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## CHINA KANGDA FOOD COMPANY LIMITED

### 中國康大食品有限公司

*(Incorporated in Bermuda with limited liability)*

**(Hong Kong Stock Code (Primary Listing): 834)**

**(Singapore Stock Code (Secondary Listing): P74)**

## ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

The board (the “**Board**”) of directors (the “**Director(s)**”) of China Kangda Food Company Limited (the “**Company**”) is pleased to announce its audited consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31 December 2025 together with the comparative figures for the previous year as follows:

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

*For the year ended 31 December 2025*

|  | <i>Notes</i> | <b>2025</b><br><b>RMB'000</b> | 2024<br><i>RMB'000</i> |
|--|--------------|-------------------------------|------------------------|
| <b>Revenue</b>   | 5            | <b>1,857,283</b>              | 1,650,509              |
| Cost of sales  |              | <u><b>(1,763,747)</b></u>     | <u>(1,576,546)</u>     |
| <b>Gross profit</b>  |              | <b>93,536</b>                 | 73,963                 |
| Other income and other gains/(losses)                            | 5            | <b>17,902</b>                 | 11,577                 |
| Selling and distribution costs                                   |              | <b>(53,401)</b>               | (46,122)               |
| Administrative expenses  |              | <b>(40,989)</b>               | (36,149)               |
| (Provision for)/Reversal of impairment loss on trade receivables |              | <b>(373)</b>                  | 5,726                  |
| Provision for impairment loss on other receivables               |              | <b>(4,850)</b>                | –                      |
| Other operating expenses   |              | <b>(18,509)</b>               | (13,731)               |
| Finance costs  | 7            | <u><b>(10,441)</b></u>        | <u>(16,901)</u>        |

|  | <i>Notes</i> | <b>2025</b><br><b><i>RMB'000</i></b> | 2024<br><i>RMB'000</i> |
|--|--------------|--------------------------------------|------------------------|
| <b>Loss before taxation</b>  | 6            | <b>(17,125)</b>                      | (21,637)               |
| Income tax credit  | 8            | <u>75</u>                            | <u>31</u>              |
| <b>Loss for the year</b>   |              | <u><b>(17,050)</b></u>               | <u>(21,606)</u>        |
| <b>Other comprehensive income</b>  |              |                                      |                        |
| <b>Item that may be reclassified subsequently to profit or loss:</b>                     |              |                                      |                        |
| Exchange differences in translating foreign operations                                   |              | <u>5,452</u>                         | <u>(112)</u>           |
| <b>Other comprehensive income for the year</b>   |              | <u><b>5,452</b></u>                  | <u>(112)</u>           |
| <b>Total comprehensive income for the year</b>   |              | <u><b>(11,598)</b></u>               | <u>(21,718)</u>        |
| <b>(Loss)/Profit for the year attributable to:</b>                                       |              |                                      |                        |
| Owners of the Company  |              | <b>(17,382)</b>                      | (21,473)               |
| Non-controlling interests  |              | <u>332</u>                           | <u>(133)</u>           |
|  |              | <u><b>(17,050)</b></u>               | <u>(21,606)</u>        |
| <b>Total comprehensive income for the year attributable to:</b>                          |              |                                      |                        |
| Owners of the Company  |              | <b>(11,930)</b>                      | (21,585)               |
| Non-controlling interests  |              | <u>332</u>                           | <u>(133)</u>           |
|  |              | <u><b>(11,598)</b></u>               | <u>(21,718)</u>        |
| <b>Loss per share for loss attributable to the owners of the Company during the year</b> |              |                                      |                        |
|  | 10           |                                      |                        |
| <b>Basic (RMB cents)</b>   |              | <b>(3.84)</b>                        | (4.86)                 |
| <b>Diluted (RMB cents)</b>   |              | <u><b>(3.84)</b></u>                 | <u>(4.86)</u>          |

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

|   | <i>Notes</i> | <b>2025</b><br><b>RMB'000</b> | 2024<br>RMB'000 |
|---|--------------|-------------------------------|-----------------|
| <b>ASSETS AND LIABILITIES</b>               |              |                               |                 |
| <b>Non-current assets</b>                   |              |                               |                 |
| Property, plant and equipment               |              | <b>244,388</b>                | 223,680         |
| Investment property                         |              | <b>164,925</b>                | 176,454         |
| Goodwill                                    |              | <b>56,355</b>                 | 56,355          |
| Biological assets                           |              | <b>28,764</b>                 | 29,026          |
| Right-of-use assets                         |              | <b>150,984</b>                | 170,352         |
| Loan receivable                             |              | <b>13,500</b>                 | 13,500          |
|   |              | <hr/>                         | <hr/>           |
| Total non-current assets                    |              | <b>658,916</b>                | 669,367         |
| <b>Current assets</b>                       |              |                               |                 |
| Biological assets                           |              | <b>29,783</b>                 | 20,656          |
| Loan receivable                             |              | <b>6,500</b>                  | 6,500           |
| Inventories                                 |              | <b>129,907</b>                | 104,995         |
| Trade and bills receivables                 | <i>11</i>    | <b>131,625</b>                | 91,297          |
| Prepayments, other receivables and deposits |              | <b>79,014</b>                 | 72,306          |
| Amount due from a related party             |              | –                             | 4,232           |
| Pledged deposits                            |              | <b>122,500</b>                | 120,000         |
| Cash and cash equivalents                   |              | <b>137,295</b>                | 234,209         |
|   |              | <hr/>                         | <hr/>           |
| Total current assets                        |              | <b>636,624</b>                | 654,195         |

|  | <i>Notes</i> | <b>2025</b><br><b><i>RMB'000</i></b> | 2024<br><i>RMB'000</i> |
|--|--------------|--------------------------------------|------------------------|
| <b>Current liabilities</b>                   |              |                                      |                        |
| Trade and bills payables                     | <i>12</i>    | <b>270,158</b>                       | 269,811                |
| Accrued liabilities and other payables       |              | <b>92,479</b>                        | 92,931                 |
| Contract liabilities                         |              | <b>11,039</b>                        | 16,144                 |
| Interest-bearing bank borrowings             |              | <b>103,800</b>                       | 149,500                |
| Amount due to a related party                |              | <b>38,793</b>                        | –                      |
| Loan from ultimate holding company           |              | <b>3,595</b>                         | –                      |
| Loans from related parties                   |              | –                                    | 38,993                 |
| Loans from former immediate holding company  |              | <b>103,048</b>                       | 94,024                 |
| Deferred government grants                   |              | <b>3,795</b>                         | 3,568                  |
| Lease liabilities                            |              | <b>14,213</b>                        | 13,875                 |
| Tax payables                                 |              | <b>2,220</b>                         | 1,900                  |
|  |              | <u><b>643,140</b></u>                | <u>680,746</u>         |
| <b>Total current liabilities</b>             |              | <u><b>643,140</b></u>                | <u>680,746</u>         |
| <b>Net current liabilities</b>               |              | <u><b>(6,516)</b></u>                | <u>(26,551)</u>        |
| <b>Total assets less current liabilities</b> |              | <u><b>652,400</b></u>                | <u>642,816</u>         |

