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XinXiang Era Group Company Limited

新享時代集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8519)

**ANNOUNCEMENT OF ANNUAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2025 AND
CHANGE IN USE OF PROCEEDS**

**CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED
(THE “STOCK EXCHANGE”)**

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

*This announcement, for which the directors (the “**Directors**”) of XinXiang Era Group Company Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

ANNUAL RESULTS

The board of Directors (the “**Board**”) of the Company hereby announces the annual 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 year ended 31 December 2024 as follows, which are presented in Hong Kong dollars (“**HK\$**”):

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Revenue	4	206,491	244,604
Other income	5	1,014	3,708
Other gains and losses		975	(380)
Raw materials and cost of inventories consumed		(58,256)	(64,350)
Staff costs		(74,689)	(97,445)
Depreciation		(11,665)	(21,745)
Property rentals and related expenses		(24,985)	(24,561)
Utility expenses		(5,268)	(6,806)
Advertising and promotion expenses		(4,413)	(6,177)
Other operating expenses		(21,994)	(27,790)
Finance costs	6	(868)	(2,504)
Impairment loss of property, plant and equipment		–	(860)
Impairment loss of right-of-use assets		–	(1,477)
Impairment loss on financial assets		(1,580)	(529)
Profit/(loss) before taxation	7	4,762	(6,312)
Income tax expense	8	(1,185)	(2,175)
Profit/(loss) for the year		3,577	(8,487)
Other comprehensive (expense)/income, that may be reclassified subsequently to profit or loss:			
Exchange difference on translation of foreign operations		(31)	11
Other comprehensive expense, that will not be reclassified subsequently to profit or loss:			
Remeasurement of provision for long service payment		(48)	(79)
Total comprehensive income/(expense) for the year		3,498	(8,555)
Profit/(loss) for the year attributable to:			
— Owners of the Company		2,116	(6,604)
— Non-controlling interests		1,461	(1,883)
		3,577	(8,487)
Total comprehensive income/(expense) for the year attributable to:			
— Owners of the Company		2,037	(6,667)
— Non-controlling interests		1,461	(1,888)
		3,498	(8,555)
			(restated)
Earnings/(loss) per share			
Basic and diluted (HK cents)	10	1.46	(4.56)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025

	<i>Notes</i>	2025 HK\$'000	2024 HK\$'000
Non-current assets			
Property, plant and equipment		3,180	4,830
Right-of-use assets		2,271	10,302
Investment in an associate		–	–
Financial assets measured at fair value through profit or loss		–	87
Deferred tax assets		1,336	3,080
Deposits	<i>11</i>	<u>–</u>	<u>8,841</u>
		<u>6,787</u>	<u>27,140</u>
Current assets			
Inventories		3,021	5,541
Trade and other receivables, deposits and prepayments	<i>11</i>	13,950	12,148
Current tax recoverable		267	267
Bank balances and cash		<u>9,300</u>	<u>9,162</u>
		<u>26,538</u>	<u>27,118</u>
Current liabilities			
Trade and other payables and accrued charges	<i>12</i>	18,332	31,284
Contract liabilities		1,793	4,278
Amount due to controlling shareholder		7,153	4,176
Current tax payable		368	991
Lease liabilities		4,291	12,936
Reinstatement provision		<u>3,287</u>	<u>2,429</u>
		<u>35,224</u>	<u>56,094</u>
Net current liabilities		<u>(8,686)</u>	<u>(28,976)</u>
Total assets less current liabilities		<u>(1,899)</u>	<u>(1,836)</u>

	<i>Notes</i>	2025 HK\$'000	2024 <i>HK\$'000</i>
Non-current liabilities			
Reinstatement provision		–	925
Provision for long service payment		465	875
Deferred tax liabilities		439	352
Contract liabilities		–	6,919
Lease liabilities		121	4,311
		<u>1,025</u>	<u>13,382</u>
Net liabilities		<u>(2,924)</u>	<u>(15,218)</u>
Capital and reserves			
Share capital	<i>13</i>	11,598	11,598
Reserves		<u>(10,787)</u>	<u>(13,326)</u>
Equity attributable to owners of the Company		811	(1,728)
Non-controlling interests		<u>(3,735)</u>	<u>(13,490)</u>
Total deficit		<u>(2,924)</u>	<u>(15,218)</u>

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands and registered as an exempted company with limited liability under the Companies Law (as revised) of the Cayman Islands on 21 August 2015 and the Company's shares (the "**Shares**") have been listed on GEM of The Stock Exchange of Hong Kong Limited on 8 February 2018. Its immediate and ultimate holding company is Central Power Group Limited ("**Central Power**"), a company incorporated in Hong Kong. The address of the Company's registered office and principal place of business are Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands and Room E, 9/F, Kingview Plaza, No. 39 Sha Tsui Road, Tsuen Wan, N.T., Hong Kong, respectively.

The principal activities of the Group are the operation of restaurants in Hong Kong and sale of goods in the People's Republic of China (the "PRC") .

2. CHANGE IN ACCOUNTING POLICIES

(a) Adoption of amendments to HKFRS Accounting Standards

In the current year, the Group has applied for the first time the following amendments to HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") to the Group's consolidated financial statements for the annual period beginning on or after 1 January 2025:

Amendments to HKAS 21

Lack of Exchangeability

The adoption of these amendments to HKFRS Accounting Standards has no material impact on the Group's accounting policies.

