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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)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

FINANCIAL HIGHLIGHTS

	For the six months ended 30 June		
	2025 (unaudited)	2024 (unaudited)	*% Change (decrease)/ increase*
Revenue (RMB'000)	**101,801**	182,379	(44.2%)
Gross profit[1] (RMB'000)	**65,741**	118,969	(44.7%)
Gross profit margin[2]	**64.6%**	65.2%	(0.6%)
Loss for the period (RMB'000)	**(18,253)**	(29,403)	(37.9%)
Net loss margin[3]	**(17.9%)**	(16.1%)	(1.8%)
Number of restaurants (as at 30 June)	**16**	21	

Notes:

1. The calculation of gross profit is based on revenue less cost of sales.

2. The calculation of gross profit margin is based on gross profit divided by revenue.

3. Net loss margin is calculated as loss for the period divided by revenue.

INTERIM RESULTS

The board (the "**Board**") of directors (the "**Directors**") of Shanghai XNG Holdings Limited (the "**Company**") is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2025 (the "**Reporting Period**") together with unaudited comparative figures for the corresponding period in the year 2024 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

		Six months ended 30 June	
	Notes	**2025** ***RMB'000*** **(unaudited)**	2024 *RMB'000* (unaudited)
REVENUE	*3*	**101,801**	182,379
Cost of sales		**(36,060)**	(63,410)
Gross profit		**65,741**	118,969
Other income	*5*	**471**	1,737
Other gains and losses	*6*	**2,300**	(2,139)
Selling and distribution expenses		**(74,877)**	(125,812)
Administrative expenses		**(9,370)**	(17,016)
Finance costs	*7*	**(2,474)**	(4,127)
LOSS BEFORE TAX		**(18,209)**	(28,388)
Income tax expense	*8*	**(44)**	(1,015)
LOSS FOR THE PERIOD	*9*	**(18,253)**	(29,403)
Other comprehensive income (expense):			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**205**	(1,594)
TOTAL COMPREHENSIVE EXPENSE FOR THE PERIOD		**(18,048)**	(30,997)
(Loss) profit for the period attributable to:			
Owners of the Company		**(18,248)**	(29,438)
Non-controlling interests		**(5)**	35
		(18,253)	(29,403)
Total comprehensive (expense) income for the period attributable to:			
Owners of the Company		**(18,045)**	(31,025)
Non-controlling interests		**(3)**	28
		(18,048)	(30,997)
LOSS PER SHARE	*11*		
Basic and diluted		**RMB(0.80) cents**	RMB(1.35) cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 30 June 2025

	Notes	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
NON-CURRENT ASSETS			
Property and equipment		**14,125**	17,215
Right-of-use assets		**40,679**	50,871
Intangible assets		**860**	965
Long-term rental deposits		**17,284**	18,586
Deferred tax assets		**11,009**	11,009
		83,957	98,646
CURRENT ASSETS			
Inventories		**2,382**	5,478
Trade receivables	*12*	**2,329**	3,453
Prepayments, deposits and other receivables		**18,565**	16,448
Amounts due from related parties		**157**	3,809
Restricted bank deposits		**3,638**	6,224
Cash and cash equivalents		**1,061**	3,689
		28,132	39,101
CURRENT LIABILITIES			
Trade payables	*13*	**76,333**	65,100
Other payables and accruals		**92,775**	88,832
Borrowings	*14*	**10,000**	21,400
Financial liabilities at fair value through profit or loss ("**FVTPL**")		**9,453**	11,898
Amounts due to related parties		**23,258**	23,696
Contract liabilities		**8,320**	8,952
Lease liabilities		**26,636**	28,479
		246,775	248,357
NET CURRENT LIABILITIES		**(218,643)**	(209,256)
TOTAL ASSETS LESS CURRENT LIABILITIES		**(134,686)**	(110,610)