|   | <b>2025</b>           | 2024           |
|---|-----------------------|----------------|
|   | <b><i>RMB'000</i></b> | <i>RMB'000</i> |
| <b>Non-current liabilities</b>                          |                       |                |
| Deferred government grants                              | <b>14,433</b>         | 14,425         |
| Lease liabilities                                       | <b>74,576</b>         | 90,880         |
| Loans from related parties                              | <b>37,553</b>         | –              |
| Deferred tax liabilities                                | <b>1,072</b>          | 1,147          |
|   | <u>127,634</u>        | <u>106,452</u> |
| <b>Total non-current liabilities</b>                    | <b>127,634</b>        | 106,452        |
| <b>Net assets</b>                                       | <b>524,766</b>        | 536,364        |
|   | <u>524,766</u>        | <u>536,364</u> |
| <b>EQUITY</b>   |                       |                |
| <b>Equity attributable to the owners of the Company</b> |                       |                |
| Share capital   | <b>116,750</b>        | 116,750        |
| Reserves  | <b>396,688</b>        | 408,618        |
|   | <u>513,438</u>        | <u>525,368</u> |
| <b>Non-controlling interests</b>                        | <b>11,328</b>         | 10,996         |
|   | <u>11,328</u>         | <u>10,996</u>  |
| <b>Total equity</b>                                     | <b>524,766</b>        | 536,364        |
|   | <u>524,766</u>        | <u>536,364</u> |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 1. CORPORATE INFORMATION

China Kangda Food Company Limited (the “**Company**”) was incorporated in Bermuda as an exempted company with limited liability under the Companies Act 1981 of Bermuda on 28 April 2006. The registered office of the Company is located at Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM10, Bermuda. The principal place of business of the Company is located at No. 8399, Binhai Boulevard, Huangdao District, Qingdao, the People’s Republic of China. The Company’s shares are primary listed on the Main Board of The Stock Exchange of Hong Kong Limited and secondary listed on the Main Board of the Singapore Exchange Securities Trading Limited.

The principal activity of the Company is investment holding. The principal activities of the Company’s subsidiaries (together with the Company referred as the “**Group**”) are production and trading of food products, breeding and sale of livestock, poultry and rabbits.

In the opinion of the Company’s directors (the “**Directors**”), the Company’s immediate holding company was Zenith Hope Limited, incorporated in the British Virgin Islands and the Company’s ultimate holding company was Eternal Myriad Limited, incorporated in the British Virgin Islands as at 31 December 2024. As at 31 December 2025, the Company’s ultimate holding company is Hong Kong Sheng Yuan Holding Company Limited, a company incorporated in Hong Kong, following a change effective from 9 December 2025.

The Group’s operations are principally conducted in the People’s Republic of China (the “**PRC**”), excluding Hong Kong and Macau.

## 2. APPLICATIONS OF IFRS® ACCOUNTING STANDARDS

### (a) Adoption of revised IFRS Accounting Standards – first effective on 1 January 2025

In the current year, the Group has applied for the first time the following revised IFRS Accounting Standards and amendments issued by International Accounting Standards Board (“**IASB**”) which are relevant to and effective for the Group’s consolidated financial statements for annual period beginning on 1 January 2025:

Amendments to IAS 21 and IFRS 1

Lack of Exchangeability

This development has not had a material effect on how the Group’s results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

(b) **New/Revised IFRS Accounting Standards that have been issued but are not yet effective**

The following new/revised IFRS Accounting Standards, potentially relevant to the Group's consolidated financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group's current intention is to apply these changes on the date they become effective.

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

*Notes:*

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

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

<sup>3</sup> No mandatory effective date yet determined by available for adoption

***IFRS 18, Presentation and Disclosure in Financial Statements***

IFRS 18 introduces the following three sets of new requirements to improve entities' reporting of financial performance and give investors a better basis for analysing and comparing entities:

- Presentation of new defined subtotals in the statement of profit or loss;
- Disclosures about management-defined performance measures; and
- Enhanced requirements for grouping (aggregation and disaggregation) of information.

IFRS 18 supersedes IAS 1 Presentation of Financial Statements. Requirements in IAS 1 that are unchanged have been transferred to IFRS 18, IAS 8 Basis of Preparation of Financial Statements (formerly known as IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors) and IFRS 7 Financial Instruments: Disclosures.

The Directors are in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. They have concluded that the adoption of the above-mentioned amendments and new standards in the future is not expected to have significant impact on the Group's consolidated financial statements except that they anticipate that the adoption of IFRS 18 may change the presentation of consolidated statement of comprehensive income and more disclosures would be made.

### 3. BASIS OF PREPARATION

#### (a) Statement of compliance

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards which collective term includes all applicable individual IFRS Accounting Standards and Interpretations approved by the IASB, and all applicable individual IAS® Standards and Interpretations as originated by the Board of the International Accounting Standards Committee and adopted by the IASB. The consolidated financial statements also include the applicable disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

#### (b) Basis of measurement and going concern assumption

The consolidated financial statements have been prepared under the historical cost basis except for biological assets which are stated at fair values less costs to sell and financial assets at fair value through other comprehensive income which are stated at fair values as explained in the accounting policies set out below. It should be noted that accounting estimates and assumptions are used in preparation of the consolidated financial statements. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates.

In preparing the consolidated financial statements, the directors considered that the Group is able to continue as a going concern notwithstanding that the Group incurred a loss for the year of RMB17,050,000 for the year ended 31 December 2025, and as of that date, the Group had net current liabilities of RMB6,516,000. As at 31 December 2025, the Group had bank borrowings of RMB103,800,000, loans from ultimate holding company of RMB3,595,000 and loans from former immediate holding company of RMB103,048,000, totalling RMB210,443,000 that are repayable within 12 months from 31 December 2025, while the Group only maintained cash and cash equivalents of RMB137,295,000.

In view of these circumstances, the Directors have given careful consideration of the Group's future liquidity requirements, operating performance, and available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern. The Directors have prepared a cash flow forecast covering a period of twelve months from the date of approval of these consolidated financial statements, taking into account the plans and measures that have been implemented or are being implemented, which include, but not limited to, the following:

1. The Group has been actively negotiating with the banks to seek for renewal or extension of its bank borrowings. Subsequent to the end of the reporting period, out of the bank borrowings of RMB103,800,000 classified as current liabilities, the Group obtained a written confirmation from one of its bankers agreeing to extend bank borrowings of RMB10,000,000 for a further one-year period upon its maturity. This bank borrowing will mature in 2027. In addition, the Group received a letter of intent from a major banker in relation to existing bank borrowings of RMB28,800,000, indicating the banker's intention to provide facilities of RMB100,000,000 during 2026. The final terms, including the tenor of these bank borrowings, remain subject to the bank's formal approval at the respective maturity dates in 2026. Furthermore, subsequent to the end of the reporting period, the Group entered into certain new loan agreements with certain banks for RMB35,000,000, which will mature in 2027;

2. The Group drew down a loan of HK\$60,000,000, equivalent to RMB53,015,000, from its ultimate holding company in February 2026, which will mature in February 2027. The ultimate holding company has provided a letter of intent indicating its intention to extend the loan for a further one-year period upon maturity;
3. The Group will explore the availability of alternative source of financing; and
4. The Group continues to expand its production volume by enhancing the operational efficiency of its facilities and implementing measures to tighten cost controls over various operating expenses, with the aim of improving its profitability and operating cash inflows in the future.

The Directors consider that, assuming the successful implementation of the aforementioned plans and measures, the Group would have sufficient working capital to finance its operations and meet its obligations as and when they fall due for the period of the cash flow forecast. Accordingly, the Directors are of the opinion that it is appropriate to prepare these consolidated financial statements on a going concern basis.