(b) New and amendments to HKFRS Accounting Standards that have been issued but are not yet effective

The following new and amendments to HKFRS Accounting Standards 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 HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ¹
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ¹
Annual Improvements	Annual Improvements to HKFRS Accounting Standards — Volume 11 ¹
HKFRS 18	Presentation and Disclosure in Financial Statements ²
HKFRS 19 and amendments to HKFRS 19	Subsidiaries without Public Accountability: Disclosures ²
Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency ²
Hong Kong Interpretation 5	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³

¹ Effective for annual periods beginning on or after 1 January 2026

² Effective for annual periods beginning on or after 1 January 2027

³ The effective date of these amendments were deferred indefinitely. Early adoption continues to be permitted.

Except for the possible impact that the adoption of the below new and amendments to HKFRS Accounting Standards will have in the period of initial application, the directors of the Company anticipate that the application of these new and amendments to HKFRS Accounting Standards will have no material impact on the Group's consolidated financial statements in the foreseeable future.

Amendments to HKFRS 9 and HKFRS 7 “Classification and Measurement of Financial Instruments”

Amendments to HKFRS 9 and HKFRS 7 will be first applied for the annual reporting periods beginning on 1 January 2026 and to be applied retrospectively. The amendments clarify guidance on timing of derecognition of financial liabilities, on the assessment of cash flow characteristics and resulting classification and disclosure of financial assets with terms referencing contingent events including environmental, social and corporate governance events, and of the treatment of non-recourse assets and contractually linked instruments. The Group is still in process of assessing the impact of these amendments on the Group's consolidated financial statements.

HKFRS 18 “Presentation and Disclosure in the Financial Statements”

HKFRS 18 replaces HKAS 1 “Presentation of Financial Statements” and will be first applied for the annual reporting periods beginning on 1 January 2027. The new standard introduced the following new requirements.

- Entities are required to classify all income and expenses into five categories in the consolidated statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities’ net profit will not change.
- Entities are required to disclose within a note to consolidated financial statements of management-defined performance measures (“MPMs”) with a reconciliation between MPMs and HKFRS performance measures.
- Enhanced guidance is provided on how to group the information in the financial statements or in the notes.

In addition, all entities are required to use the operating profit subtotal as the starting point for the consolidated statement of cash flows when presenting operating cash flows under the indirect method.

The Group is still in process of assessing the impact of the new standard, particularly with respect to the structure of the Group’s consolidated statement of profit or loss, the consolidated statement of cash flows and the additional disclosures required for MPMs. The Group is also assessing the impact on how information is grouped in the consolidated financial statements, including for items currently labelled as “others”.

3. BASIS OF PREPARATION

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations (hereinafter collectively referred to as the “**HKFRS Accounting Standards**”) as issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on GEM of the Stock Exchange.

(b) Basis of measurement and going concern assumption

The consolidated financial statements have been prepared under the historical cost basis except for certain financial instruments that are measured at fair value.

The Group had net current liabilities of approximately HK\$8,686,000 and net liabilities of HK\$2,924,000 as 31 December 2025.

For the purpose of assessing the appropriateness of the going concern basis for the preparation of these consolidated financial statements, the directors of the Company have prepared a cash flow forecast covering a period of 15 months from the end of the reporting period of these consolidated financial statements (“**Forecast**”). Past performance, liquidity position, and the prevailing economic outlook have been taken into account in the preparation of the Forecast, which includes major measures and assumptions such as closely monitoring the Group’s business development.

In addition to the above, Central Power, the controlling shareholder and the immediate holding company of the Company, has undertaken to provide financial support to the Group to enable the Group to have sufficient working capital to meet its liabilities and obligations as and when they fall due and to continue operations over the period covered by the Forecast. Central Power has also confirmed that it will not demand repayment of the amounts due by the Group until such repayment will not affect the Group’s ability to repay other creditors.

In consideration of the Group’s current operation and business plan, the directors are satisfied that the Group will be able to meet in full its financial obligations when they fall due in the foreseeable future. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

Notwithstanding the above, the Group’s ability to continue as a going concern are subject to inherent uncertainties, including (i) the operating environment not deteriorating significantly from that of 2025; (ii) Central Power not demanding repayment of amounts due from the Group until such repayment would not affect the Group’s ability to repay other creditors; and (iii) Central Power being able to provide timely financial support to the Group when required. These conditions indicate that the existence of a material uncertainty that may cast significant doubt on the Group’s ability to continue as a going concern and therefore, the Group may not be able to realise its assets and discharge its liabilities in the normal course of business.

Should the Group be unable to operate as a going concern, adjustments would have to be made to reduce the carrying values of the Group’s assets to their net realisable amounts, to provide for further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effect of these adjustments has not been reflected in the consolidated financial statements.

(c) Functional and presentation currency

The consolidated financial statements are presented in Hong Kong dollar (“**HK\$**”), which is also the functional currency of the Company, and all values are rounded to the nearest thousand (HK\$’000) except when otherwise indicated.

4. REVENUE AND SEGMENTAL INFORMATION

Disaggregation of revenue:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Catering services		
— Fine dining	111,128	140,320
— Mid-market dining	–	7,532
— Casual dining	<u>90,136</u>	<u>96,752</u>
	201,264	244,604
Sale of goods	<u>5,227</u>	<u>–</u>
	<u><u>206,491</u></u>	<u><u>244,604</u></u>

The Group applies the practical expedient of HKFRS 15 which allows the Group not to disclose the information of the transaction price allocated to the remaining performance obligation for contract with customers, as the original expected duration of the performance obligation arising from the catering services and sale of goods are all within one year. All revenue is recognised at a point in time for both years.