	Note	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
NON-CURRENT LIABILITIES			
Lease liabilities		**31,225**	45,324
Restoration provisions		**3,693**	3,693
		34,918	49,017
NET LIABILITIES		**(169,604)**	(159,627)
CAPITAL AND DEFICITS			
Share capital	*15*	**22,511**	18,393
Other deficits		**(193,716)**	(179,624)
Deficits attributable to owners of the Company		**(171,205)**	(161,231)
Non-controlling interests		**1,601**	1,604
TOTAL DEFICITS		**(169,604)**	(159,627)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 June 2025

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 ("**IAS 34**") "Interim Financial Reporting" issued by the International Accounting Standards Board ("**IASB**") as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The directors of the Company have, at the time of approving the condensed consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the condensed consolidated financial statements.

The condensed consolidated financial statements have been prepared on the going concern basis which assumes the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business. Management continues to closely monitor the liquidity position of the Group, which includes the sensitivity analysis of forecast bank and cash balances for various factors over the short and medium term to ensure adequate liquidity is maintained.

The Group incurred a loss of approximately RMB18,253,000 for the six months ended 30 June 2025 and, as at 30 June 2025, the Group's current liabilities exceeded its current assets by approximately RMB218,643,000 and the Group's total liabilities exceeded its total assets by approximately RMB169,604,000, while the Group had cash and cash equivalents of approximately RMB1,061,000.

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, the directors of the Company have reviewed the Group's cash flow forecasts which cover a period of not less than twelve months from the date of the end of the reporting period.

Cash flow forecasts, which assume the continuity of normal business activity, indicate that the Group will have sufficient liquidity to meet its operation, existing contractual debt obligation and capital expenditure requirements for at least twelve-month period from the date of the end of the reporting period. Such cash flow forecasts include the following assumptions:

(i) The Group has been actively negotiating with certain banks on new source of borrowings;

(ii) the Group has been actively negotiating with certain banks to refinance the existing loan facilities from banks;

(iii) the Group has been actively negotiating with investors on new source of funding;

(iv) the Group 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; and

(v) the Group will implement effective control on administrative and operating costs to improve the Group'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.

Taking into account all assumptions and plans as described above, the directors of the Company are of the opinion that the Group will have sufficient working capital to maintain its operations and to pay its financial obligations as and when they fall due for at least twelve-months from the end of the reporting period. The directors of the Company are satisfied that it is appropriate to prepare these condensed consolidated financial statements on a going concern basis.

Notwithstanding the above, significant uncertainties exist as to whether the Group is able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon the following:

(i) successful negotiation with banks on new source of borrowings;

(ii) successfully completing the refinancing of existing loan facilities from banks;

(iii) successful negotiation with investors on new source of funding;

(iv) successful negotiation with the lessors for extension of repayment of the outstanding lease payments included in other payables and accruals and lease liabilities; and

(v) successfully implementing effective control on administrative and operating costs to improve the Group'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.

Should the Group fail to achieve a combination of the abovementioned plans and measures, it might not be able to continue to operate as a going concern, and adjustments would have to be made to reduce the carrying values of the Group's assets to their realisation amounts, to provide for financial liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively, if applicable. The effects of these adjustments have not been reflected in the condensed consolidated financial statements.

2. ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value.

Other than the change in accounting policies resulting from the application of amendments to IFRS Accounting Standards, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2025 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 December 2024.

Application of amendments to IFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to IFRS Accounting Standards issued by the IASB, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2025 for the preparation of the Group's condensed consolidated financial statements:

Amendments to IAS 21	Lack of Exchangeability

The application of the amendments to IFRS Accounting Standards in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

3. REVENUE

Disaggregated of revenue from contracts with customers

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Types of goods or services		
Restaurant operations	**101,784**	179,637
Sale of packed foods	**17**	2,742
Total	**101,801**	182,379
Timing of revenue recognition		
A point in time	**101,801**	182,379

4. OPERATING SEGMENTS

The Group operates as one business unit based on brands and services, there was only one reportable segment, the Shanghai XNG Holding Business, in the Group.

