Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

上海小南国

SHANGHAI XNG HOLDINGS LIMITED

Shanghai XNG Holdings Limited
上海小南国控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3666)

QUARTERLY UPDATE ANNOUNCEMENT

Reference is made to the annual report of Shanghai XNG Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") for the year ended 31 December 2024 dated 31 March 2025 (the "**Annual Report**"). This announcement aims to provide quarterly update on the progress of the Company in resolving the going concern issue.

As disclosed in the Annual Report, the auditor of the Company has expressed no opinion on the consolidated financial statements of the Company for the year ended 31 December 2024 in light of the material uncertainty related to the going concern.

As disclosed in the Annual Report, the Group has taken plans and measures to mitigate its liquidity pressure and improve its financial position, including obtaining new source of borrowings, refinancing of existing facilities, seeking new source of funding from investors, extension of repayment of the outstanding lease payments, and implementing control on administrative and operating costs.

Subsequent to the date of the Annual Report (i.e. 31 March 2025) and up to the date of this announcement, the progress of the measures implemented by the Group are as follows:

Measures disclosed in the Annual Report	Latest Progress
The Company has been actively negotiating with certain banks on new source of borrowings.	The Company is looking for new potential financiers.
The Company has been actively negotiating with certain banks to refinance the existing loan facilities from banks.	Existing facilities from commercial bank in the aggregate principal amount of RMB5 million have been renewed.

Measures disclosed in the Annual Report	Latest Progress
	The Company is going to discuss with a commercial bank on the renewal of an existing facilities in the aggregate principal amount of RMB4 million in around August 2025.
The Company has been actively negotiating with investors on new source of funding by placing of new shares.	The Group has successfully completed a placing of new shares in June 2025 and net proceeds in the aggregate sum of approximately HK$8.7 million has been raised. The Company is assessing the possibilities to conducting further equity fund raising in the near future.
The Company has been actively negotiating with the lessors for extension of repayment of the outstanding lease payments included in other payables and accruals and lease liabilities.	Rental reductions/waivers totalling approximately RMB2.17 million have been secured.
The Company will implement effective control on administrative and operating costs to improve the Company's financial performance and position to finance the Group's operations and to meet the Group's financial obligations as and when they fall due.	The Group has negotiated with various suppliers and successfully secured (i) discount in the aggregate sum of RMB680,000 and (ii) payment in the aggregate sum of approximately RMB15.45 million by instalments of payables to suppliers. The Group is in the process of further optimizing the human resources without affecting the operations and revenue of the Group. The monthly staff costs of the Group for July 2025 have been reduced by approximately 10% as compared with the monthly staff costs of the Group for March 2025 and this trend is expected to continue in the coming months.

Measures disclosed in the Annual Report	Latest Progress
	The Group has streamlined the procurement process and the monthly procurement costs of seafood ingredients for July 2025 have been reduced by approximately 20% as compared with the monthly procurement costs for March 2025 and this trend is expected to continue in the coming months. The Group will endeavour to further streamline the procurement process of other product categories.

The Company will continue to endeavour to resolve its going concern issue and is optimistic about the business of the Group during the year ending 31 December 2025.

By order of the Board
Shanghai XNG Holdings Limited
Gu Dorson
Chairman

Shanghai, PRC, 31 July 2025

As at the date of this announcement, the executive director of the Company is Mr. GU Dorson; the non-executive director of the Company is Ms. GU Lina; and the independent non-executive directors of the Company are Mr. LEUNG Yiu Cho, Mr. ZHANG Zhenyu and Ms. HU Xiaoqi.