Segmental information

For the purpose of resources allocation and performance assessment, the chief operating decision maker (being the executive directors of the Company) reviews the overall results and financial position of the operating segments. During the year ended 31 December 2025, the Group commenced the business engaging in sale of goods in the PRC, and it is considered as a new operating and reportable segment by the Company's executive directors.

The measurement policies the Group used for reporting segment results under HKFRS 8 “Operating Segments” are the same as those used in its consolidated financial statements prepared under HKFRS Accounting Standards.

The Group has presented the following two reportable segments:

- (1) Catering services – operating restaurants in Hong Kong which including fine dining and casual dining
- (2) Sale of goods – trading of goods in the PRC

Geographical information

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Revenue from external customers		
Hong Kong	201,264	244,604
PRC	5,227	—
	<hr/>	<hr/>
Reportable segment revenue	206,491	244,604
	<hr/> <hr/>	<hr/> <hr/>

Non-current assets (excluding deposits, deferred tax assets and financial assets) of approximately HK\$5,214,000 (2024: HK\$15,132,000) and approximately HK\$237,000 (2024: nil) are located in Hong Kong and the PRC respectively, based on the physical location of assets or location of operations.

Information about major customers

No revenue from individual external customer contributes over 10% of total revenue of the Group for both years.

5. OTHER INCOME

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Inflight meal design income	151	273
Sponsorship income	376	611
Membership income	53	212
Interest income	1	104
Restaurant consultancy service income	—	1,565
Event services charge income	146	377
Others	287	566
	<hr/>	<hr/>
	1,014	3,708
	<hr/> <hr/>	<hr/> <hr/>

6. FINANCE COSTS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Interest expenses on lease liabilities	708	1,801
Interest on bank borrowings	—	90
Others — Interest accreted on contract liabilities	160	613
	<hr/>	<hr/>
	868	2,504
	<hr/> <hr/>	<hr/> <hr/>

7. PROFIT/(LOSS) BEFORE TAXATION

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Profit/(loss) before taxation has been arrived at after charging/ (crediting):		
Auditor's remuneration	900	850
Depreciation of property, plant and equipment	3,412	4,524
Depreciation of right-of-use assets	8,253	17,221
	<u>11,665</u>	<u>21,745</u>
Gain on termination of lease	–	(375)
Directors' remuneration	1,932	2,285
Provision for long service payment of directors	6	4
Other staff costs:		
Salaries and other benefits	69,847	91,822
Provision for long service payment	102	108
Retirement benefit scheme contributions	2,802	3,226
Total staff costs (<i>Note</i>)	74,689	97,445
Lease payments in respect of:		
— Short-term lease expenses	1,162	1,185
— Low-value lease expenses	467	710
— Variable lease payment	19,210	17,023
	<u>20,839</u>	<u>18,918</u>
Impairment loss on financial assets:		
— Other receivables	1,435	529
— Trade receivables	145	–
	<u>1,580</u>	<u>529</u>

Note: During the year ended 31 December 2025, share-based payments of approximately HK\$691,000 (2024: HK\$4,354,000) was recognised and included in the total staff costs.

8. INCOME TAX EXPENSE

The amount of taxation charged/(credited) to profit or loss represent:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Current tax		
Hong Kong Profits Tax	–	70
Over-provision in prior years	(646)	–
Deferred tax	<u>1,831</u>	<u>2,105</u>
	<u><u>1,185</u></u>	<u><u>2,175</u></u>

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities in Hong Kong not qualifying for the two-tiered profits tax rates regime will continue to be taxed at 16.5%.

The PRC corporate income tax rate of 25% is applicable to the subsidiaries operating in the PRC.

9. DIVIDEND

No dividend was paid or proposed for ordinary shareholders of the Company during the year, nor has any dividend been proposed since the end of the reporting period (2024: Nil).

10. EARNINGS/(LOSS) PER SHARE

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Profit/(loss) for the purpose of basic and diluted earnings/(loss) per share		
Profit/(loss) for the year attributable to owners of the Company	<u>2,116</u>	<u>(6,604)</u>
	2025 <i>'000</i>	2024 <i>'000</i> (restated)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings/(loss) per share	<u>144,973</u>	<u>144,973</u>

The weighted average number of ordinary shares for the purpose of basic and diluted earnings/(loss) per share has been adjusted for the share consolidation which took place on 20 October 2025 as if the share consolidation occurred at the beginning of the earliest period presented (i.e. 1 January 2024).

The computation of diluted earnings per share for the year ended 31 December 2025 does not assume the exercise of the Company's share options because the exercise price of those share options was higher than the average market price for ordinary shares during the year.

Diluted loss per share is the same as basic loss per share for the year ended 31 December 2024 since their exercise would result in a decrease in loss per share.

11. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade receivables	1,748	2,059
Rental deposits	7,797	12,870
Other deposits	1,786	2,969
Consideration receivable for disposal of subsidiaries	–	539
Other receivables	967	1,198
Prepayments and others	<u>1,652</u>	<u>1,354</u>
Total trade and other receivables, deposits and prepayments	<u>13,950</u>	<u>20,989</u>
Analysed as:		
Current	13,950	12,148
Non-current	<u>–</u>	<u>8,841</u>
	<u>13,950</u>	<u>20,989</u>

As at 31 December 2025, trade receivables from contracts with customers amounted to HK\$1,748,000 (2024: HK\$2,059,000).