(a) Shanghai XNG Holding Business (including main brands: Shanghai Min, The Dining Room and Wolfgang Puck)

Geographical information

The Group's operations are located in the Mainland China and Hong Kong.

Information about the Group's revenue from continuing operations from external customers is presented based on the location of the restaurants. Information about the Group's non-current assets is presented based on the geographical location of the assets.

	Revenue from external customers		Non-current assets	
	Six months ended 30 June		**30 June**	31 December
	2025	2024	**2025**	2024
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
	(unaudited)	(unaudited)	**(unaudited)**	(audited)
The People's Republic of China (the "**PRC**")	**98,628**	157,094	**55,311**	66,939
Hong Kong	**3,173**	25,285	**353**	2,112
	101,801	182,379	**55,664**	69,051

Note: Non-current assets excluded financial instruments and deferred tax assets

Information about major customers

No revenue from sales to a single customer amounted to 10% or more of the Group's revenue during the six months ended 30 June 2025 and 2024.

5. OTHER INCOME

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Management fee income	**–**	683
Interest income	**25**	53
Others	**446**	1,001
	471	1,737

6. OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Foreign exchange differences, net	**(58)**	(3)
Fair value loss of financial liabilities at FVTPL	**(915)**	(5,165)
Gain on early termination of leases	**2,821**	4,780
Gain (loss) on disposal of property and equipment	**452**	(127)
Impairment losses recognised in respect of		
– property and equipment	**–**	(2,271)
Gain on deregistration of subsidiaries and branches	**–**	189
Gain on disposal of a subsidiary	**–**	458
	2,300	(2,139)

7. FINANCE COSTS

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Interest on bank loans	**412**	412
Interest on lease liabilities	**2,062**	3,715
	2,474	4,127

8. INCOME TAX EXPENSE

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Current tax:		
PRC Enterprise Income tax	**44**	933
Deferred tax	**–**	82
	44	1,015

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both periods.

Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profit for both periods.

No provision for taxation in Hong Kong has been made as none of the Group's income arises in, nor is derived from, Hong Kong.

Pursuant to Section 6 of the Tax Concessions Law (1999 Revision) of the Cayman Islands, the Company has obtained an undertaking from the Governor-in-Council that no law which is enacted in the Cayman Islands imposing any tax to be levied on profits or income or gain or appreciation shall apply to the Company or its operations.

Pursuant to the International Business Companies Act, 1984 (the "**IBC Act**") of the British Virgin Islands (the "**BVI**"), international business companies incorporated pursuant to the IBC Act enjoy a complete exemption from income tax. This includes an exemption from capital gains tax and all forms of withholding tax. Accordingly, the subsidiaries incorporated in the BVI are not subject to tax.

9. LOSS FOR THE PERIOD

Loss for the period has been arrived at after charging the following items:

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Cost of inventories recognised as an expense	**36,060**	63,410
Depreciation of property and equipment	**2,934**	7,032
Depreciation of right-of-use assets	**14,620**	25,775
Amortisation of intangible assets	**105**	413
Employee benefit expense (including directors' emoluments):		
Wages and salaries	**41,882**	67,804
Defined contribution pension scheme	**2,953**	4,253
	44,835	72,057

10. DIVIDENDS

No dividends were paid, declared or proposed during the interim period. The directors of the Company have determined that no dividend will be paid in respect of the interim period.

11. LOSS PER SHARE

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

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Loss for the period attributable to owners of the Company for the purposes of basic and diluted loss per share	**(18,248)**	(29,438)
Number of shares		
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	**2,271,719,000**	2,183,355,000

The weighted average number of ordinary shares for the purpose of basic loss per share has been adjusted for the treasury shares held by the Group.

The computation of diluted loss per share 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 shares for both 2025 and 2024.