Notwithstanding the above, whether the Group will be able to generate adequate cash flows to continue as a going concern will depend on the following:

- successful renewal of its existing bank borrowings;
- successful securing of new sources of financing as and when needed; and
- successful expansion of its production volume and effective implementation of cost control measures to generate sufficient operating cash inflows.

These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern and therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Should the Group fail to achieve the above plans and measures, it may not be able to continue to operate as a going concern, adjustments would have to be made in the consolidated financial statements to write down the carrying values of the Group's assets to their net realisable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effects of these adjustments have not been reflected in these consolidated financial statements.

**(c) Functional and presentation currency**

The consolidated financial statements are presented in Renminbi (“RMB”), which is the same as the functional currency of the Company and its subsidiaries in the PRC.

#### 4. SEGMENT INFORMATION

Information regarding the Group's reportable segments as provided to the Directors is set out below:

|   |                                      |  | 2025   |                                     |                         |
|---|--------------------------------------|--|--|-------------------------------------|-------------------------|
|   | Processed<br>foods<br><i>RMB'000</i> | Chilled and<br>frozen rabbit<br>meat<br><i>RMB'000</i> | Chilled and<br>frozen<br>chicken<br>meat<br><i>RMB'000</i> | Other<br>products<br><i>RMB'000</i> | Total<br><i>RMB'000</i> |
| Revenue from external customers and reportable segment revenue, recognised at a point in time | <u>820,760</u>                       | <u>198,069</u>   | <u>805,094</u>   | <u>33,360</u>                       | <u>1,857,283</u>        |
| Reportable segment profit/(loss)  | <u>96,807</u>                        | <u>(35,389)</u>  | <u>(37,724)</u>  | <u>1,502</u>                        | <u>25,196</u>           |
| Depreciation of property, plant and equipment   | (13,287)                             | (3,207)  | (13,034)   | (540)                               | (30,068)                |
| Depreciation of right-of-use assets   | (7,543)                              | (1,821)  | (7,400)  | (307)                               | (17,071)                |
| Depreciation of investment property   | -                                    | (14,000)   | -  | -                                   | (14,000)                |
| Loss on disposal of property, plant and equipment   | (251)                                | (60)   | (245)  | (10)                                | (566)                   |
| Provision for impairment loss on trade receivables  | (164)                                | (40)   | (162)  | (7)                                 | (373)                   |
| Written-down of inventories   | <u>(2,143)</u>                       | <u>(2,016)</u>   | <u>(421)</u>   | <u>-</u>                            | <u>(4,580)</u>          |

|   |                | 2024            |                 |                |                  |
|---|----------------|-----------------|-----------------|----------------|------------------|
|   | Processed      | Chilled and     | frozen          | Other          | Total            |
|   | foods          | frozen rabbit   | chicken         | products       |                  |
|   | <i>RMB'000</i> | meat            | meat            |                | <i>RMB'000</i>   |
|   |                | <i>RMB'000</i>  | <i>RMB'000</i>  | <i>RMB'000</i> | <i>RMB'000</i>   |
| Revenue from external customers and reportable segment revenue, recognised at a point in time | <u>757,760</u> | <u>175,479</u>  | <u>694,892</u>  | <u>22,378</u>  | <u>1,650,509</u> |
| Reportable segment profit/(loss)  | <u>74,514</u>  | <u>(25,674)</u> | <u>(29,111)</u> | <u>1,324</u>   | <u>21,053</u>    |
| Depreciation of property, plant and equipment   | (15,647)       | (3,624)         | (14,349)        | (462)          | (34,082)         |
| Depreciation of right-of-use assets   | (8,544)        | (1,978)         | (7,835)         | (252)          | (18,609)         |
| Depreciation of investment property   | –              | (11,911)        | –               | –              | (11,911)         |
| Loss on disposal of property, plant and equipment   | (549)          | (127)           | (504)           | (16)           | (1,196)          |
| Gain from termination of lease contracts  | –              | 593             | –               | –              | 593              |
| Reversal of provision for impairment loss on trade receivables                                | 2,628          | 609             | 2,411           | 78             | 5,726            |
| Written-down of inventories   | <u>(3,700)</u> | <u>–</u>        | <u>–</u>        | <u>–</u>       | <u>(3,700)</u>   |

Reportable segment revenue represented revenue of the Group in the consolidated statement of comprehensive income. A reconciliation between the reportable segment profit and the Group's loss before taxation is set out below:

|  | <b>2025</b>            | 2024            |
|--|------------------------|-----------------|
|  | <b><i>RMB'000</i></b>  | <i>RMB'000</i>  |
| Reportable segment profit                          | <b>25,196</b>          | 21,053          |
| Other income and other gains/(losses)              | <b>17,902</b>          | 10,984          |
| Administrative expenses                            | <b>(40,989)</b>        | (36,149)        |
| Provision for impairment loss on other receivables | <b>(4,850)</b>         | –               |
| Other operating expenses                           | <b>(3,943)</b>         | (624)           |
| Finance costs                                      | <b>(10,441)</b>        | (16,901)        |
|  | <u><b>(17,125)</b></u> | <u>(21,637)</u> |
| Loss before taxation                               | <u><b>(17,125)</b></u> | <u>(21,637)</u> |

A reconciliation between the reportable segment depreciation of property, plant and equipment and the Group's depreciation of property, plant and equipment is set out below:

|   | <b>2025</b>            | 2024            |
|---|------------------------|-----------------|
|   | <b><i>RMB'000</i></b>  | <i>RMB'000</i>  |
| Reportable depreciation of property, plant and equipment                    | <b>(30,068)</b>        | (34,082)        |
| Depreciation of property, plant and equipment under administrative expenses | <b>(6,274)</b>         | (6,099)         |
|   | <u><b>(36,342)</b></u> | <u>(40,181)</u> |
| Consolidated depreciation of property, plant and equipment                  | <u><b>(36,342)</b></u> | <u>(40,181)</u> |

The following table set out information about the disaggregated revenue and geographical location of the Group's revenue from external customers. The geographical location of customers is determined based on the location at which the goods were delivered.

|                                    | <b>2025</b>                    | 2024                    |
|------------------------------------|--------------------------------|-------------------------|
|                                    | <b><i>RMB'000</i></b>          | <i>RMB'000</i>          |
| <b>Local (Country of domicile)</b> |                                |                         |
| PRC                                | <b>1,372,613</b>               | 1,246,198               |
| <b>Export (Foreign countries)</b>  |                                |                         |
| Japan                              | <b>154,718</b>                 | 152,343                 |
| Europe <sup>#</sup>                | <b>301,944</b>                 | 226,055                 |
| Others                             | <b><u>28,008</u></b>           | <u>25,913</u>           |
|                                    | <b><u><u>1,857,283</u></u></b> | <u><u>1,650,509</u></u> |

<sup>#</sup> *Principally include Germany and Ireland*

For the year ended 31 December 2024, revenue from one customer of the Group's chilled and frozen chicken meat and processed foods segments amounted to RMB212,835,000, which represented 10% or more of the Group's revenues. For the year ended 31 December 2025, the revenue from the said customer did not contribute 10% or more of the Group's revenue.