Usually, there is no credit period for the restaurant operations except for certain customers in which credit period ranging from 4 to 30 days is granted by the Group. The Group's trading terms with its customers in catering services are mainly by cash or credit card settlement. The settlement terms with credit card companies are usually within 7 days after the billing date which is also the service rendered date. Credit period of 7 days is granted by the Group for sale of goods business.

The following is an ageing analysis of trade receivables presented based on the invoice date, which approximated the service rendered date, at the end of the reporting period.

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0 to 30 days	806	1,115
31 to 60 days	163	322
61 to 90 days	229	47
91 to 365 days	550	575
	1,748	2,059

As at 31 December 2025, included in the Group's trade receivables balance are debtors with aggregate carrying amount of HK\$942,000 (2024: HK\$944,000) which are past due as at the reporting date. Out of the past due balances, HK\$550,000 (2024: HK\$575,000) has been past due 90 days or more and is not considered as in default as the amounts are due from counter-parties with good history of repayment. The Group does not hold any collateral over these balances.

As at 31 December 2025, loss allowance of HK\$145,000 has been provided on trade receivables (2024: nil) and HK\$3,235,000 was provided on other receivables (2024: HK\$1,800,000).

12. TRADE AND OTHER PAYABLES AND ACCRUED CHARGES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade payables	5,030	10,893
Accrued staff related costs	3,290	4,203
Rental, rates and building management fee	2,649	2,472
Restaurant renovation work and repair and maintenance	539	1,235
Audit and professional fee	1,540	1,508
Marketing, advertising and promotion	518	1,890
Utilities charges	263	452
Receipts in advance	1,002	750
Other payables	3,501	7,881
	18,332	31,284

The credit period on purchases of goods is ranged from 7 days to 30 days. The following is an ageing analysis of trade payables presented based on the invoice date at the end of the reporting period:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0 to 30 days	3,656	6,617
31 to 60 days	925	2,961
61 to 90 days	–	569
Over 90 days	449	746
	5,030	10,893

13. SHARE CAPITAL

	Number of shares	Amount	
		HK\$	HK\$'000
Ordinary share of HK\$0.08 (2024: HK\$0.02) each			
Authorised:			
At 1 January 2024	5,000,000,000	50,000,000	50,000
Share consolidation (<i>note a</i>)	<u>(2,500,000,000)</u>	<u>—</u>	<u>—</u>
At 31 December 2024 and 1 January 2025	2,500,000,000	50,000,000	50,000
Share consolidation (<i>note b</i>)	<u>(1,875,000,000)</u>	<u>—</u>	<u>—</u>
At 31 December 2025	<u>625,000,000</u>	<u>50,000,000</u>	<u>50,000</u>
Issued and fully paid:			
At 1 January 2024	1,159,780,000	11,597,800	11,598
Share consolidation (<i>note a</i>)	<u>(579,890,000)</u>	<u>—</u>	<u>—</u>
At 31 December 2024 and 1 January 2025	579,890,000	11,597,800	11,598
Share consolidation (<i>note b</i>)	<u>(434,917,500)</u>	<u>—</u>	<u>—</u>
At 31 December 2025	<u>144,972,500</u>	<u>11,597,800</u>	<u>11,598</u>

Notes:

- (a) On 26 February 2024, the directors of the Company proposed to implement a share consolidation pursuant to which every 2 issued and unissued shares of HK\$0.01 each in share capital of the Company to be consolidated into 1 consolidated share of HK\$0.02 each. The share consolidation took place on 25 March 2024, the ordinary shares in issue is then changed to HK\$0.02 per share since then.
- (b) On 9 September 2025, the directors of the Company proposed to implement a share consolidation pursuant to which every 4 issued and unissued shares of HK\$0.02 each in share capital of the Company to be consolidated into 1 consolidated share of HK\$0.08 each. The share consolidation took place on 20 October 2025 and the ordinary shares in issue is then changed to HK\$0.08 per share since then.

All shares issued rank pari passu with other existing shares in all aspects.

EXTRACT OF INDEPENDENT AUDITOR'S REPORT

The following is the extract of the independent auditor's report from the external auditor of the Company:

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 HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) 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) to the consolidated financial statements which indicates that as at 31 December 2025, the Group had net current liabilities of HK\$8,686,000 and net liabilities of HK\$2,924,000. As stated in Note 3(b), these conditions, 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.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review and outlook

Business Review

The Group is a well-known Hong Kong hospitality group with award-winning restaurants. For the year ended 31 December 2025, the Group operated 3 brand restaurants, including Duddell's Airport, Andō and Louise, to provide customers with diversified culinary experiences.

The Group achieved significant success over the past year, winning numerous awards that demonstrate the company's strong brand equity and exceptional management capabilities. Both Andō and Louise retained their one MICHELIN star status in the 2025 edition of the guide. Additionally, Andō's sommelier was honoured with the prestigious MICHELIN Sommelier Award. Andō was ranked #41 on this year's Asia's 50 Best Restaurants list and featured in the Tatler Best 20 Restaurants, where its sommelier, Carlito Chiu, received the "Best Sommelier" award. The restaurant was also included in the Bazaar Taste Elite 30 list, while Louise's Chef Loic Portalier was presented with the "Rising Star" award. Both Andō and Louise were recognised in the South China Morning Post's 100 Top Tables guide, a definitive list of the finest fine dining establishments in Hong Kong and Macau. Andō was also awarded One Diamond in the 2025 Black Pearl Restaurant Guide, reflecting its strong resonance with Chinese consumers. These honours are a testament to the Group's dedication to quality, innovation, and its relentless pursuit of culinary excellence.