12. TRADE RECEIVABLES

	30 June 2025	31 December 2024
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Trade receivables	**3,309**	4,434
Less: Allowance for credit losses	**(980)**	(981)
	2,329	3,453

The Group's trading terms with its customers are mainly on cash, credit card settlement, Alipay and Wechat payment. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

The following is an analysis of trade receivables by age, net of allowance for credit losses, presented based on the invoice date, which approximated the revenue recognition date.

	30 June 2025	31 December 2024
	RMB'000	*RMB'000*
	(unaudited)	(audited)
0 – 30 days	**608**	921
31 – 60 days	**584**	52
61 – 90 days	**50**	12
Over 90 days	**1,087**	2,468
	2,329	3,453

13. TRADE PAYABLES

	30 June 2025 *RMB'000* **(unaudited)**	31 December 2024 *RMB'000* (audited)
Trade payables	**76,333**	65,100

The following is an analysis of trade payables by age, presented based on the invoice date.

	30 June 2025 *RMB'000* **(unaudited)**	31 December 2024 *RMB'000* (audited)
0 – 90 days	**30,300**	34,254
91 – 365 days	**35,970**	24,111
Over 1 year	**10,063**	6,735
	76,333	65,100

The average credit period on purchases of goods is 90 days.

14. BORROWINGS

During the current interim period, the Group repaid bank loans amounting to RMB11,400,000 (six months ended 30 June 2024: RMB15,000,000), drew new loans amounting to Nil (six months ended 30 June 2024: RMB9,000,000) and renewed existing bank facilities in the principal amount of RMB5,000,000 (six months ended 30 June 2024: Nil). Of the new loans drawn down during the six months ended 30 June 2024, RMB9,000,000 are unsecured, carry interest at fixed market rate ranging from 3.90% to 4.20% per annum and are repayable within 1 year.

15. SHARE CAPITAL

	Number of shares		Share capital	
	30 June 2025	31 December 2024	**30 June 2025**	31 December 2024
	'000	*'000*	***RMB'000***	*RMB'000*
	(unaudited)	(audited)	**(unaudited)**	(audited)
Authorised:				
At beginning and end of the period/year	**10,000,000**	10,000,000	**83,112**	83,112
Issued and fully paid:				
At beginning of the period/year	**2,213,031**	2,213,031	**18,393**	18,393
Shares issued under placing *(Note (i))*	**442,606**	–	**4,118**	–
At end of the period/year	**2,655,637**	2,213,031	**22,511**	18,393
Treasury shares:				
At beginning and end of the period/year	**–**	36,667	**–**	2,274
Repurchase of shares	**–**	12,983	**–**	432
Transfer of treasury shares to Share Award Scheme reserve	**–**	(49,650)	**–**	(2,706)
At end of the period/year	**–**	–	**–**	–

Note (i): On 6 June 2025, the Company allotted and issued 442,606,000 ordinary shares by way of placing, at a placing price of HK$0.02 per ordinary share for cash. The gross proceeds from the placing amounted to RMB8,248,000, among which, RMB4,118,000 were credited to the share capital of the Company and RMB4,130,000 (before issuing expenses) were credited to share premium of the Company.

16. COMMITMENTS

The Group had the following capital commitments at the end of the reporting period:

	30 June 2025	31 December 2024
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Capital expenditure in respect of the additions of leasehold improvements contracted for but not provided in the consolidated financial statements	**2,978**	4,169

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

For the six months ended 30 June 2025, the Group's revenue amounted to RMB101.8 million, which mainly comprised the revenue of restaurant operations of RMB101.8 million and revenue from sales of packed goods of RMB0.02 million, representing a decrease of RMB80.6 million or 44.2% from RMB182.4 million as compared with the corresponding period of last year. The Group's gross profit amounted to RMB65.7 million, representing a decrease of approximately RMB53.3 million or 44.7% from RMB119.0 million as compared with the corresponding period of last year. During the six months ended 30 June 2025, the loss attributable to the owners of the Company was approximately RMB18.3 million, representing a decrease of RMB11.1 million as compared with the corresponding period of last year.

