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信基沙溪集团股份有限公司

XINJI SHAXI GROUP CO., LTD

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3603)

(1) INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2025; (2) CHANGES IN COMPOSITION OF THE NOMINATION COMMITTEE; AND (3) APPOINTMENT OF ALTERNATE DIRECTORS

The board (the “**Board**”) of directors (the “**Director(s)**”) of Xinji Shaxi Group Co., Ltd (the “**Company**”) is pleased to announce the unaudited condensed 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 the comparative figures for the six months ended 30 June 2024 (the “**2024 Period**”). These interim results of the Group have been reviewed by the Company’s audit committee.

FINANCIAL HIGHLIGHTS

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Revenue	116,593	129,405
Loss for the period	(29,130)	(91,293)
Core net profit ⁽ⁱ⁾	28,313	46,977
Core net profit margin ⁽ⁱⁱ⁾	24%	36%
Loss per share (expressed in RMB per share)	(0.02)	(0.06)

Notes:

- (i) Core net profit for the six months ended 30 June 2025 and 2024 is a non-HKFRS measure, which is used for investors to evaluate the performance results of the underlying business of the Group, by excluding losses from the changes in fair value of the investment properties and further adjusted for income tax effects for the aforementioned items.
- (ii) Core net profit margin is calculated through dividing core net profit by revenue of the Group in their respective periods.

CONDENSED CONSOLIDATED INCOME STATEMENT

		Six months ended 30 June	
		2025	2024
	Notes	RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Revenue	6	116,593	129,405
Cost of sales	7	(21,615)	(21,517)
Fair value losses on investment properties	11	(76,590)	(184,360)
Selling and marketing expenses	7	(3,707)	(4,393)
Administrative expenses	7	(17,448)	(15,992)
Net impairment losses (recognised)/reversed on financial assets and lease receivables		(1,965)	64
Other income		1,796	2,370
Other (losses)/gains – net		(5,648)	4,781
Operating loss		(8,584)	(89,642)
Finance income		1,063	1,885
Finance expenses		(25,620)	(28,734)
Finance expenses – net		(24,557)	(26,849)
Loss before income tax		(33,141)	(116,491)
Income tax credit	8	4,011	25,198
Loss for the period		(29,130)	(91,293)
Loss attributable to:			
– Owners of the Company		(29,086)	(91,484)
– Non-controlling interests		(44)	191
Loss for the period		(29,130)	(91,293)
Loss per share attributable to owners of the Company			
Basic and diluted (RMB)	9	(0.02)	(0.06)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Loss for the period	(29,130)	(91,293)
Other comprehensive income for the period net of tax	—	—
Total comprehensive loss for the period	<u>(29,130)</u>	<u>(91,293)</u>
Total comprehensive loss attributable to:		
– Owners of the Company	(29,086)	(91,484)
– Non-controlling interests	<u>(44)</u>	<u>191</u>
Total comprehensive loss for the period	<u>(29,130)</u>	<u>(91,293)</u>

CONDENSED CONSOLIDATED BALANCE SHEET

		As at	
		30 June 2025	31 December 2024
	Notes	RMB'000 (Unaudited)	RMB'000 (Audited)
ASSETS			
Non-current assets			
Property and equipment		3,852	5,497
Investment properties	11	1,897,520	1,971,588
Intangible assets		2,018	2,239
Deferred income tax assets		5,195	2,639
Lease and trade receivables and other receivables	12	–	25,276
Financial assets at fair value through profit or loss		481	5,522
		<u>1,909,066</u>	<u>2,012,761</u>
Current assets			
Inventories		8	1,168
Lease and trade receivables and other receivables	12	85,770	68,691
Restricted Cash		36	36
Cash and cash equivalents		654,536	582,501
		<u>740,350</u>	<u>652,396</u>
Total assets		<u>2,649,416</u>	<u>2,665,157</u>
EQUITY			
Share capital and premium		285,115	285,115
Other reserves		121,194	120,412
Retained earnings		739,669	769,537
		<u>1,145,978</u>	<u>1,175,064</u>
Non-controlling interests		<u>(1,904)</u>	<u>(1,860)</u>
Total equity		<u>1,144,074</u>	<u>1,173,204</u>