Louise continued its successful partnership with Cathay Pacific Airways, which generated significant brand awareness, supported by the introduction of new menus in 2025. With the launch of La Terrace by Louise in 2024, the restaurant has seen strong results from this new business strategy, successfully attracting a broader target audience and appealing more directly to the general public.

Duddell's Airport also delivered an exceptionally strong performance, capitalising on high volumes of outbound travel and a rise in tourism within Hong Kong. The venue was named "Best Airport Restaurant" by Bloomberg in 2025.

During the year, the Group facilitated numerous chef collaborations at its fine dining restaurants, including Andō and Louise, with a series of international engagements that enhanced the Group's visibility beyond the Hong Kong market.

While Hong Kong's food and beverage industry continues to navigate the challenges of an economic downturn and Hong Kong diners are increasingly spending their leisure time and money in mainland China. To mitigate this impact and capture new growth opportunities, the Company has successfully diversified its revenue streams by launching a new core business segment. We have partnered with an internet e-commerce platform in the PRC to establish a comprehensive e-commerce channel, this new venture enables us to market and sell a diversified portfolio of products directly to consumers through this e-commerce platform. The Group retails various products such as cosmetics, food and snacks, mother and baby care products, home goods, furniture, accessories, wellness products, consumer electronic products, bed and bath, and other lifestyle products.

Outlook

Looking ahead, this new business segment initiative is expected to be a key driver of the Group's performance. By leveraging the extensive user base of our internet e-commerce platform partner and diversifying our product offerings, we aim to not only offset the pressures on our food and beverage division but also to establish a sustainable and scalable growth model for the future.

FINANCIAL REVIEW

Revenue

i) Catering services

For the year ended 31 December 2025, the Group recorded a revenue of catering services of approximately HK\$201.3 million (2024: HK\$244.6 million), representing a decrease of approximately HK\$43.3 million or 17.7% as compared with the corresponding period of last year. The decrease mainly results from the Group ceasing operations at certain restaurants.

ii) Sale of goods

For the year ended 31 December 2025, the Group commenced a new business segment engaging in sale of goods in the PRC and recorded a revenue of approximately HK\$ 5.2 million (2024: Nil).

Raw materials and cost of inventories consumed

i) Catering services

Raw materials and cost of inventories consumed of catering services include, but are not limited to, vegetables, meat, seafood and frozen food etc. That is one of the major components of the Group's operating expenses which amounted to approximately HK\$53.7 million and HK\$64.4 million for each of the years ended 31 December 2025 and 2024, respectively, representing approximately 26.7% and 26.3% of Group's revenue from catering services for the corresponding periods. The cost margin of the Group maintained steady compared to the corresponding period of last year.

ii) Sale of goods

For the year ended 31 December 2025, the Group commenced a new business segment engaging in sale of goods in the PRC and recorded cost of inventories consumed of approximately HK\$4.5 million (2024: Nil).

Staff costs

Staff costs represented one of the major components of the Group's operating expenses which primarily consisted of Directors' emoluments, salaries and allowance, retirement benefit scheme contributions and other benefits. The staff costs decreased by approximately HK\$22.7 million from approximately HK\$97.4 million for the year ended 31 December 2024 to approximately HK\$74.7 million for the year ended 31 December 2025. The decrease mainly results from the Group ceasing operations at certain restaurants.

Property rentals and related expenses

Property rentals and related expenses increased by approximately HK\$0.4 million from approximately HK\$24.6 million for the year ended 31 December 2024 to approximately HK\$25.0 million for the year ended 31 December 2025. Such increase was mainly due to the increase in property rentals expense of Duddell's Airport, which comprises of turnover rent, as turnover of the restaurant increased by 16.8% compared with last year.

Profit/(loss) attributable to owners of the Company

As a result of the foregoing, profit attributable to owners of the Company was approximately HK\$2.1 million for the year ended 31 December 2025 representing an increase in profit by approximately HK\$8.7 million as compared with a loss of approximately HK\$6.6 million for the year ended 31 December 2024. The turnaround from loss to profit is mainly attributable to a decrease in staff costs, depreciation, other operating expense and impairment loss, which offset the decline in revenue resulting from the Group ceasing operations at certain restaurants.

Liquidity, Financial Resources and Capital Structure

The Group finances its operations primarily through cash generated from operating activities.

The Group recorded net current liabilities of approximately HK\$8.7 million as at 31 December 2025 (2024: net current liabilities HK\$29.0 million).

As at 31 December 2025, the Group's current ratio was approximately 0.8 (2024: 0.5) and the Group's gearing ratio calculated based on the total debt (excluding trade nature balances, tax balances and provision) at the end of the year divided by total equity at the end of the year. The gearing ratio of the Group was not applicable due to the negative total equity (2024: not applicable).

As at 31 December 2025, the Group's cash and cash equivalents were approximately HK\$9.3 million (2024: approximately HK\$9.2 million).

The capital structure of the Company comprised ordinary shares only. After the Share Consolidation which disclosed under the paragraph headed "Share Consolidation" as below, as at 31 December 2025, the Company had 144,972,500 ordinary shares in issue.