As of 30 June 2025, the Group operated a restaurant network of 15 "Shanghai Min" restaurants and 1 "The Dining Room" restaurant, which covers some of the most affluent and fast-growing cities in Mainland China *(Note(ii))*. The following table sets forth the revenue and the number of the restaurants in operation, by geographical region and brand, for the six months ended 30 June 2025 and 2024, respectively.

	For the six months ended 30 June			
	2025		2024	
	Number of restaurants *(Note (iii))*	**Revenue** ***RMB'000*** **(unaudited)**	Number of restaurants *(Note (iii))*	Revenue RMB'000 (unaudited)
The PRC (Mainland Area) *(Note (ii))*				
– Shanghai Min	**15**	**87,114**	16	135,789
– The Dining Room	**1**	**8,322**	1	9,534
– Other brands *(Notes (iv) and (v))*	**0**	**3,175**	1	9,029
Hong Kong				
– Shanghai Min *(Note (v))*	**0**	**3,173**	1	13,671
– The Dining Room *(Note (v))*	**0**	**0**	2	11,614
Total revenue of restaurant operations *(Note (i))*	**16**	**101,784**	21	179,637
Other revenue		**17**		2,742
Total Revenue		**101,801**		182,379

Notes:

(i) Total revenue of restaurant operations includes revenue of restaurant operations and takeaway business of restaurants.

(ii) The PRC (Mainland area), which for the purpose of this announcement and for geographical reference only, excludes Hong Kong, Macau and Taiwan.

(iii) The number of restaurants excludes licensed Shanghai Min and The Dining Room stores.

(iv) Other brands include Wolfgang Puck.

(v) As of 30 June 2025, all stores operated under the Shanghai Min and The Dining Room brands in Hong Kong and stores operated under other brand (Wolfgang Puck) in Mainland China have been closed.

FINANCIAL REVIEW

REVENUE

Revenue of the Group decreased by RMB80.6 million or 44.2%, from RMB182.4 million for the six months ended 30 June 2024 to RMB101.8 million for the six months ended 30 June 2025.

Revenue of restaurant operations

Total revenue of restaurant operations decreased by RMB77.8 million, or 43.3% from RMB179.6 million for the six months ended 30 June 2024 to RMB101.8 million for the six months ended 30 June 2025:

- These was a decrease of RMB23.8 million in revenue in comparable restaurant sales for the six months ended 30 June 2025 as compared to the six months ended 30 June 2024; and

- These was a decrease of RMB54.0 million in revenue as a result of a decrease in the number of stores and suspension of business due to store renovation for the six months ended 30 June 2025.

Other revenue

For the six months ended 30 June 2025, other revenue amounted to RMB0.02 million, which mainly comprised of income from sales of packed goods.

COST OF SALES

The cost of sales decreased by RMB27.3 million, or 43.1% from RMB63.4 million for the six months ended 30 June 2024 to RMB36.1 million for the six months ended 30 June 2025.

The cost of sales as a percentage of revenue slightly increased from 34.8% for the six months ended 30 June 2024 to 35.4% for the six months ended 30 June 2025.

OTHER INCOME

Other income decreased by RMB1.2 million from RMB1.7 million for the six months ended 30 June 2024 to RMB0.5 million for the six months ended 30 June 2025.

SELLING AND DISTRIBUTION EXPENSES

Selling and distribution expenses decreased by RMB50.9 million, or 40.5% from RMB125.8 million for the six months ended 30 June 2024 to RMB74.9 million for the six months ended 30 June 2025.

Labor expenses decreased by RMB25.6 million from RMB65.1 million for the six months ended 30 June 2024 to RMB39.5 million for the six months ended 30 June 2025. The labor costs as a percentage of revenue increased from 35.7% for the six months ended 30 June 2024 to 38.8% for the six months ended 30 June 2025.