## 5. REVENUE AND OTHER INCOME AND OTHER GAINS/(LOSSES)

An analysis of the Group's revenue is as follows:

|  | <b>2025</b>             | 2024             |
|--|-------------------------|------------------|
|  | <b><i>RMB'000</i></b>   | <i>RMB'000</i>   |
| <b>Revenue from contracts with customers</b> |                         |                  |
| Sale of goods                                | <u><b>1,857,283</b></u> | <u>1,650,509</u> |

The following table provides information about trade and bills receivables and contract liabilities from contracts with customers.

|  | <b>2025</b>           | 2024           |
|--|-----------------------|----------------|
|  | <b><i>RMB'000</i></b> | <i>RMB'000</i> |
| Trade and bills receivables ( <i>note 11</i> ) | <b>131,625</b>        | 91,297         |
| Contract liabilities                           | <u><b>11,039</b></u>  | <u>16,144</u>  |

The contract liabilities as at 31 December 2024 mainly related to the advance consideration received from customers which had been recognised as revenue for the year ended 31 December 2025.

As at 31 December 2025, the advance consideration received from customers of RMB11,039,000 represents unfulfilled performance obligations under the Group's existing contracts of RMB11,703,000. This amount represents revenue expected to be recognised in the future. The Group will recognise the expected revenue in future when performance obligations is completed, which is expected to occur within one year.

An analysis of the Group's other income and other gains/(losses) is as follows:

|  | <b>2025</b>          | 2024                 |
|--|----------------------|----------------------|
|  | <b>RMB'000</b>       | RMB'000              |
| <b>Other income and other gains/(losses)</b>   |                      |                      |
| Interest income on financial assets stated at amortised cost                                     | <b>1,104</b>         | 2,073                |
| Amortisation of deferred income on government grants   | <b>3,737</b>         | 4,567                |
| Government grants related to income*   | –                    | 127                  |
| Losses arising from changes in fair value less estimated costs to sell of biological assets, net | <b>(7,906)</b>       | (11,025)             |
| Insurance claims   | <b>12</b>            | 1,256                |
| Gain from termination of lease contracts   | –                    | 593                  |
| Rental income  | <b>9,775</b>         | 9,461                |
| Gain on sale of scrap material   | <b>5,458</b>         | 3,384                |
| Others   | <b>5,722</b>         | 1,141                |
|  | <b><u>17,902</u></b> | <b><u>11,577</u></b> |

\* For the year ended 31 December 2024, various government grants had been received mainly from Shandong Provincial Department of Human Resources and Social Security (山東省人力資源和社會保障廳) to support the Group in maintaining employment levels. There were no unfulfilled conditions or contingencies related to these grants.

## 6. LOSS BEFORE TAXATION

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

|  | <b>2025</b>      | 2024      |
|--|------------------|-----------|
|  | <b>RMB'000</b>   | RMB'000   |
| Cost of inventories recognised as an expense                           | <b>1,415,782</b> | 1,247,640 |
| Depreciation of property, plant and equipment ( <i>note a</i> )        | <b>36,342</b>    | 40,181    |
| Depreciation of right-of-use assets ( <i>note a</i> )                  | <b>17,071</b>    | 18,609    |
| Depreciation of investment property ( <i>note a</i> )                  | <b>14,000</b>    | 11,911    |
| Auditor's remunerations  |                  |           |
| – Audit services   | <b>1,637</b>     | 1,822     |
| – Non-audit services   | <b>357</b>       | 92        |
| Employees costs (including Directors' remuneration)                    | <b>237,767</b>   | 202,295   |
| Retirement scheme contribution   | <b>12,214</b>    | 11,111    |
| Total employees costs ( <i>note b</i> )                                | <b>249,981</b>   | 213,406   |
| Loss on disposal of property, plant and equipment<br>( <i>note c</i> ) | <b>566</b>       | 1,196     |
| Written-down of inventories ( <i>note d</i> )                          | <b>4,580</b>     | 3,700     |
| Exchange gain, net   | <b>(1,852)</b>   | (1,036)   |

*Note a: Depreciation of RMB47,093,000 (2024: RMB52,635,000), RMB46,000 (2024: RMB56,000), RMB6,274,000 (2024: RMB6,099,000) and RMB14,000,000 (2024: RMB11,911,000) has been charged to cost of sales, selling and distribution costs, administrative expenses and other operating expenses respectively, for the year ended 31 December 2025.*

*Note b: Total employee costs of RMB206,604,000 (2024: RMB178,780,000), RMB22,711,000 (2024: RMB20,501,000) and RMB20,666,000 (2024: RMB14,125,000) has been charged to cost of sales, selling and distribution costs and administrative expenses, respectively, for the year ended 31 December 2025.*

*Note c: Loss on disposal of property, plant and equipment were included in other operating expenses for the years ended 31 December 2025 and 2024.*

*Note d: Written-down of inventories were included in cost of sales for the year ended 31 December 2025 and 2024.*

## 7. FINANCE COSTS

|                                     | 2025<br><i>RMB'000</i> | 2024<br><i>RMB'000</i> |
|-------------------------------------|------------------------|------------------------|
| Interest charges on bank borrowings | 3,917                  | 9,333                  |
| Interest on lease liabilities       | <u>6,524</u>           | <u>7,568</u>           |
|                                     | <u><u>10,441</u></u>   | <u><u>16,901</u></u>   |

## 8. INCOME TAX CREDIT

|                         | 2025<br><i>RMB'000</i> | 2024<br><i>RMB'000</i> |
|-------------------------|------------------------|------------------------|
| Deferred tax credit     | <u>(75)</u>            | <u>(31)</u>            |
| Total income tax credit | <u><u>(75)</u></u>     | <u><u>(31)</u></u>     |

No Hong Kong profits tax has been provided for the year ended 31 December 2025 as the Group did not derive any assessable profit arising in Hong Kong during the year (2024: Nil).

PRC corporate income tax is provided at the rates applicable to the subsidiaries in the PRC on the income for statutory reporting purpose, adjusted for income and expense items which are not assessable or deductible for income tax purposes based on existing PRC income tax regulations, practices and interpretations thereof.

Qingdao Kangda Foods Co., Ltd. (“**Kangda Foods**”) and Shandong Kaijia Food Company Limited (“**Kaijia Food**”) are established and operating in the PRC and subject to PRC corporate income tax. According to the PRC Corporate Income Tax Law, the profit arising from agricultural, poultry and primary food processing businesses of Kangda Foods and Kaijia Food are exempted from PRC corporate income tax. The taxable profits of Kangda Foods arising from profit from business other than agricultural, poultry and primary food processing are subject to corporate income tax at 25% for the years ended 31 December 2025 and 2024.

Under the PRC Corporate Income Tax Law and Implementation Rules, enterprises that engage in qualifying agricultural business are eligible for certain tax benefits, including full exemption of corporate income tax on profits derived from such business. Qingdao Kangda Rabbit Company Ltd., Qingdao Kangda-Eurolap Rabbit Selection Co, Ltd., Qingdao Kangda Jiafeng Rabbit Rearing Co., Ltd. and Gaomi Kaijia Rearing Co., Ltd. engaged in qualifying agricultural business, which include breeding and sales of livestock, and are entitled to full exemption of corporate income tax during the years ended 31 December 2025 and 2024.