		As at	
		30 June	31 December
		2025	2024
	<i>Notes</i>	RMB'000	RMB'000
		(Unaudited)	(Audited)
LIABILITIES			
Non-current liabilities			
Borrowings	14	573,320	574,420
Trade and other payables	13	14,201	15,853
Lease liabilities	13	150,706	166,184
Deferred income tax liabilities		172,371	183,485
		<u>910,598</u>	<u>939,942</u>
Current liabilities			
Borrowings	14	262,704	239,004
Trade and other payables	13	159,497	162,795
Lease liabilities	13	26,817	27,675
Contract liabilities		24,801	22,420
Advance from customers		83,145	64,807
Current income tax liabilities		35,409	32,746
Amounts due to related parties		2,371	2,564
		<u>594,744</u>	<u>552,011</u>
Total liabilities		<u>1,505,342</u>	<u>1,491,953</u>
Total equity and liabilities		<u>2,649,416</u>	<u>2,665,157</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

Xinji Shaxi Group Co., Ltd (the “**Company**”) was incorporated in the Cayman Islands on 27 July 2018 as an exempted company with limited liability under the Companies Law (Cap. 22, Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The address of the Company’s registered office is 71 Fort Street, PO Box 500, George Town, Grand Cayman KY1-1106, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (together, the “**Group**”) are principally engaged in operating and managing hospitality supplies and home furnishing shopping malls in the People’s Republic of China (the “**PRC**”).

The Company’s shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 8 November 2019.

The unaudited interim condensed consolidated financial statements have been prepared under historical cost basis, except for the investment properties and financial assets at fair value through profit or loss which are measured at fair value.

The unaudited interim condensed consolidated financial information is presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousand (RMB’000), unless otherwise stated. The unaudited interim condensed consolidated financial statements contain condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the Group’s annual consolidated financial statements for the year ended 31 December 2024.

The unaudited interim condensed consolidated financial information has been approved for issue by the board of directors (the “**Board**”) of the Company on 29 August 2025.

2 BASIS OF PREPARATION

The unaudited interim condensed consolidated financial information for the six months ended 30 June 2025 has been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim financial reporting” (“**HKAS 34**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the applicable disclosures provisions of Rules Governing the Listing of Securities on the Stock Exchange. The unaudited interim condensed consolidated financial information does not include all the information and disclosure required in the Group’s annual consolidated financial statements and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2024.

3 APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

The unaudited interim condensed consolidated financial statements have been prepared with the same accounting policies adopted in the 2024 annual consolidated financial statements, except for those that relate to new standards or interpretations effective for the first time for periods beginning on or after 1 January 2025.

Amendments to HKFRS Accounting Standards that are mandatorily effective for the annual periods beginning on 1 January 2025

In the accounting period beginning from 1 January 2025, the Group has applied, for the first time, the following amendments to HKFRS Accounting Standards:

Amendments to HKAS 21

Lack of exchangeability

The amendments to HKAS 21 specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. Besides, the amendments also require an entity to disclose additional information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments did not have a material impact on the Group's unaudited interim condensed consolidated financial statements.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the unaudited interim condensed consolidated financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing the unaudited interim condensed consolidated financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Group's annual consolidated financial statements for the year ended 31 December 2024.

5 SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors of the Company.

The CODM considers business from a service perspective and has identified the following two operating segments:

– Property leasing

The Group is engaged in (a) managing owned/leased portfolio shopping mall which derives revenue from leasing floor areas to the tenants and providing comprehensive and continuous operation and management; (b) selling hospitality products and home furnishings through online shopping mall; (c) providing the business management service to other shopping malls which are not owned by the Group.

– Property management services

The Group provides property management services to tenants and apartment properties.

As the CODM considers most of the Group's consolidated revenue and results are attributable to the market in the PRC and the Group's consolidated non-current assets are substantially located in the PRC, no geographical information is presented.

(a) Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable segments.

	Six months ended 30 June 2025		
	Property leasing RMB'000	Property management services RMB'000	Total RMB'000
Reportable segment revenue			
Revenue from contracts with customers			
– at a point in time	4,422	–	4,422
– over time	–	29,094	29,094
Revenue from rental income	91,873	–	91,873
Inter-segment revenue	(8,278)	(518)	(8,796)
	88,017	28,576	116,593
Segment (loss)/profit	(14,504)	5,920	(8,584)
Finance expenses – net			(24,557)
Loss before income tax			(33,141)

	Six months ended 30 June 2024		
	Property leasing RMB'000	Property management services RMB'000	Total RMB'000
Reportable segment revenue			
Revenue from contracts with customers			
– at a point in time	4,518	–	4,518
– over time	–	29,812	29,812
Revenue from rental income	103,812	–	103,812
Inter-segment revenue	(8,216)	(521)	(8,737)
	100,114	29,291	129,405
Segment (loss)/profit	(101,211)	11,569	(89,642)
Finance expenses – net			(26,849)
Loss before income tax			(116,491)

(b) Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segments:

	As at 30 June 2025			
	Property leasing RMB'000	Property management services RMB'000	Elimination RMB'000	Total RMB'000
Segment assets	<u>2,663,050</u>	<u>34,019</u>	<u>(52,848)</u>	2,644,221
Unallocated:				
– Deferred income tax assets				<u>5,195</u>
Consolidated total assets				<u>2,649,416</u>
Segment liabilities	<u>443,316</u>	<u>71,070</u>	<u>(52,848)</u>	461,538
Unallocated:				
– Deferred income tax liabilities				172,371
– Current income tax liabilities				35,409
– Borrowings				<u>836,024</u>
Consolidated total liabilities				<u>1,505,342</u>

	As at 31 December 2024			
	Property leasing RMB'000	Property management services RMB'000	Elimination RMB'000	Total RMB'000
Segment assets	<u>2,666,938</u>	<u>16,280</u>	<u>(20,700)</u>	2,662,518
Unallocated:				
– Deferred income tax assets				<u>2,639</u>
Consolidated total assets				<u>2,665,157</u>
Segment liabilities	<u>429,227</u>	<u>53,771</u>	<u>(20,700)</u>	462,298
Unallocated:				
– Deferred income tax liabilities				183,485
– Current income tax liabilities				32,746
– Borrowings				<u>813,424</u>
Consolidated total liabilities				<u>1,491,953</u>

The amounts provided to the CODM with respect to total assets and liabilities are measured in a manner consistent with that of the condensed consolidated financial statements.

These assets and liabilities are allocated based on the operations of the segment. Segment assets consist primarily of property and equipment, investment properties, intangible assets, receivables from property management services and property leasing and cash and cash equivalents.

Segment liabilities consist primarily of trade and other payables (excluding other payables due to related parties with non-trade nature), lease liabilities, contract liabilities, advances from customers.

6 REVENUE

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Revenue from contracts with customers:		
– Property management services (<i>Note (a) and (c)</i>)	28,576	29,291
– Sales of goods (<i>Note (b)</i>)	4,418	4,518
– Others	4	–
	<u>32,998</u>	<u>33,809</u>
Rental income:		
– Property lease income	83,595	95,596
	<u>83,595</u>	<u>95,596</u>
Total revenue recognised	<u>116,593</u>	<u>129,405</u>

- (a) Revenue generated from property management services is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation.
- (b) Revenue generated from sales of goods is recognised at a point in time when the customer obtains control of the assets.
- (c) The following table shows unsatisfied performance obligations resulting from fixed-price long-term property management services contracts:

	As at	
	30 June	31 December
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Audited)
Aggregate amount of the transaction price allocated to long-term property management services contracts that the performance obligations of which are partially or fully unsatisfied as at 30 June and 31 December:		
Expected to be recognised over one year	228,171	268,436
Expected to be recognised within one year	39,072	45,967
	<u>267,243</u>	<u>314,403</u>

The amount disclosed above does not include any variable consideration.

- (d) As at 30 June 2025, no assets recognised from incremental costs to obtain a contract.

7 EXPENSES BY NATURE

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Employee benefit expenses	18,411	18,658
Cost of sales of goods	2,955	3,065
Marketing and advertising costs	901	1,199
Legal and professional expenses	578	481
Tax and other levies	2,586	2,548
Property maintenance expenses	4,923	4,208
Electricity and water cost	3,441	3,871
Technical service charge	382	534
Entertainment expenses	2,489	2,316
Depreciation of property and equipment	2,429	2,791
Office and travelling expenses	60	61
Amortisation of intangible assets	221	227
Short-term lease expenses	44	58
Donation	1,000	77
Other expenses	2,350	1,808
	<hr/>	<hr/>
Total cost of sales, selling and marketing expenses and administrative expenses	42,770	41,902
	<hr/>	<hr/>
Analysed for reporting purposes:		
Cost of sales	21,615	21,517
Selling and marketing expenses	3,707	4,393
Administrative expenses	17,448	15,992
	<hr/>	<hr/>
	42,770	41,902
	<hr/>	<hr/>

8 INCOME TAX CREDIT

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Current income tax		
– PRC corporate income tax	9,377	8,224
Deferred income tax credit	(13,388)	(33,422)
	<u>(4,011)</u>	<u>(25,198)</u>

(a) PRC corporate income tax

The Group's subsidiaries in the PRC are subject to corporate income tax at tax rate of 25% during the six months ended 30 June 2025 and 2024.

(b) PRC withholding income tax

PRC withholding income tax of 10% shall be levied on the dividends declared by companies established in the PRC to their foreign investors out of their profits earned after 1 January 2008. If a foreign investor incorporated in Hong Kong meets the conditions and requirements under the double taxation treaty arrangement entered into between the PRC and Hong Kong, the relevant withholding tax rate will be reduced from 10% to 5%.