Rental expenses and building management fees decreased by RMB2.4 million, or 22.2% from RMB10.8 million for the six months ended 30 June 2024 to RMB8.4 million for the six months ended 30 June 2025. The rental expenses and building management fees as a percentage of revenue increased from 5.9% for the six months ended 30 June 2024 to 8.3% for the six months ended 30 June 2025.

Depreciation expenses decreased by RMB14.8 million, or 46.0% from RMB32.2 million for the six months ended 30 June 2024 to RMB17.4 million for the six months ended 30 June 2025. The depreciation expenses as a percentage of revenue decreased from 17.7% for the six months ended 30 June 2024 to 17.1% for the six months ended 30 June 2025.

ADMINISTRATIVE EXPENSES

Administrative expenses decreased by RMB7.6 million, or 44.7% from RMB17.0 million for the six months ended 30 June 2024 to RMB9.4 million for the six months ended 30 June 2025.

OTHER GAINS AND LOSSES

Other gains and losses amounted to a gain of RMB2.3 million for the six months ended 30 June 2025, mainly comprised of gain on disposal of property and equipment of RMB0.5 million, gain on early termination of leases of RMB2.8 million, and fair value loss of financial liabilities at FVTPL of RMB0.9 million.

FINANCE COSTS

Finance costs amounted to RMB2.5 million for the six months ended 30 June 2025, representing a decrease of RMB1.7 million as compared with the same period of last year.

INCOME TAX EXPENSE

Income tax expense decreased by RMB0.96 million from RMB1.0 million for the six months ended 30 June 2024 to RMB0.04 million for the six months ended 30 June 2025.

LOSS FOR THE PERIOD

As a result of the foregoing reasons, the loss of the Group for the Reporting Period decreased by RMB11.1 million from RMB29.4 million for the six months ended 30 June 2024 to RMB18.3 million for the six months ended 30 June 2025. Net loss margin increased from 16.1% for the six months ended 30 June 2024 to 17.9% for the six months ended 30 June 2025.

DIVIDENDS PAYABLE

As at 30 June 2025, there were no outstanding dividends payable.

LIQUIDITY, CAPITAL RESOURCES AND CASH FLOW

The Group funded its liquidity and capital requirements primarily through bank loans and cash inflows generated from the operating activities.

As at 30 June 2025, the Group's borrowings amounted to RMB10.0 million. The gearing ratio was 449.9%, and the gearing ratio was net debt divided by the adjusted capital plus net debt. Net debt includes interest-bearing bank borrowings, trade payables, other payables and accruals, financial liabilities at FVTPL, contract liabilities and amounts due to related parties, less cash and cash equivalents and restricted bank deposits. Capital represents deficits attributable to owners of the Company.

For the six months ended 30 June 2025, the Group had net cash inflows generated from operating activities of RMB17.3 million (for the six months ended 30 June 2024: RMB22.6 million). As at 30 June 2025, the Group had RMB1.1 million in cash and cash equivalents (30 June 2024: RMB8.4 million). The following table sets out certain information regarding the consolidated cash flows for the six months ended 30 June 2025 and 30 June 2024:

	For the six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Net cash from operating activities	**17,341**	22,637
Net cash from (used in) investing activities	**7,262**	(7,877)
Net cash used in financing activities	**(27,355)**	(26,137)
Net decrease in cash and cash equivalents	**(2,752)**	(11,377)
Cash and cash equivalents at the beginning of the period	**3,689**	20,658
Effect of foreign exchange rate changes	**124**	(839)
Cash and cash equivalents at the end of the period	**1,061**	8,442

OPERATING ACTIVITIES

Net cash inflow from operating activities decreased by RMB5.3 million, from RMB22.6 million for the six months ended 30 June 2024 to RMB17.3 million for the six months ended 30 June 2025.

INVESTING ACTIVITIES

For the six months ended 30 June 2025, net cash from investing activities was RMB7.3 million, as compared with net cash used in investing activities of RMB7.9 million for the same period in 2024.