A reconciliation of the income tax credit and the accounting loss at applicable tax rates is presented below:

|  | <b>2025</b>     | 2024            |
|--|-----------------|-----------------|
|  | <b>RMB'000</b>  | RMB'000         |
| Loss before taxation   | <u>(17,125)</u> | <u>(21,637)</u> |
| Tax calculated at the rates applicable to respective tax jurisdictions concerned | (4,281)         | (5,409)         |
| Tax effect of non-deductible expenses  | 5,488           | 2,609           |
| Tax effect of non-taxable income   | –               | (1,432)         |
| Tax holiday and other tax benefits of PRC subsidiaries                           | (9,035)         | (14,207)        |
| Tax effect on current year's unrecognised tax losses                             | 7,828           | 18,439          |
| Tax effect of temporary differences not recognised                               | <u>(75)</u>     | <u>(31)</u>     |
| Income tax credit  | <u>(75)</u>     | <u>(31)</u>     |

## 9. DIVIDENDS

The board of Directors did not recommend any payment of dividends during the year (2024: Nil).

## 10. LOSS PER SHARE

The calculation of basic loss per share is based on the loss attributable to owners of the Company of RMB17,382,000 (2024: RMB21,473,000) and on the 452,948,000 (2024: weighted average number of 442,153,000) ordinary shares in issue during the year.

For the years ended 31 December 2025 and 2024, the Company did not have any dilutive potential ordinary shares. Accordingly, diluted loss per share is the same as basic loss per share.

## 11. TRADE AND BILLS RECEIVABLES

|                                   | <b>2025</b>    | 2024           |
|-----------------------------------|----------------|----------------|
|                                   | <b>RMB'000</b> | RMB'000        |
| Trade receivables                 | 120,411        | 87,200         |
| Bills receivables                 | 12,900         | 5,410          |
| Less: provision for impairment    | <u>(1,686)</u> | <u>(1,313)</u> |
| Trade and bills receivables – net | <u>131,625</u> | <u>91,297</u>  |

Trade and bills receivables are non-interest bearing and are generally on terms of 30 to 90 days. They are recognised at their original invoice amounts which represent their fair values at initial recognition.

The ageing analysis of trade and bills receivables (net of impairment made) based on invoice dates as at the reporting date is as follows:

|                | <b>2025</b>           | 2024           |
|----------------|-----------------------|----------------|
|                | <b><i>RMB'000</i></b> | <i>RMB'000</i> |
| Within 30 days | <b>89,830</b>         | 71,867         |
| 31–60 days     | <b>32,038</b>         | 15,368         |
| 61–90 days     | <b>3,562</b>          | 2,725          |
| Over 90 days   | <b>6,195</b>          | 1,337          |
|                | <b><u>131,625</u></b> | <u>91,297</u>  |

Before accepting any new customer, the Group will assess the potential customer's credit quality and set credit limits for that customer. Limits attributed to customers are reviewed once a year.

The maximum exposure to credit risk for trade and bills receivables at the reporting date by geographic region is:

|        | <b>2025</b>           | 2024           |
|--------|-----------------------|----------------|
|        | <b><i>RMB'000</i></b> | <i>RMB'000</i> |
| PRC    | <b>90,454</b>         | 47,209         |
| Japan  | <b>1,988</b>          | 4,344          |
| Europe | <b>38,333</b>         | 36,930         |
| Others | <b>850</b>            | 2,814          |
|        | <b><u>131,625</u></b> | <u>91,297</u>  |

At 31 December 2025, the Group endorsed certain notes receivable accepted by banks in the PRC (the “**Endorsed Notes**”) to certain of its suppliers in order to settle the trade and other payables due to these suppliers with an aggregate carrying amount of RMB273,700,000 (2024: RMB295,800,000). The Endorsed Notes had a maturity from one to six months at the end of the reporting period. In accordance with the relevant laws and regulations in the PRC, the holders of the Endorsed Notes have a right of recourse against the Group if the accepting banks default (the “**Continuing Involvement**”). In the opinion of the Directors, the Group has transferred substantially all risks and rewards relating to the Endorsed Notes. Accordingly, it has derecognised the full carrying amounts of the Endorsed Notes and the associated trade and other payables. The maximum exposure to loss from the Group's Continuing Involvement in the Endorsed Notes and the undiscounted cash flows to repurchase these Endorsed Notes are equal to their carrying amounts. In the opinion of the Directors, the fair values of the Group's Continuing Involvement in the Endorsed Notes are not significant.

During the year, the Group has not recognised any gain or loss on the date of transfer of the Endorsed Notes. No gains or losses were recognised from the Continuing Involvement, both during the year or cumulatively. The endorsement has been made evenly throughout the year.

## 12. TRADE AND BILLS PAYABLES

Trade payables are non-interest bearing and are normally settled on terms of 60 days. Bills payables refer to payables due to third party supplies which were guaranteed by bank for settlement in accordance with banking facilities and are non-interest bearing, secured by the pledged deposits, guaranteed by a subsidiary and are normally settled on terms of 180 days.

|                | <b>2025</b>                  | 2024                  |
|----------------|------------------------------|-----------------------|
|                | <b><i>RMB'000</i></b>        | <i>RMB'000</i>        |
| Trade payables | <b>113,158</b>               | 117,811               |
| Bills payables | <b><u>157,000</u></b>        | <u>152,000</u>        |
|                | <b><u><u>270,158</u></u></b> | <u><u>269,811</u></u> |

The ageing analysis of trade and bills payables based on invoice dates as at the reporting date is as follows:

|                | <b>2025</b>                  | 2024                  |
|----------------|------------------------------|-----------------------|
|                | <b><i>RMB'000</i></b>        | <i>RMB'000</i>        |
| Within 60 days | <b>196,792</b>               | 204,162               |
| 61–90 days     | <b>14,786</b>                | 10,382                |
| 91–120 days    | <b>17,978</b>                | 18,684                |
| Over 120 days  | <b><u>40,602</u></b>         | <u>36,583</u>         |
|                | <b><u><u>270,158</u></u></b> | <u><u>269,811</u></u> |

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW**

During the fiscal year 2025 (“**FY2025**”), the business environment was full of challenges, due to increasing trade protectionism and downturn pressure of macroeconomic. The Group recorded a loss attributable to owners of the Company of approximately RMB17.4 million, representing a decrease in loss of RMB4.1 million, or 19.1%, as compared to approximately RMB21.5 million loss making for fiscal year 2024 (“**FY2024**”).

The Group continued to adopt stable operation strategy. The revenue increased by 12.5% from approximately RMB1,650.5 million for FY2024 to approximately RMB1,857.3 million for FY2025. The decrease of loss making was a net impact of the following: i) increase in gross profit of RMB19.6 million due to increase in revenue and gross profit margin, ii) decrease in finance cost of RMB6.5 million as a result of lower loan balance and interest rate, iii) increase in selling, distribution costs and administrative expenses of RMB12.1 million due to business expansion, and iv) increase in impairment loss on trade and other receivables of RMB10.9 million due to a rise in long-aged receivables.

### **PROSPECT**

Being a company focusing on consumer products industry, our business is always affected by economic growth, consumers’ preferences, industry cycle and animal epidemics. In FY2025, with re-emergence of trade protectionism and global recession, the whole consumer industry is facing complicated external environment and greater challenges. Despite the challenges, with our products being consumer staples, all the above uncertainties will have limited impact on our business.

The food industry will continue to face challenges with low growth rate and intense competition. With consumption upgrades, food safety and healthiness have become the focus of consumers’ attention, which has always been our priority. With our stringent quality control and food safety systems, we will continue to provide customers with high quality products. To maintain overall profitability and to enhance the competitiveness and resistance against market risk, the Group will increase investment in research and development of new products, focus on high value-added processed foods, safeguard business relationship with major customers and proactively explore new markets and new customers.