(c) Cayman Islands income tax

The Company is incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands and accordingly, is exempted from Cayman Islands income tax.

(d) British Virgin Islands income tax

The Group's subsidiaries in the British Virgin Islands were incorporated under the International Business Companies Act of the British Virgin Islands and, accordingly, exempted from British Virgin Islands income tax.

(e) Hong Kong profits tax

Hong Kong profits tax has not been provided as the Group's subsidiaries did not have any assessable profits during the six months ended 30 June 2025 and 2024.

9 LOSS PER SHARE

Basic loss per share is calculated by dividing the Group's net loss attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the interim reporting period.

The following reflects the income and share data used in the computations for basic and diluted loss per share attributable to owners of the Company:

	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	(29,086)	(91,484)
	Number of shares	
	Six months ended 30 June	
	2025	2024
	'000	'000
	(Unaudited)	(Unaudited)
Weighted average number of shares for the purposes of basic and diluted loss per share	1,492,944	1,496,800

The Company did not have any potential dilutive ordinary shares outstanding during the six months ended 30 June 2025 and 2024. Diluted loss per share is the same as the basic loss per share.

10 DIVIDEND

No interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: nil) has been proposed by the Board.

11 INVESTMENT PROPERTIES

	Six months ended 30 June 2025	Year ended 31 December 2024
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Opening net book amount	1,971,588	2,284,851
Lease modification	–	(3,424)
Additions	32	73
Disposal	(5,370)	–
Transfer from finance lease receivables	7,860	4,620
Loss on change in fair value recognised in profit and loss	(76,590)	(314,532)
Closing net book amount	1,897,520	1,971,588
Analysis of investment properties:		
– properties on land use right certificates owned by the Group	882,330	888,200
– properties on right-of-use assets	1,015,190	1,083,388
	1,897,520	1,971,588

Investment properties were revalued at 30 June 2025 on income capitalisation method and comparison method by an independent valuer, Masterpiece Valuation Advisory Limited.

A loss on change in fair value of investment properties amounted to approximately RMB76,590,000 was recognised in the condensed consolidated income statement for the six months ended 30 June 2025 (six months ended 30 June 2024: a loss on change in fair value amounted to approximately RMB184,360,000).

As at 30 June 2025, investment properties of RMB853,830,000 (31 December 2024: RMB859,600,000) were pledged as collateral for the Group's borrowings (Note 14).

12 LEASE AND TRADE RECEIVABLES AND OTHER RECEIVABLES

	As at	
	30 June	31 December
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Operating lease receivables (<i>Note (a)</i>)	60,217	56,978
Less: allowance for impairment of operating lease receivables	(17,468)	(14,692)
Operating lease receivables – net	42,749	42,286
Finance lease receivables (<i>Note (b)</i>)	13,637	27,785
Less: allowance for impairment of finance lease receivables	(1,364)	(2,286)
Finance lease receivables – net	12,273	25,499
Trade receivables (<i>Note (c)</i>)	13,961	8,534
Less: allowance for impairment of trade receivables	(3,236)	(2,937)
Trade receivables – net	10,725	5,597
Other receivables (<i>Note (d)</i>)	21,764	21,646
Less: allowance for impairment of other receivables	(7,151)	(7,339)
Other receivables – net	14,613	14,307
Prepaid tax and other levies	62	44
Prepayment for lease	179	1,042
Other prepayments	2,737	2,048
Input VAT available for future deduction	2,432	3,144
	85,770	93,967
Less: non-current portion		
Finance lease receivables	–	(25,276)
Current portion	85,770	68,691

(a) **Operating lease receivables**

The gross operating lease receivables at the end of the respective reporting periods are analysed as follows:

	As at	
	30 June	31 December
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Less than 1 year	60,217	56,978

(b) **Finance lease receivables**

The finance lease receivables are arising from the property leasing business. For finance lease receivables, the customers are obligated to settle the amounts according to the terms set out in the relevant lease contracts.

The gross finance lease receivables at the end of the respective reporting periods are analysed as follows:

	Minimum lease payment		Present value	
	30 June	31 December	30 June	31 December
	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Not later than 1 year	20,895	647	13,637	223
Later than 1 year but not later than 5 years	–	31,393	–	27,562
	20,895	32,040	13,637	27,785
Less: unearned finance income	(7,258)	(4,255)	–	–
Present value of minimum lease payments	13,637	27,785	13,637	27,785

(c) **Trade receivables**

The ageing analysis of gross trade receivables based on the recognition date at the end of the respective reporting periods is as follows:

	As at	
	30 June	31 December
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Less than 1 year	13,961	8,534

(d) Other receivables

The gross other receivables at the end of the respective reporting periods are analysed as follows:

	As at	
	30 June	31 December
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Deposits paid (<i>Note (i)</i>)	5,337	5,256
Refundable payments (<i>Note (ii)</i>)	9,234	9,984
Advance payment for acquisition of subsidiaries (<i>Note (iii)</i>)	5,283	5,283
Sundry receivables (<i>Note (iv)</i>)	1,910	1,123
	21,764	21,646

Notes:

- (i) Included in the deposits paid is rental deposits paid for leasing the right-of use assets for its shopping mall operation. As at 30 June 2025, an impairment loss of RMB1,465,000 (31 December 2024: RMB1,465,000) was recognised for the rental deposits paid.
- (ii) Included in the refundable payments is a payment for purchasing the goods. As at 30 June 2025, an impairment loss of RMB249,000 (31 December 2024: RMB249,000) was recognised for the refundable deposits.
- (iii) It represents as an advance payment paid for acquisition of subsidiaries in prior years. As at 30 June 2025, an impairment loss of RMB5,283,000 (31 December 2024: RMB5,283,000) was fully impaired.
- (iv) As at 30 June 2025, an impairment loss of RMB154,000 (31 December 2024: RMB342,000) was recognised on sundry receivables.

As at 30 June 2025, lease and trade receivables and other receivables were denominated in RMB and their fair values approximated their carrying amounts.

13 TRADE AND OTHER PAYABLES AND LEASE LIABILITIES

(a) Trade and other payables

	As at	
	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Trade payables	15,227	17,502
Construction contract payables	20,894	22,179
Salary payables	21,718	20,907
Other tax liabilities	1,151	877
Deposits from tenants	59,953	59,199
Deposits from Property Developer (<i>Note (a)</i>)	50,000	50,000
Accrued expenses	2,167	3,179
Other deposits received	827	3,736
Other payables	1,761	1,069
	<u>173,698</u>	<u>178,648</u>
Less: non-current portion		
Deposits from tenants	<u>(14,201)</u>	<u>(15,853)</u>
Current portion	<u>159,497</u>	<u>162,795</u>

The ageing analysis of the trade and construction contract payables based on invoice date is as follows:

	As at	
	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Less than 1 year	25,589	25,706
Over 1 year	<u>10,532</u>	<u>13,975</u>
	<u>36,121</u>	<u>39,681</u>

As at 30 June 2025, trade and other payables were denominated in RMB and their fair values approximated their carrying amounts.

Note:

- (a) In June 2023, Guangzhou Shaxi International Hospitality Supplies City Company Limited* (廣州沙溪國際酒店用品城有限公司) (“**Guangzhou Shaxi**”), being an indirect wholly-owned subsidiary of the Company, was informed by Guangzhou Shenglong Fangyuan Real Estate Co., Ltd.* (廣州升龍方圓置業有限公司) (the “**Property Developer**”), a property developer, about a proposed redevelopment plan of Shaxi Village, which would cover the leased land and the shopping mall erected thereon. The Property Developer subsequently proposed to enter into an agreement (the “**Proposed Compensation Agreement**”) with the landlord and Guangzhou Shaxi pursuant to which the Property Developer intends to pay a compensation amount of approximately RMB845 million to Guangzhou Shaxi in consideration of an early termination of the tenancy agreement between Guangzhou Shaxi and the landlord. The Proposed Compensation Agreement will be effective upon the Shaxi Village Redevelopment Plan having been approved by the landowners of Shaxi Village. As at 30 June 2025, the Shaxi Village Redevelopment Plan has not been approved.

The Group has received a deposit of RMB50 million from the Property Developer, which is included in other payables.

(b) **Lease liabilities**

	As at	
	30 June	31 December
	2025	2024
	RMB’000	RMB’000
	(Unaudited)	(Audited)
Lease liabilities payable:		
Within 1 year	26,817	27,675
Within a period of more than 1 year but not exceeding 2 years	20,152	23,506
Within a period of more than 2 years but not exceeding 5 years	57,291	59,494
Within a period of more than 5 years	73,263	83,184
	177,523	193,859
Less: non-current portion	(150,706)	(166,184)
Current portion	26,817	27,675

The Group mainly leases land use right and properties. Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. The right-of-use assets are presented as investment properties (Note 11) and property and equipment.