FINANCING ACTIVITIES

Net cash used in financing activities increased from RMB26.1 million for the six months ended 30 June 2024 to RMB27.4 million for the six months ended 30 June 2025. During the Reporting Period, the Group had (i) proceeds from financial liabilities at FVTPL of RMB1.2 million and (ii) proceeds from the issue of new shares of the Company of RMB8.1 million. The amounts of RMB11.4 million, RMB17.8 million and RMB4.5 million were paid for bank loans, lease liabilities and financial liabilities of FVTPL, respectively.

PLACING OF NEW SHARES UNDER GENERAL MANDATE

On 12 May 2025, in order to raise additional funding for the business operations of the Group and strengthen the Group's financial position, the Company entered into a placing agreement with VBG Capital Limited (the "**Placing Agent**"), pursuant to which the Company has agreed to place, through the Placing Agent on a best effort basis, a maximum of 442,606,200 placing shares at the placing price of HK$0.02 per placing share to not less than six placees who and whose beneficial owners shall be third parties independent of the Company and its connected persons. The net issue price was approximately HK$0.0196 per placing share. The closing price of the shares of the Company as quoted on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on the date of the placing agreement was HK$0.024. Completion of placing has taken place on 6 June 2025 and a total of 442,606,000 placing shares have been successfully placed by the Placing Agent to not less than six placees. The aggregate nominal value of the 442,606,000 placing shares was HK$4,426,060. The net proceeds from the placing, after deduction of the placing commission and other related expenses, amounted to approximately HK$8.7 million. The Company intended to use such net proceeds for general working capital of the Group. As at the date of this announcement, the net proceeds have been fully utilised.

FOREIGN CURRENCY EXPOSURE

The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expenses are denominated in a different currency from the functional currency of the relevant subsidiaries of the Group). None of the Group's purchase for the six months ended 30 June 2025 and 30 June 2024 was denominated in currencies other than the functional currency of the relevant subsidiaries. Therefore, the Group has minimal exposure to foreign exchange risk.

CAPITAL COMMITMENTS

Capital commitments were approximately RMB3.0 million and RMB4.2 million as at 30 June 2025 and 31 December 2024, respectively.

PLEDGE OF GROUP ASSETS

As at 30 June 2025, the Group had no pledge of assets.

SIGNIFICANT INVESTMENTS

The Group did not have any significant investments for the six months ended 30 June 2025.

MATERIAL ACQUISITION AND DISPOSAL

For the six months ended 30 June 2025, there were no material acquisitions or disposals by the Group and its subsidiaries and associated companies.

HUMAN RESOURCES

As at 30 June 2025, the Group employed approximately 181 staffs in Mainland China and Hong Kong. In 2025, the Group continued to use a three-dimensional labor structure for full-time employees, hourly employees and trainees and also entered into long-term cooperation plans with a number of domestic education institutions. The Group continued to implement a number of incentive assessment policies formulated, so as to increase the overall income of employees and to achieve the sharing of benefits between the Company and employees, as well as to improve employee work enthusiasm.

For the six months ended 30 June 2025, total staff cost was RMB44.8 million, accounting for 44.0% of the revenue (for the six months ended 30 June 2024: RMB72.1 million), which mainly comprised of wages and salaries.

FUTURE OUTLOOK

The catering industry is currently facing intense market competition. Consumers are not only pursuing delicious food but are also placing greater emphasis on the dining environment, social attributes, cultural identity, and shareable experiences. They have higher expectations regarding the sources of ingredients, cooking methods, and nutritional balance. Additionally, in an economically challenging environment, consumers are becoming increasingly cost conscious, seeking for more cost-effective dining experiences.

In response to these challenges, the Group plans to renovate its existing stores, designing spaces that are more modern and bright while incorporating elements of Shanghai cultural heritage. This approach aims to enhance social engagement and shareability to attract a broader customer base. The Group will also retain and refine its signature dishes, alongside developing new options that align with contemporary health concepts and tastes (such as light meal sets and creative local cuisines). For different dining situations — such as family gatherings, business meals, or casual get-togethers — the Group will design specific packages and service processes to improve targeting and cost-effectiveness.