We will continue to optimise product portfolios, enhance cost management, promote brand building and expand new sales channels to strengthen the core competence and improve the overall performance of the Group.

## OPERATING AND FINANCIAL REVIEW

### Revenue by products

|                                 | <b>FY2025</b><br><b>RMB'000</b> | FY2024<br>RMB'000 | % Change<br>+ / (-) |
|---------------------------------|---------------------------------|-------------------|---------------------|
| Processed food                  | <b>820,760</b>                  | 757,760           | 8.3%                |
| Chilled and frozen chicken meat | <b>805,094</b>                  | 694,892           | 15.9%               |
| Chilled and frozen rabbit meat  | <b>198,069</b>                  | 175,479           | 12.9%               |
| Other products                  | <b>33,360</b>                   | 22,378            | 49.1%               |
| Total                           | <b><u>1,857,283</u></b>         | <u>1,650,509</u>  | <u>12.5%</u>        |

Revenue derived from the production and sales of processed food, chilled and frozen chicken meat, chilled and frozen rabbit meat and other products contributed 44.2%, 43.3%, 10.7%, and 1.8% of the revenue for FY2025 (FY2024: 45.9%, 42.1%, 10.6%, and 1.4%), respectively. The contribution of processed food decreased by 1.7 percentage points, chilled and frozen chicken meat, chilled and frozen rabbit meat and other products increased by 1.2 percentage points, 0.1 percentage point and 0.4 percentage points, respectively.

### Processed Food Products

Revenue derived from the production and sales of processed food products increased by 8.3% to approximately RMB820.8 million for FY2025. The growth in sales of processed food products was due to sales increased in the fast-food and convenience store channels driven by research and development of new products.

### Chilled and Frozen Chicken Meat

Revenue derived from the production and sales of chilled and frozen chicken meat increased by 15.9% to approximately RMB805.1 million for FY2025. With the consumption market recovering, the demand of chilled and frozen chicken meat increased, the Group actively released production capacity and increased slaughter volume to meet market demand.

### Chilled and Frozen Rabbit Meat

The sales of chilled and frozen rabbit meat products increased by 12.9% to RMB198.1 million for FY2025. The increase was mainly driven by expanded overseas sales channels and promotion of new products.

## Other Products

Revenue derived from the production and sale of other products increased by 49.1% to RMB33.4 million for FY2025. The Group optimised product structure and developed new by-products, driving revenue growth.

### Revenue by geographical markets

|        | <b>FY2025</b><br><b>RMB'000</b> | FY2024<br><b>RMB'000</b> | % Change<br>+ / (-) |
|--------|---------------------------------|--------------------------|---------------------|
| PRC    | <b>1,372,613</b>                | 1,246,198                | 10.1%               |
| Export | <b>484,670</b>                  | 404,311                  | 19.9%               |
| Total  | <b>1,857,283</b>                | 1,650,509                | 12.5%               |

On a geographical basis, our revenue from PRC and overseas contributed 73.9% and 26.1% of the revenue for FY2025 (FY2024: 75.5% and 24.5%), respectively. Revenue from PRC sales increased by 10.1% to RMB1,372.6 million for FY2025. Revenue derived from chilled and frozen chicken meat contributed the majority of domestic sales revenue growth. Revenue from export sales increased by 19.9% to RMB484.7 million for FY2025. The strong demand from European markets led to the growth in overseas revenue.

## Profitability

### Gross Profit and Margin

|                | <b>FY2025</b><br><b>RMB'000</b> | <b>FY2025</b><br><b>Margin %</b> | FY2024<br><b>RMB'000</b> | FY2024<br><b>Margin %</b> | Change<br><b>RMB'000</b> | % Change<br>+ / (-) |
|----------------|---------------------------------|----------------------------------|--------------------------|---------------------------|--------------------------|---------------------|
| Processed food | <b>120,821</b>                  | <b>14.7</b>                      | 93,610                   | 12.4                      | 27,211                   | 2.3                 |
| Chicken meat   | <b>-14,169</b>                  | <b>-1.8</b>                      | -11,600                  | -1.7                      | -2,569                   | -0.1                |
| Rabbit meat    | <b>-15,594</b>                  | <b>-7.9</b>                      | -9,934                   | -5.7                      | -5,660                   | -2.2                |
| Other products | <b>2,478</b>                    | <b>7.4</b>                       | 1,887                    | 8.4                       | 591                      | -1.0                |
| Total          | <b>93,536</b>                   | <b>5.0</b>                       | 73,963                   | 4.5                       | 19,573                   | 0.5                 |

The overall gross profit margin was 5.0% for FY2025, representing an increase of 0.5 percentage points from 4.5% for FY2024.

### ***Processed Food Products***

Processed food products were our main profit contributor. The gross margin increased from 12.4% for FY2024 to 14.7% for FY2025. The increase was a result of increase in overseas sales of processed food products with higher gross profit margin.

### ***Chilled and Frozen Chicken Meat***

The gross profit margin of chilled and frozen chicken meat remained stable compared with the previous year.

### ***Chilled and Frozen Rabbit Meat***

The gross profit margin of chilled and frozen rabbit meat decreased from -5.7% for FY2024 to -7.9% for FY2025. The decrease was attributable to the decrease of selling price of sales of chilled and frozen rabbit meat in FY2025.

### ***Other Products***

Other products were mainly chicken and rabbit meat by-products. The gross profit margin of other products decreased from 8.4% for FY2024 to 7.4% for FY2025. The change was mainly due to product mix adjustment.

### ***Other Income and other gains/(losses)***

Other income and other gains/(losses) for FY2025 was RMB17.9 million, representing an increase of RMB6.3 million from RMB11.6 million for FY2024. Other income and other gains/(losses) comprised mainly rental income, gain on sale of scrap material, government grants, interest income on financial assets, and losses arising from changes in fair value less estimated costs to sell of biological assets. The increase in other income and other gains/(losses) was mainly due to decrease of RMB3.1 million in losses arising from changes in fair value less estimated costs to sell of biological assets and increase of RMB2.1 million in gain on sale of scrap material.

### ***Selling and Distribution Expenses***

Selling and distribution expenses comprised mainly salary and welfare, transportation costs, advertisement costs, etc. The selling and distribution expenses increased to RMB53.4 million in FY2025 (FY2024: RMB46.1 million), mainly due to higher revenue and corresponding logistics and staff costs.

### ***Administrative Expenses***

Administrative expenses comprised mainly staff costs, professional fees, depreciation charge, travelling expenses and other miscellaneous administrative expenses. Administrative expenses increased to RMB41.0 million in FY2025 (FY2024: RMB36.1 million), mainly due to increased staff and professional fees.

### ***Other Operating Expenses***

Other operating expenses for FY2025 was RMB18.5 million, representing an increase of RMB4.8 million from RMB13.7 million for FY2024, mainly due to increase in depreciation charge of investment properties.

### ***Finance costs***

Finance costs decreased by 38.2% to approximately RMB10.4 million for FY2025, mainly due to the decrease in average balance and interest rate of bank borrowings in FY2025.

### ***Taxation***

Income taxation included deferred tax credit. The Group recorded income tax credit of RMB0.08 million in FY2025 (FY2024: RMB0.03 million).

### ***Review of the Group's Financial Position as at 31 December 2025***

The Group's property, plant and equipment increased by 9.3% to approximately RMB244.4 million as at 31 December 2025 mainly due to a net effect of addition of cold storage facilities and ongoing depreciation charge.