14 BORROWINGS

	As at	
	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Bank borrowings – Secured (<i>Notes (a) and (b)</i>)	<u>836,024</u>	<u>813,424</u>
Total borrowings	<u>836,024</u>	<u>813,424</u>
Less: non-current portion		
– Bank borrowings – Secured	<u>(573,320)</u>	<u>(574,420)</u>
Current portion	<u>262,704</u>	<u>239,004</u>

Notes:

- (a) As at 30 June 2025, bank borrowings of RMB836,024,000 (31 December 2024: RMB813,424,000) bore interest ranging from 3.85% to 6.13% (31 December 2024: 4.43% to 6.06%) per annum and were secured by investment properties of RMB853,830,000 (31 December 2024: RMB859,600,000) of the Group (Note 11).
- (b) As at 30 June 2025, personal guarantees of RMB157,000,000 (31 December 2024: RMB133,000,000) were given to bank by Mr. Cheung Hon Chuen, Mr. Mei Zuoting and Mr. Zhang Weixin, directors of the Company, for bank borrowings obtained by the Group.

INTERIM DIVIDEND

The Board does not recommend the payment of any interim dividend for the Reporting Period (six months ended 30 June 2024: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

The revenue of the Group decreased slightly by approximately 9.9% during the Reporting Period to RMB116.6 million in comparison to approximately RMB129.4 million recorded during the 2024 Period. Decrease in revenue for the Reporting Period was mainly due to the leasing concessions granted by the Group to merchants in the first half of 2025.

The table below sets forth the breakdown of the Group's revenue by business as indicated:

	Six months ended 30 June			
	2025		2024	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Rental Income	83,595	72	95,596	74
Property Management Service	28,576	24	29,291	23
Sales of Goods	4,418	4	4,518	3
Others	4	–	–	–
Total	116,593	100	129,405	100

Rental Income

During the Reporting Period, our rental income, which is the revenue received by our Group from the tenants who signed lease contracts with us to run business at our Group's owned/leased portfolio shopping malls, accounted for approximately 72% of our total revenue. During the Reporting Period, our rental income decreased by approximately RMB12.0 million or approximately 12.6% to approximately RMB83.6 million (2024 Period: RMB95.6 million). Such decrease was mainly due to the leasing concessions granted by the Group to merchants in the first half of 2025.

Property Management Service

Revenue from our property management service is the management fees paid by our Group's tenants under the property management agreements. During the Reporting Period, income from property management services decreased slightly by approximately RMB0.7 million or approximately 2.4% to approximately RMB28.6 million (2024 Period: RMB29.3 million), revealing no significant change.

Sales of Goods

Revenue from sales of goods is the revenue generated from sales of hospitality products and home furnishings through our online shopping mall. During the Reporting Period, revenue from sales of goods decreased slightly by approximately RMB0.1 million or approximately 2.2% to approximately RMB4.4 million (2024 Period: RMB4.5 million). The revenue from sales of goods remained stable, compared with that in the 2024 Period.

Cost of Sales

Cost of sales for the Reporting Period was approximately RMB21.6 million as compared to approximately RMB21.5 million for the 2024 Period, showing no significant change.

Fair Value Losses on Investment Properties

Our fair value losses on investment properties decreased by approximately RMB107.8 million to fair value losses of approximately RMB76.6 million for the Reporting Period (2024 Period: fair value losses of RMB184.4 million). During the Reporting Period, the recovery in the occupancy rate of the Xinji Shaxi Hospitality Supplies Expo Center (信基沙溪酒店用品博览城) and the stability of annual rent in the Shenyang market compared to the 2024 Period resulted in a decrease in the fair value losses on investment properties recognised by the Group during the Reporting Period as compared to the 2024 Period.

Selling and Marketing Expenses

Our selling and marketing expenses decreased by approximately RMB0.7 million or 15.6% from approximately RMB4.4 million for the 2024 Period to approximately RMB3.7 million for the Reporting Period. Such decrease was mainly due to the decrease in expenses related to selling and marketing for the Group during the Reporting Period.

Administrative Expenses

Our administrative expenses increased by approximately RMB1.5 million or 9.1% from approximately RMB16.0 million for the 2024 Period to approximately RMB17.4 million for the Reporting Period. Such increase was mainly attributable to the increase of RMB1.0 million in the donation expenses of the Group for the Reporting Period as compared to the 2024 Period.

Other Income

Our other income decreased by approximately RMB0.6 million or 24.2% from approximately RMB2.4 million for the 2024 Period to approximately RMB1.8 million for the Reporting Period.

Operating Loss and Operating Loss Margin

As a result of the foregoing, our operating loss decreased by approximately RMB81.0 million or 90.4% from approximately RMB89.6 million during the 2024 Period to an operating loss of approximately RMB8.6 million for the Reporting Period. Such decrease was mainly due to the decrease in fair value loss on investment properties.

Finance Income

Finance income decreased by approximately RMB0.8 million or 43.6% from approximately RMB1.9 million for the 2024 Period to approximately RMB1.1 million for the Reporting Period. The decrease was mainly due to a reduction in bank deposit interest rates.