Share Consolidation

On 9 September 2025, the Company announced the proposal of the share consolidation pursuant to which every four (4) issued and unissued existing shares of HK\$0.02 each in the share capital of the Company will be consolidated into one (1) consolidated share of HK\$0.08 each (the "**Share Consolidation**").

The Share Consolidation was approved by shareholders of the Company at the extraordinary general meeting of the Company held on 16 October 2025. As such, the Share Consolidation has become effective on 20 October 2025. Immediately after the Share Consolidation, the total number of issued shares of the Company was adjusted from 579,890,000 to 144,972,500.

For further information in relation to the Share Consolidation, please refer to the announcements of the Company dated 9 September 2025, 16 October 2025 and 17 October 2025 and the circular of the Company dated 23 September 2025.

Foreign Currency Exposure Risks

The Group's main operations are in the PRC and Hong Kong, with transactions primarily denominated in Hong Kong dollars (HK\$) and Renminbi (RMB). Currently, the Group does not have a formal foreign currency hedging policy but will continue to monitor its exposure and consider hedging should the need arise.

Pledge of Assets

As at 31 December 2025, the Group did not have any pledged deposits and assets (2024: nil).

Financial Risk Management Objectives and Policies

Credit risk

As at 31 December 2025, the maximum exposure in relation to credit risk of the Group which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties arises from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position. The Board considers the credit risk of the Company is immaterial. The Group trades with a large number of individual customers and trading terms are predominately on cash and credit card settlement. In view of the Group's operations, the Group does not have significant credit risk exposure to any single individual customer.

The credit risk on bank balances of the Group is limited because the counterparties are medium to large-sized Hong Kong and PRC listed banks. The Group has concentration risk on its liquid funds as the bank balances are placed with one bank in Hong Kong.

Liquidity risk

In the management of liquidity risk, the Group monitors and maintains a level of cash and cash equivalent deemed adequate by the management of the Group to finance the Group's operations and mitigate the effects of unexpected fluctuations in cash flows.

During the year ended 31 December 2025, the Group had net current liabilities of HK\$8.7 million and net liabilities of HK\$2.9 million. In view of these factors, the Group seeks for the financial support on its immediate holding company, and takes certain measures to mitigate the liquidity pressure by improving its financial and liquidity position as a whole. In addition, the controlling shareholder have confirmed not request the Group to repay its debt due from the Group until the repayment will not affect the Group's ability to repay other creditors.

Capital Commitments

As at 31 December 2025, the Group did not have any capital commitment in respect of property, plant and equipment (2024: nil).

Contingent Liabilities

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

Future Plans for Material investment or capital assets

Save as disclosed herein, as of the date of this announcement, the Group did not have any future plans for material investments or capital assets, material acquisition and disposal of subsidiaries, associates or joint ventures in the coming year.

Significant Investments, Material Acquisitions and Disposals of Subsidiaries and Affiliated Companies

During the year ended 31 December 2025, the Group did not have any significant investments, material acquisitions nor disposals of subsidiaries and affiliated companies.

Use of Proceeds from Placing of New Shares under General Mandate and Change in Use of Proceeds

Placing completed on 24 September 2020 (the “Placing I”)

Reference is made to the announcements issued by the Company on 7 September 2020 and 24 September 2020 in relation to the placing of new shares under the general mandate.

On 7 September 2020, the Group and a placing agent entered into a placing agreement pursuant to which the Group appointed the placing agent to procure altogether not less than six placees (who and whose ultimate beneficial owner(s) are independent of and not connected with the Company and any of its connected persons within the meaning of the GEM Listing Rules) for placing up to aggregate of 171,910,000 placing shares at a placing price of HK\$0.08 per placing share. The closing price for the Company’s shares on 7 September 2020 was HK\$0.096 per share.

The Placing I was completed on 24 September 2020 with gross and net proceeds of approximately HK\$13.8 million (equivalent to approximately HK\$0.08 per placing share) and HK\$13.2 million (equivalent to approximately HK\$0.077 per placing share) as set out in the Company’s announcements dated 7 September 2020 and 24 September 2020. The Company intended to use the proceeds for (i) developing the cloud kitchen business of the Group and upgrading the sales channels of the Group, including “JIA Everywhere”, the online/offline delivery platform of the Group; (ii) investing in potential PRC or overseas food and beverage related investment opportunities; (iii) developing new catering outlets of the Group and for brand management; and (iv) loan repayment.

Up to the date of this announcement, the Group had utilized approximately HK\$10.6 million of the net proceeds from Placing I and the unutilised net proceeds amounted to approximately HK\$2.6 million (the “**Unutilised Net Proceeds I**”).

Having carefully considered the current business environment and development needs of the Group, the Board has resolved to change the use of the Unutilised Net Proceeds I as follows:

Use of net proceeds from the Placing I	Planned use of proceeds <i>HK\$ million</i>	Actual use of net proceeds	Unused total net proceeds	Revised use of remaining net proceeds <i>HK\$ million</i>	Expected timeline for full utilisation of the revised use of proceeds
		up to 31 December 2025 <i>HK\$ million</i>	up to 31 December 2025 <i>HK\$ million</i>		
Developing the cloud kitchen business and upgrading the sales channels	4.5	1.9	2.6	–	–
Investing in potential PRC or overseas food and beverage related investment opportunities	2.5	2.5	–	–	–
Developing new catering outlets	1.2	1.2	–	–	–
Loan repayment	5.0	5.0	–	–	–
Working capital and general corporate purposes	–	–	–	2.6	On or before 31 December 2026
	<u>13.2</u>	<u>10.6</u>	<u>2.6</u>	<u>2.6</u>	<u>–</u>
Total	<u>13.2</u>	<u>10.6</u>	<u>2.6</u>	<u>2.6</u>	<u>–</u>

Placing completed on 18 June 2021 (the “Placing II”)

Reference is made to the announcements issued by the Company on 25 May 2021 and 18 June 2021 in relation to the placing of new shares under the general mandate.