The investment property represented leasehold buildings in property, plant and equipment and right-of-use assets in relation to rabbit farms and pet food production plants and machinery held to earn rental income.

The investment property was stated at cost less accumulated depreciation as the fair value cannot be reliably measured since there were no active market prices for similar properties. The investment property decreased by 6.5% to RMB164.9 million as at 31 December 2025. The depreciation charges led to the decrease in investment property.

Right-of-use assets represented operating lease assets and prepaid premium for land leases. Right-of-use assets decreased by 11.4% to RMB151.0 million as at 31 December 2025. The recognition of depreciation charges led to the decrease in right-of-use assets.

Biological assets mainly referred to breeder chickens, hatchable eggs and progeny chickens for sale and consumption in production, progeny rabbits and breeder rabbits. These biological assets were valued by an independent professional valuer as at 31 December 2025 with reference to market-determined prices. Biological assets increased by 17.8% to RMB58.5 million as at 31 December 2025. The increase is mainly attributable to the growing number of progeny chickens raised due to positive future market expectations.

Inventories increased by 23.7% to approximately RMB129.9 million as at 31 December 2025. The increase is mainly due to maintenance of more inventories for favorable market trend at the year-end of FY2025. The inventory turnover days for FY2025 were 24.3 days as compared to 25.6 days for FY2024.

Trade and bills receivables increased by 44.2% to approximately RMB131.6 million as at 31 December 2025. Revenue increased by 12.5% in FY2025 and less trade receivables were collected at the end of the year, which led to a significant increase in trade and bills receivables. The trade and bills receivables turnover days was 21.9 days for FY2025 as compared to 20.3 days for FY2024.

The pledged deposits were secured against the bills payables of the Group. The pledged deposits slightly increased by RMB2.5 million to approximately RMB122.5 million as at 31 December 2025. More bills payables were issued to settle purchase payment, and deposits pledged for bills payables increased accordingly.

Cash and cash equivalents decreased by approximately RMB96.9 million to approximately RMB137.3 million as at 31 December 2025. The decrease was mainly due to less trade receivables were collected, more cash outflowed for property, plant and equipment and more repayment of bank loans in FY2025.

Trade and bills payables remained stable at approximately RMB270.2 million as at 31 December 2025.

Accrued liabilities and other payables as at 31 December 2025 represented payables for salary and welfare payables, accrued expenses and deposit received. Accrued liabilities and other payables remained stable at RMB92.5 million as at 31 December 2025.

Interest-bearing bank borrowings decreased by RMB45.7 million to approximately RMB103.8 million as at 31 December 2025 after taking into account the additional borrowings of approximately RMB103.9 million, repayment of the borrowings of approximately RMB149.6 million during FY2025.

Amount due to a related party of RMB38.8 million as at 31 December 2025 and amount due from a related party of RMB4.2 million as at 31 December 2024 were trade in nature.

Loan from ultimate holding company of RMB3.6 million as at 31 December 2025 is interest-free, unsecured and repayable on 22 December 2026.

Loans from related parties represented the related parties loans of RMB37.6 million from two related parties. For further details, please refer to note 30 to the consolidated financial statements. The Company entered into an agreement with the related parties to extend the repayment dates of these loans to 31 December 2027, which are unsecured and interest-free. These loans were reclassified from current liabilities to non-current liabilities after extension in FY2025.

Loans from former immediate holding company increased by RMB9.0 million to RMB103.0 million as at 31 December 2025. The loan is interest-free, unsecured and repayable on 31 December 2026.

Lease liabilities represented the present value of the lease payments that are not yet paid. Lease liabilities decreased by RMB16.0 million to RMB88.8 million as at 31 December 2025. The decrease in lease liabilities was a result of repayment of rentals during FY2025.

## **CAPITAL STRUCTURE**

As at 31 December 2025, the Group had net assets of approximately RMB524.8 million (31 December 2024: RMB536.4 million), comprising non-current assets of approximately RMB658.9 million (31 December 2024: RMB669.4 million), and current assets of approximately RMB636.6 million (31 December 2024: RMB654.2 million). The Group recorded a net current liability position of approximately RMB6.5 million as at 31 December 2025 (31 December 2024: RMB26.6 million), which primarily consisted of cash and cash equivalents balances amounted to approximately RMB137.3 million (31 December 2024: RMB234.2 million). Moreover, inventories amounted to approximately RMB129.9 million as at 31 December 2025 (31 December 2024: RMB105.0 million) and trade and bills receivables amounted to approximately RMB131.6 million as at 31 December 2025 (31 December 2024: RMB91.3 million) were also major current assets. Major current liabilities are trade and bills payables, interest-bearing bank borrowings and loans from former immediate holding company which, as at 31 December 2025, amounted to approximately RMB270.2 million (31 December 2024: RMB269.8 million), approximately RMB103.8 million (31 December 2024: RMB149.5 million) and approximately RMB103.0 million (31 December 2024: RMB94.0 million), respectively.

## LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2025, the Group has cash and cash equivalents of approximately RMB137.3 million (31 December 2024: RMB234.2 million) and had total interest-bearing bank borrowings of approximately RMB103.8 million (31 December 2024: RMB149.5 million), loans from former immediate holding company of RMB103.0 million (31 December 2024: RMB94.0 million) and lease liabilities of RMB88.8 million (31 December 2024: RMB104.8 million), respectively. The Group's interest-bearing bank borrowings were debts with interest rate ranging from 2.6% to 3.1% (31 December 2024: 3.0% to 3.8%) per annum. The Group's loans from former immediate holding company were interest-free and repayable on 31 December 2026. The Group's loans from related parties were interest-free and repayable on 31 December 2027.

The gearing ratio for the Group was 73% as at 31 December 2025 (31 December 2023: 74%), based on total debt of approximately RMB375.6 million (31 December 2024: RMB387.3 million) and equity attributable to Company's owners of approximately RMB513.4 million (31 December 2024: RMB525.4 million). The Group would serve its debts primarily with cash flow generated from its operation, seeking renewal of the outstanding bank borrowings and new banking facilities and exploring the availability of alternative sources of financing. The Board is confident that the Group has adequate financial resources to meet its future debt repayment and support its working capital requirement and future expansion.

## FOREIGN CURRENCY EXPOSURE

The following table details the Group's exposures as at FY2025 to foreign currency risk from the financial assets and financial liabilities denominated in a currency other than the functional currency to which the Group's entities relate:

|   | USD           | EURO          | JPY          | SGD      | HK\$           |
|---|---------------|---------------|--------------|----------|----------------|
|   | RMB'000       | RMB'000       | RMB'000      | RMB'000  | RMB'000        |
| <b>Financial assets</b>                     |               |               |              |          |                |
| Trade receivables                           | 6,881         | 33,990        | 300          | –        | –              |
| Cash and bank balances                      | <u>34,668</u> | <u>1,651</u>  | <u>3,090</u> | <u>–</u> | <u>1,803</u>   |
|   | <u>41,549</u> | <u>35,641</u> | <u>3,390</u> | <u>–</u> | <u>1,803</u>   |
| <b>Financial liabilities</b>                |               |               |              |          |                |
| Loans from related parties                  | –             | –             | –            | –        | 37,553         |
| Loan from ultimate holding company          | –             | –             | –            | –        | 3,595          |
| Loans from former immediate holding company | <u>–</u>      | <u>–</u>      | <u>–</u>     | <u>–</u> | <u>103,048</u> |
|   | <u>–</u>      | <u>–</u>      | <u>–</u>     | <u>–</u> | <u>144,196</u> |

In view of the nature of the Group's business, which spans several countries, foreign exchange risks will continue to be an integral aspect of its risk profile in the future. Currently, the Group neither has a formal foreign currency hedging policy nor conducts hedging exercise to reduce foreign currency exposure. The Group will continue to monitor its foreign exchange exposure.