Finance Expenses

Finance expenses decreased by approximately RMB3.1 million or 10.8% from approximately RMB28.7 million for the 2024 Period to approximately RMB25.6 million for the Reporting Period. The decrease was mainly due to the repayment of a portion of the bank loans and a reduction in loan interest rates for the Reporting Period.

Net Finance Expenses

Net finance expenses for the Reporting Period amounted to approximately RMB24.6 million as compared to approximately RMB26.8 million for the 2024 Period, which was mainly due to the repayment of a portion of the bank loans and a reduction in loan interest rates for the Reporting Period.

Loss for the Reporting Period

As a result of the foregoing, loss recorded by our Group decreased by approximately RMB62.2 million or 68.1% from loss of approximately RMB91.3 million for the 2024 Period to loss of approximately RMB29.1 million for the Reporting Period. The decrease in the loss was mainly due to the decrease in fair value losses on investment properties held by the Group for the Reporting Period.

Core Net Profit

Our management believes core net profit will be useful for investors in evaluating the performance results of our underlying business across accounting periods by eliminating the effects of certain non-recurring items including the fair value changes on investment properties which are considered not indicative for evaluation of the actual performance of our business.

Our core net profit for the Reporting Period decreased by approximately RMB18.7 million or 39.7% from approximately RMB47.0 million for the 2024 Period to approximately RMB28.3 million for the Reporting Period. The decrease was mainly due to the decrease of approximately RMB12.8 million in the revenue from the Group's property leasing for the Reporting Period.

The following table sets forth the loss for the period and the core net profit of the Group for the periods indicated:

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Loss for the period	(29,130)	(91,293)
Add:		
Fair value losses on investment properties	76,590	184,360
Income tax expense in relation to above reconciled items	(19,147)	(46,090)
Core net profit	28,313	46,977
– Owners of the Company	28,357	46,786
– Non-controlling interests	(44)	191

LIQUIDITY AND FINANCIAL RESOURCES

Cash and Cash Equivalents

As at 30 June 2025, the Group's cash and cash equivalents amounted to approximately RMB654.5 million (31 December 2024: RMB582.5 million). Cash and cash equivalents are mainly denominated in Renminbi.

Borrowings and Charges on the Group's Assets

As at 30 June 2025, the Group's bank borrowings of approximately RMB836.0 million (31 December 2024: RMB813.4 million) bore interest at interest rates ranging from 4.43% to 6.06% per annum and were secured by investment properties of the Group. As at 30 June 2025, the value of investment properties pledged as collateral for the Group's borrowings was approximately RMB853.8 million (31 December 2024: RMB859.6 million).

Gearing Ratio

The gearing ratio as at 30 June 2025, calculated on the basis of net debt over total capital, was 16% as compared with 20% as at 31 December 2024.

Net Current Assets and Current Ratio

As at 30 June 2025, the Group had net current assets of approximately RMB145.6 million as compared with net current assets of approximately RMB100.4 million as at 31 December 2024.

The current ratio was 1.24 as at 30 June 2025 (31 December 2024: 1.18).

Future Plans for Material Investments or Capital Assets

Save as those disclosed under the section headed “Business – Our Strategies” in the Prospectus or in this announcement, the Group had no other plan for material investments or capital assets as at 30 June 2025.

Acquisition and Disposal of Subsidiaries, Associates and Joint Ventures

The Group had no material acquisitions and disposals of subsidiaries, associates and joint ventures during the Reporting Period.

Treasury Management

During the Reporting Period, there was no material change in the Group’s funding and treasury policies.

BUSINESS REVIEW

The Group is principally engaged in the operation of shopping malls for hospitality supplies and home furnishings which generate rental revenue in the PRC. Our business operations comprise six main business lines: (i) our shopping malls, including three shopping malls for hospitality supplies and two shopping malls for home furnishings; (ii) subleasing apartments; (iii) property management projects; (iv) managed shopping malls; (v) our online shopping mall for sales of hospitality supplies and home furnishings; and (vi) our exhibition management business.

The Group’s revenue is mainly derived from the operating lease rental income and revenue generated from property management service of our Group’s owned/leased portfolio shopping malls.

Business Segment Review

Shopping Malls

We have five shopping malls, including three shopping malls for hospitality supplies and two shopping malls for home furnishings.