On 25 May 2021, the Group and a placing agent entered into a placing agreement pursuant to which the Group appointed the placing agent to procure altogether not less than six placees (who and whose ultimate beneficial owner(s) are independent of and not connected with the Company and any of its connected persons within the meaning of the GEM Listing Rules) for placing up to aggregate of 134,280,000 placing shares at a placing price of HK\$0.135 per placing share. The closing price for the Company’s shares on 25 May 2021 was HK\$0.149 per share.

The Placing II was completed on 18 June 2021 with gross and net proceeds of approximately HK\$18.1 million (equivalent to approximately HK\$0.135 per placing share) and HK\$17.5 million (equivalent to approximately HK\$0.1301 per placing share) as set out in the Company’s announcements dated 25 May 2021 and 18 June 2021. The Company intended to use the proceeds for (i) expanding the specialty coffee business; (ii) developing casual dining business; and (iii) investing in PRC and overseas food tech investment opportunities.

Up to the date of this announcement, the Group had utilized approximately HK\$15.0 million of the net proceeds from Placing II and the unutilised net proceeds amounted to approximately HK\$2.5 million (the “**Unutilised Net Proceeds II**”).

Having carefully considered the current business environment and development needs of the Group, the Board has resolved to change the use of the Unutilised Net Proceeds II as follows:

	Planned use of proceeds <i>HK\$ million</i>	Actual use of net proceeds up to 31 December 2025 <i>HK\$ million</i>	Unused total net proceeds up to 31 December 2025 <i>HK\$ million</i>	Revised use of remaining net proceeds <i>HK\$ million</i>	Expected timeline for full utilisation of the revised use or proceeds
Use of net proceeds from the Placing II					
Expanding the specialty coffee business	9.0	6.5	2.5	–	–
Developing casual dining business	5.3	5.3	–	–	–
Investing in PRC and overseas food tech investment opportunities	3.2	3.2	–	–	–
Working capital and general corporate purposes	–	–	–	2.5	On or before 31 December 2026
	<u>17.5</u>	<u>15.0</u>	<u>2.5</u>	<u>2.5</u>	<u>–</u>
Total	<u>17.5</u>	<u>15.0</u>	<u>2.5</u>	<u>2.5</u>	<u>–</u>

Reasons for and Benefits of the Change in Use of Proceeds (Placing I & Placing II)

The Group originally planned to utilize a portion of the net proceeds for developing the cloud kitchen business, upgrading the sales channels and expanding the specialty coffee business. Due to the challenging operational environment caused by the outbreak of the COVID-19 pandemic, the specialty coffee business was in a net current liability and loss-making position, and was disposed on 12 August 2022 (for details, please refer to the Company’s announcement dated 12 August 2022). As the epidemic eases, more and more Hong Kong residents choose to travel to the Mainland and the Greater Bay Area for consumption, seeking new dining and leisure experiences.

Due to the above change of consumption trend together with the global recession which further hindered the consumption power of the public, the food and beverage industry in Hong Kong has been seriously affected. Facing the aforementioned challenges, the Board is of the view that the current priority should be to focus on its existing operations and strengthen its position in the market which would require more working capital to provide stronger support for the operations. The Group therefore weighed up the costs and benefits and considered to adopt a prudent approach of changing the business strategies, holding up certain capital-intensive investments on the development of the cloud kitchen business and upgrade of sales channels, with capital-light investments to maintain the competitiveness of the Group. In addition, due to the disposal of specialty coffee business in 2022, the planned expansion of specialty coffee business was no longer required.

The Board is of the view that the use of proceeds should appropriately adjusted to better meet the current economic climate and is more beneficial to the Group's operational needs in combatting the challenges to be faced by the Group. As such, the Board resolved that the use of the Unutilised Net Proceeds I and II, which amount to approximately HK\$5.1 million, will be revised to re-allocated to the general working capital of the Group including rental payments, professional fees and other general administrative and operating expenses in respect of the Group's current operating businesses. which will allow the Company to deploy its financial resources more effectively.

As at the date of this announcement, the Directors confirm that there is no material change in the nature of business of the Group as set out in the Prospectus. The Directors consider that the change is in the best interest of the Company and Shareholders as a whole and will not have any material adverse effect on the existing business and operations of the Group. The Directors will continuously assess the plans for the use of Unutilized Net Proceeds and may revise or amend such plans where necessary to cope with the changing market conditions and strive for better business performance for the Group.

Employees and Remuneration Policy

As at 31 December 2025, the Group had a workforce of 144 employees (2024: 255). Total staff costs for the year ended 31 December 2025 were approximately HK\$74.7 million, as compared to the staff cost of HK\$97.4 million for the year ended 31 December 2024.

The emolument policy of the employees of the Group is formulated by the Remuneration Committee (as defined below) with reference to the duties, responsibilities, experience and competence of individual employees. The same policy also applies to the Directors. In addition to salaries and discretionary bonuses relating to the performance of the Group, employee benefits included pension scheme contributions. The emoluments of the Directors are reviewed annually by the remuneration committee of the Company ("**Remuneration Committee**").