The future of Shanghai Min should not be merely a "restaurant", but rather transform into a "lifestyle brand centered around classic local cuisine". This strategy is filled with both opportunities and challenges. It requires not only determination but also innovation, evolving from a catering benchmark of an era into a vibrant and enduring brand for the next century.

SIGNIFICANT EVENTS SUBSEQUENT TO THE REPORTING PERIOD

The Group did not have any significant events from 30 June 2025 and up to the date of this announcement.

INTERIM DIVIDEND

The Board has resolved not to recommend the payment of an interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE (THE "CG CODE")

The Company is dedicated to maintaining high standards of corporate governance to safeguard the interests of the shareholders and to enhance corporate value and accountability. The principle of the Company's corporate governance is to promote effective internal control measures, uphold a high standard of ethics, transparency, responsibility and integrity in all aspects of business, to ensure that its business and operations are conducted in accordance with applicable laws and regulations and to enhance the transparency and accountability of the Board to all shareholders.

The Board has established and continued strengthening the Group's vision, values and strategies, and ensure alignment with the Group's culture. Such culture shall upload and continually reinforce across the organization values of acting in a lawful, ethical and responsible manner.

Optimizing value for its shareholders is the Company's priority. The Group strives to become the leading pioneer in the industry of restaurant chain stores in Mainland China and Hong Kong. The mission of the Group is to lead the development of the industry and set the industry benchmarks. In this connection, the Group has been endeavoring to make contributions to its employees, customers, shareholders, the society and the environment in a lawful, ethical and responsible way. These purpose and values shape the Group's strategies,

The Group's purpose, values and strategies form the foundations of the Group's corporate culture. The Group's corporate culture is centered on the adherence to high ethical standards and practices, and striving for sustainable development.

The Company has adopted the CG Code as set out in Part 2 of Appendix C1 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on the Stock Exchange as its own CG Code. For the six months ended 30 June 2025, the Company has complied with the applicable code provisions set out in the CG Code. Mr. Gu Dorson is the chairman of the Company, and the Company has not established the position of chief executive officer.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Companies (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as a code of conduct regarding directors' transactions of securities. Following specific enquiries to all Directors, all Directors have confirmed that they have complied with the required standard of dealings set out in the Model Code for the Reporting Period.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2025.

INTERIM RESULTS REVIEW

The Company has established the audit committee (the "**Audit Committee**") on 30 August 2011 with written terms of reference formulated in accordance with the Listing Rules and the CG Code. The primary duties of the Audit Committee are to review and supervise the Group's internal control and financial reporting process and to maintain an appropriate relationship with the Company's independent auditors.

As at the date of this announcement, the members of the Audit Committee comprise Mr. Leung Yiu Cho, Mr. Zhang Zhenyu and Ms. Hu Xiaoqi. Mr. Leung Yiu Cho is the chairman of the Audit Committee.

The unaudited interim condensed consolidated financial statements of the Group for the six months ended 30 June 2025 and this announcement have been reviewed by the Audit Committee. The Audit Committee considers that appropriate accounting policies have been adopted, and the applicable requirements of the Listing Rules have been complied with in the preparation of relevant financial results, and sufficient disclosure have been made.

PUBLICATION OF INTERIM REPORT

This interim results announcement is published on the websites of the Stock Exchange (www.hkex.com.hk) and the Company (www.xngholdings.com). The interim report of the Company for the Reporting Period containing all the information required by the Listing Rules will be dispatched to the relevant shareholders of the Company and published on the aforesaid websites in due course.

APPRECIATION

The Board would like to express its sincere gratitude to the shareholders, management team, employees and business partners for their support and contribution to the Group.

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

Shanghai, the People's Republic of China, 29 August 2025

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