturers of distributed brands and the recovery of certain long-term deposits.

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 considered that risk of credit 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.

### Material Acquisitions and Disposals

The Group did not carry out any material acquisition nor disposal of any subsidiary or associated company during the Period.

### Indebtedness and Pledge of Assets

As at 30 June 2025, the Group had bank borrowings of RMB62.0 million (31 December 2024: approximately RMB62.0 million) secured by:

- (i) the pledge of certain buildings of the Group with carrying amounts of approximately RMB10.3 million (31 December 2024: approximately RMB10.6 million);
- (ii) the pledge of certain right-of-use assets of the Group with carrying amounts of approximately RMB18.1 million (31 December 2024: approximately RMB18.5 million);
- (iii) the pledge of certain investment properties of the Group with carrying amounts of approximately RMB8.2 million (31 December 2024: approximately RMB8.4 million).

All these bank loans were repaid within one year. The interests of those loans were at a fixed rate of 3.35%-3.45% per annum (31 December 2024: at a fixed rate of 3.45%-3.6% per annum).

## MANAGEMENT DISCUSSION AND ANALYSIS

### Gearing ratio

As at 30 June 2025, the Group's gearing ratio (the gearing ratio is equivalent to total loans divided by total equity) was approximately 79.1% (31 December 2024: 75.3%).

### Foreign Currency Exposure

Majorities of the Group's assets, liabilities and cash flows were denominated in RMB and the management of the Company viewed that the change in exchange rate for RMB against foreign currencies did not have significant impact on the Group's financial position nor performance. During the Period, the Group did not engage in any hedging activities and the Group had 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 2025, the Group did not provide any guarantee for any third party and did not have any significant contingent liabilities.

### Employees

The Group had a total of 578 employees as at 30 June 2025. 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 had not caused any significant impact on its operation due to labour disputes nor had it experienced 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 2025, 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 Directors	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 2025, 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 POSITION IN SHARES AND UNDERLYING SHARES

So far as the Directors of the Company are aware, as at 30 June 2025, 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 7)	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 1)	Interest of a controlled corporation	204,558,317 (Note 7)	70.42%
China Co-op Group Co., Ltd.* (中國供銷集團有限公司) ("China Co-op Group") (Note 2)	Interest of a controlled corporation	204,558,317 (Note 7)	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 3)	Interest of a controlled corporation	204,558,317 (Note 7)	70.42%
Zhonghelian Investment Co., Ltd.* (中合聯投資有限公司) ("Zhonghelian") (Note 4)	Interest of a controlled corporation	204,558,317 (Note 7)	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 5)	Interest of a controlled corporation	204,558,317 (Note 7)	70.42%
CCOOP Group Co., Ltd.* (供銷大集團股份有限公司) ("CCOOP") (Note 6)	Interest of a controlled corporation	204,558,317 (Note 7)	70.42%
Hainan Gongxiao Daji Holding Ltd.* (海南供銷大集控股有限公司) ("Hainan Gongxiao Daji Holding") (Note 6)	Interest of a controlled corporation	204,558,317 (Note 7)	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 6)	Interest of a controlled corporation	204,558,317 (Note 7)	70.42%
Green Industrial (HK) Holding Co., Limited (綠色實業(香港)有限公司) ("Green Industrial") (Note 6)	Interest of a controlled corporation	204,558,317 (Note 7)	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:

- 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 a indirect wholly-owned subsidiary of ACFSMC. China Supply and Trade, Zhonghelian and New Cooperation have entrusted their voting rights in the shares of CCOOP (including the voting rights held by Zhonghe Nongxin, totaling 24.64%) to Zhonghe Nongxin.
- China Co-op Group is a wholly-owned subsidiary of ACFSMC.
- China Supply and Trade is a wholly-owned subsidiary of China Co-op Group.
- 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.