## CAPITAL COMMITMENTS

As at 31 December 2025, the Group's capital commitment which had been contracted for but not provided in the consolidated financial statements amounted to approximately RMB32.6 million (31 December 2024: RMB3.2 million).

## **CHARGE ON ASSETS**

Total secured interest-bearing bank borrowings were approximately RMB103.8 million as at 31 December 2025 (31 December 2024: RMB149.5 million).

As at 31 December 2025, the Group's interest-bearing bank borrowings were guaranteed by certain related parties of the Group, secured against pledge of the Group's certain property, plant and equipment, right-of-use assets and a related party's certain property, plant and equipment.

## **CONTINGENT LIABILITIES**

As at 31 December 2025, the Group did not have any material contingent liabilities (31 December 2024: Nil).

## **EMPLOYEES AND EMOLUMENT POLICY**

As at 31 December 2025, the Group employed a total of 2,237 employees (31 December 2024: 1,982 employees) in the PRC. The Group's emolument policy is formulated based on the industry practices and performance of individual employee. During the year under review, the total employees costs (including Directors' emoluments) were approximately RMB250.0 million (FY2024: RMB213.4 million). The Company did not adopt any share option scheme for its employees.

## **SIGNIFICANT INVESTMENTS, ACQUISITIONS AND DISPOSALS**

Except for investment in subsidiaries, the Group did not hold any significant investment in equity interest in other companies. The Group did not have any material acquisitions or disposals of subsidiaries or associated companies or joint ventures during the year ended 31 December 2025.

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

There was no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries (including sale of treasury shares (as defined in the Listing Rules)) during the year ended 31 December 2025. The Company did not hold any treasury shares as of 31 December 2025.

## **EXTRACT OF THE AUDITORS' REPORT**

The following is an extract of the independent auditor's report on the Group's annual financial statements for the year ended 31 December 2025:

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“**IFRS Accounting Standards**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### **Material Uncertainty Related to Going Concern**

We draw attention to note 3(b) in the consolidated financial statements, which indicates that the Group incurred a loss for the year of RMB17,050,000 for the year ended 31 December 2025, and as of that date, the Group had net current liabilities of RMB6,516,000. As stated in note 3(b), these conditions, along with other matters as set forth in note 3(b), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### **AUDIT COMMITTEE**

The audit committee of the Company had reviewed with the management of the Group regarding the accounting principles and standards adopted by the Group, and discussed auditing, internal control and financial reporting matters including the review of the Company's audited consolidated financial statements and this announcement for the year ended 31 December 2025.

### **CODE ON CORPORATE GOVERNANCE PRACTICE**

During the year ended 31 December 2025, the Company has complied with all applicable code provisions (the “**Code Provision(s)**”) set out in the Corporate Governance Code as contained in Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), save for the deviations as listed below:

Code Provision C.2.1 of the Corporate Governance Code states that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing.

During the period from 1 January 2025 to 29 December 2025, Ms. Lang Ying (“**Ms. Lang**”) was the chairlady of the Board and the chief executive officer of the Company (the “**CEO**”). Despite the deviation from Code Provision C.2.1 of the Corporate Governance Code, the Board believes that the appointment of Ms. Lang as both chairlady of the Board and CEO can provide the Group with consistent leadership going forward and allow more effective implementation of the overall strategy of the Group. Furthermore, this structure does not compromise the balance of power and authority, as major decisions are made in consultation with the Board. The current senior management team of the Group also possesses rich knowledge and experience in different professional fields to assist Ms. Lang to make decisions about the businesses and operations of the Group. The Company considers that it is the long-term objective of the Company to have these two roles performed by separate individuals when suitable candidates are identified.

On 30 December 2025, following (1) the resignation of Ms. Lang as the executive Director, chairlady of the Board and CEO; (2) the appointment of Mr. Gao Sishi as the executive Director and the chairman of the Board; and (3) the appointment of Mr. Gao Yanxu as the CEO, the Company has complied with the Code Provision C.2.1 of the Corporate Governance Code.

Code Provision C.1.7 of the Corporate Governance Code states that an issuer should arrange appropriate insurance cover in respect of legal action against its directors.

During FY2025, the Company has not arranged liability insurance for the Directors in respect of legal proceedings that may be brought against the Directors due to the activities of the Company. The Company’s Bye-Laws provides that each Director shall be entitled to be indemnified out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which he or she may incur or sustain in or about the execution of his/her duty. However, as the Company considered its risk management and internal control systems are effective and constantly under review, and as all the executive Directors are familiar with the operation of the Group, the Company believes that the risk of the Directors being sued or getting involved in litigation in their capacity as Directors is relatively low, and hence the Company is of the view that the benefits of the insurance may not outweigh the cost.

## **MODEL CODE FOR SECURITIES TRANSACTIONS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 of the Listing Rules (the “**Model Code**”). Having made specific enquiry of the Directors, all the Directors confirmed that they had complied with the required standards as set out in the Model Code for the year ended 31 December 2025.

## **IMPORTANT EVENTS AFTER REPORTING PERIOD**

Subsequent to 31 December 2025 and up to the date of this announcement, so far as the Directors are aware, there have been no significant events that have materially affected the Group.

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

This final results announcement is published on the websites of The Stock Exchange of Hong Kong Limited ([www.hkexnews.hk](http://www.hkexnews.hk)), SGX-ST ([www.sgx.com](http://www.sgx.com)) and the Company ([www.kangdafood.com](http://www.kangdafood.com)). The Company's annual report for the year ended 31 December 2025 will also be published on the aforesaid websites in due course.

## **ANNUAL GENERAL MEETING**

The notice of the forthcoming annual general meeting of the Company (the "AGM"), which contains the date, time and place of the forthcoming AGM, as well as details of the period during which the register of members and the registration of share transfers is closed, will be published and despatched to the shareholders of the Company in due course.

## **DIVIDEND**

The Directors do not recommend the payment of a final dividend for FY2025 (FY2024: Nil).

## **SCOPE OF WORK OF THE AUDITOR ON THIS PRELIMINARY ANNOUNCEMENT**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in the preliminary announcement have been agreed by the Group's auditor, BDO Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by BDO Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by BDO Limited on the preliminary announcement.

## **APPRECIATION**

On behalf of the Board, I would like to take this opportunity to thank the Group's management and staff for their dedication and commitment throughout the year. Besides, I would like to thank all shareholders of the Company, business partners, customers, and vendors for their support and encouragement given to the Group in the past years. My thanks are also extended to the lawyers, auditors, consultants and relevant enterprises who always give us help and support. We will do all our best and we wish you all the best for the upcoming year.

On behalf of the Board  
**China Kangda Food Company Limited**  
**Gao Sishi**  
*Executive Director*

Hong Kong and Singapore, 30 March 2026

*As at the date of this announcement, the executive Directors are Mr. Gao Sishi, Mr. Gao Yanxu and Mr. Zhuang Jinwen; and the independent non-executive Directors are Mr. Sun Gang, Mr. Fok Wai Hung and Ms. Lau Pik Ki.*