As incentives and rewards for their contributions to the Group, the employees of the Group and all the Directors (including the independent non-executive Directors) may also be granted share options by the Company from time to time pursuant to the share option scheme of the Company adopted on 8 February 2018.

The Group provides various training to its employees to enhance their technical skills and knowledge relevant to the employees' responsibilities. The Group also provides its employees with quality control standards and work safety standards training to enhance their safety awareness.

The employees in Hong Kong are enrolled in the Mandatory Provident Fund under the Hong Kong Mandatory Provident Fund Schemes Ordinance. Monthly contributions are made by the Group which are 5% of the monthly income of the employees as stipulated under the relevant requirements (if applicable), with the maximum contributions of HK\$1,500 monthly.

During the year under review, the Group did not experience any strikes, work stoppages or significant labour disputes which affected its operations in the past and it did not experience any significant difficulties in recruiting and retaining qualified staff. The Directors consider that the Group has maintained good working relationship with its employees.

FINAL DIVIDEND

The Board does not recommend the payment of any final dividend for the year ended 31 December 2025 (2024: Nil).

EVENTS AFTER REPORTING PERIOD

Save as disclosed in this announcement, there were no significant events or material changes after the reporting period up to the date of this announcement.

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTEREST IN COMPETING BUSINESS

During the year ended 31 December 2025, the Directors are not aware of any business and interest of the Directors or the controlling shareholders of the Company or any of their respective close associates (as defined in the GEM Listing Rules) that competes or may compete with the business of the Group and any other conflict of interests which any such person has or may have with the Group during the period under review.

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

During the year ended 31 December 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities. As at 31 December 2025, the Company had no treasury share (as defined in the GEM Listing Rules).

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted a code of conduct for securities transactions and dealing (the “**Code of Conduct**”) by Directors on terms no less exacting than the required standard set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the “**Model Code**”). The Company has made specific enquiry of all Directors as to whether they have complied with the required standard set out in the Model Code and the Code of Conduct during the year ended 31 December 2025.

All the Directors have confirmed that they have complied with the required standards set out in the Model Code and the Code of Conduct throughout the year ended 31 December 2025.

CORPORATE GOVERNANCE CODE

The Company has adopted the code provision on Corporate Governance Code as set out in Appendix C1 to the GEM Listing Rules (the “**CG Code**”). During the year ended 31 December 2025, to the best knowledge of the Board, the Company has complied with the applicable code provisions set out in Part 2 of the CG Code except for the deviation from code provision D.2.2 of the CG Code which is explain below.

Pursuant to code provision D.2.2 of the CG Code, the Company should have an internal audit function. For the year ended 31 December 2025, the Group has yet to establish its internal audit function. The Directors have reviewed the need for an internal audit function and are of the view that in light of the size, nature and complexity of the business of the Group, it would be more cost effective to appoint external independent professionals to perform internal audit function for the Group in order to meet its needs. The audit committee of the Board (the “**Audit Committee**”) and the Board have considered the internal control review report prepared by an independent consultancy company and communications with the Company’s external auditor in respect of any material control deficiencies identified during the course of the financial statement audit to form the basis to review the adequacy and effectiveness of the Group’s risk management and internal control systems. The Company considers that sufficient risk management and internal control of the Group can be maintained with the abovementioned arrangements. The Audit Committee and the Board will continue to review the need for an internal audit function on an annual basis.

ANNUAL GENERAL MEETING

The notice of the annual general meeting (“**AGM**”) will be published on the Company’s website and the Stock Exchange’s website and sent to the Shareholders in due course once the date of the forthcoming AGM has been determined.

AUDIT COMMITTEE

The Company has established an audit committee on 23 January 2018 (the “**Audit Committee**”) with written terms of reference in compliance with Rules 5.28 to 5.29 of the GEM Listing Rules. The primary duties of the Audit Committee are to review the Company’s draft annual and interim reports and accounts and to provide advice and comments thereon to the Board. The Audit Committee is also responsible for reviewing and supervising the financial reporting processes and internal control procedures of the Group. The Audit Committee currently comprises three independent non-executive Directors, namely Ms. Deng Yongling (Chairperson), Ms. Mao Xiaobi and Ms. Ma Lina.

The Audit Committee has reviewed this announcement and the consolidated results of the Group for the financial year ended 31 December 2025 and the effectiveness of internal control procedures and risk management systems of the Group and confirmed that they were prepared in accordance with applicable accounting standards, GEM Listing Rules and that adequate disclosures have been made.

SCOPE OF WORK OF AUDITOR

The figures in respect of the consolidated financial statements as set out in this results announcement have been agreed by the Group’s independent auditor, BDO Limited, to the amounts set out in the consolidated financial statements for the year ended 31 December 2025. The work performed by BDO Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by BDO Limited on this results announcement.

By Order of the Board
XinXiang Era Group Company Limited
Liu Enyu
Chairperson and Non-executive Director

Hong Kong, 24 March 2026

As at the date of this announcement, the executive Directors are Mr. Kong Linglei and Ms. Wan Suet Yee Cherry, Non-executive Directors are Mr. Liu Enyu (chairman) and Mr. Peng Ben and Independent Non-executive Directors are Ms. Deng Yongling, Ms. Mao Xiaobi and Ms. Ma Lina.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Listed Company Information” page of the Stock Exchange website at www.hkexnews.hk for at least 7 days from the date of its posting and be posted on the website of the Company at www.xinxiangera.com.