## OTHER INFORMATION

5. New Cooperation is owned as to 57.45% by China Co-op Group.
6. CCOOP holds 100% equity interests in Hainan Gongxiao Daji Holding, which in turn holds 100% 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.
7. 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 the Company's announcements dated 4 January 2024, 19 January 2024, 6 March 2024, 18 March 2024, 22 March 2024, 7 April 2024 and 14 April 2025, 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 shareholders of the Company approved a share option scheme on 19 August 2015 for the purposes of, among others, motivating the management and employees to optimize their performance efficiency for the benefit of the Group (the "Share Option Scheme"). The maximum number of shares in respect of which options may be granted under the Share Option Scheme was 28,647,700 Shares (or approximately 9.86% of the issued Shares as at the date of this interim report) as at the beginning and end of the Period. No option has been granted by the end of 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 interim report.

## 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 reporting period, the Company has complied with all the code provisions as set out in the CG Code.

During the reporting period, the Company's key corporate governance initiatives were as follows:

### Senior Management Appointment

On 25 April 2025, the Company appointed Mr. Bai Tao as the deputy chief executive officer. Mr. Bai possesses extensive experience in the retail industry, and his appointment will help improve the management structure, strengthen daily operational management, and enhance strategic execution capabilities.



## OTHER INFORMATION

### **Amendment to the Terms of Reference of the Nomination Committee**

On 23 May 2025, the Company revised the terms of reference of the Nomination Committee to further clarify its composition, operation, and duties. The amendments include stipulating that the committee must include at least one director of a different gender, annually reviewing the structure of the Board in terms of skills, experience, and diversity, identifying and nominating suitable candidates, formulating and reviewing the diversity policy, and assessing the performance of the Board and the independence of the independent non-executive Directors. The aforementioned amendments aim to advance Board diversity and enhance the Company's corporate governance structure.

### **Appointment of Nomination Committee Members**

At the Board meeting held on 28 May 2025, the Company approved the appointment of Ms. Wang Hui, an executive Director and the Chief Executive Officer, and Mr. Cheng Hok Kai Frederick, an independent non-executive Director, as members of the Nomination Committee, which ensures gender diversity within the committee and further enhance the Board's governance capabilities.

### **Annual General Meeting and Protection of Shareholders' Rights**

The Company held its annual general meeting on 6 June 2025, with all directors attending in person or electronically, and the voting was scrutinised by an independent third party. All resolutions proposed at the meeting (including the re-election of Directors, determination of Directors' remuneration, re-appointment of the auditor, and general mandate matters) were passed with 100% affirmative votes. This initiative fully demonstrates the Company's commitment to safeguarding shareholders' rights to participate in decision-making and to maintaining transparency.

### **Change of Company Secretary**

The former company secretary of the Company, Mr. Qiu Minghao ("Mr. Qiu"), tendered his resignation in writing on 31 March 2025, resigning from all his positions in the Company and its subsidiaries for personal reasons, with his last day of service being 30 June 2025. Mr. Qiu has confirmed to the Board that he has no disagreement with the Board and that there is no matter in relation to his resignation that need to be brought to the attention of the Stock Exchange or the shareholders of the Company. To ensure the continuity and professionalism of the company secretarial function, the Company entered into a secretarial services agreement for listed companies with Safe Wealth Management (HK) Limited ("Safe Wealth") on 5 June 2025. Subsequently, on 30 June 2025, Ms. Pang Hui ("Ms. Pang"), president of Safe Wealth, was appointed as the Company Secretary, Authorised Representative and Process Agent. Ms. Pang has extensive experience in corporate governance and compliance management, holds multiple professional qualifications, and will provide professional support to further enhance the Company's governance standards.

### **Change of Principal Place of Business in Hong Kong**

The address of the principal place of business of the Company in Hong Kong has been changed to Room 1602, 16/F, Progress Commercial Building, 9 Irving Street, Causeway Bay, Hong Kong, with effect from 30 June 2025.

### **Ongoing Commitment**

The Company will continue to enhance its corporate governance structure, promote diversified development, strengthen transparency, and improve decision-making efficiency to ensure the Company's sustainable operations and create long-term value for its Shareholders.



## OTHER INFORMATION

### EVENTS AFTER THE REPORTING PERIOD

The Board is not aware of any significant events requiring disclosure that has taken place subsequent to 30 June 2025 and up to the date of this interim report.

### AUDIT COMMITTEE

The Company has established 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 2025 were unaudited, but have been reviewed by the Audit Committee.

As at the date of this interim 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, 18 September 2025

As at the date of this interim 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*