Shopping Malls for Hospitality Supplies

- (1) Xinji Shaxi Hospitality Supplies Expo Center (信基沙溪酒店用品博覽城)
- (2) Xinji Hotelex Hospitality Supplies Center (信基豪泰酒店用品城)
- (3) Xinji Shaxi Hospitality Supplies Expo Center (Shenyang) (瀋陽信基沙溪酒店用品博覽城)

Shopping Malls for Home Furnishings

- (4) Xinji Dashi Home Furnishings Center (信基大石傢俬城)
- (5) Xinji Shaxi Home Furnishings Expo Center (Shenyang) (瀋陽信基沙溪國際家居用品博覽中心)

Subleasing Apartments

Reference is made to the announcement of the Company dated 23 December 2021. On 23 December 2021, Guangzhou Xinji Yuzheng Commerce Operation Management Co., Ltd* (廣州信基譽正商業運營管理有限公司) (“**Xinji Yuzheng**”), an indirect wholly-owned subsidiary of the Company, and Guangzhou Longmei Dongman Technology Co., Ltd* (廣州龍美動漫科技有限公司) (“**Longmei Dongman**”) entered into a sublease agreement pursuant to which Xinji Yuzheng agreed to sublease Building C1 and C2, Zone C, Xinji Longmei International Animation Industrial Park, Longmei Village, Panyu Avenue, Panyu District, Guangzhou City, Guangdong Province, the PRC* (中國廣東省廣州市番禺區番禺大道龍美村信基龍美國際動漫產業園C區C1及C2大廈) with a total gross floor area of approximately 34,394 sq.m. together with the 237 underground car parking spaces known as Yuanyang Bangshe* (遠洋邦舍) from Longmei Dongman for a term of approximately 14.4 years commencing from 11 January 2022 and expiring on 31 May 2036 (both days inclusive) at the consideration of approximately RMB153.8 million.

On 23 December 2021, Xinji Yuzheng and Beijing Bangshe Gongyu Management Co., Ltd. Guangzhou Branch* (北京邦舍公寓管理有限公司廣州分公司) (“**Bangshe Gongyu Guangzhou**”) entered into a sub-sublease agreement pursuant to which Xinji Yuzheng agreed to sub-sublease Yuanyang Bangshe* (遠洋邦舍) to Bangshe Gongyu Guangzhou for a term of 10 years commencing from 11 January 2022 and expiring on 10 January 2032 (both days inclusive) at the total consideration of approximately RMB170.9 million.

Property Management Projects

In June 2022, the Group completed the acquisitions of Guangzhou Xinji Youxiang Property Co., Ltd.* (廣州信基優享物業有限公司) (“**Guangzhou Youxiang**”) and Foshan Xinji Youxiang Commercial Service Co., Ltd.* (佛山信基優享商業服務有限公司) (“**Foshan Youxiang**”), which are principally engaged in the provision of property management service for commercial complex. The property projects currently under the management of Guangzhou Youxiang and Foshan Youxiang include (i) the Xiajiao project (廈滯項目), which comprised of the premises known as Xinji Plaza Hall A* (信基廣場A館) and Xiajiao Commercial Building* (廈滯商業大廈); (ii) the Shangjiao Comprehensive Building Project (上漵綜合樓項目), which comprised of the premises known as Shangjiao Comprehensive Building* (上漵綜合樓); (iii) the Yuedao Project (玥島項目); (iv) the Longmei Project (龍美項目), which comprised of the premises known as Lingxiu Mansion* (領秀公館); and (v) the Xinji Plaza Project (信基廣場項目), which comprised of the premises known as Foshan Jiujiang Xinji Plaza* (佛山九江信基廣場).

The following table sets forth the income from property leasing and property management service respectively for the three abovementioned business segments (shopping malls, subleasing apartments and property management projects) by region during the periods indicated:

	Property leasing income		Property management service income	
	Six months ended		Six months ended	
	30 June		30 June	
	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Guangzhou region	78,144	88,223	16,200	16,539
Foshan region	–	–	5,645	4,419
Shenyang region	5,451	7,373	6,731	8,333

Managed Shopping Mall

In this segment, we provide shopping mall operation services to other shopping mall owners. Under this business model, we would be responsible for managing the marketing and daily operations of the shopping malls, while the shopping mall owners would be responsible for bearing all the operating expenses of the shopping malls and paying us a brand licencing fee and operation management fee. Our operation management fee would be determined with reference to the length of operation and the rental income of the relevant shopping malls.

Xinji Shaxi Yuetang International Hotel Supplies Trading Exhibition Center (信基沙溪·岳塘國際酒店用品交易展示中心)

In October 2018, we entered into a cooperation agreement with Hunan Hongyue Commercial Management Company Limited* (湖南省泓岳商業管理有限公司), an independent third party. Pursuant to the cooperation agreement, the Group agreed to act as the shopping mall manager of a planned hospitality supplies shopping mall located in Yuetang International Trade City* (岳塘國際商貿城), a commercial complex developed by Hunan Hongyue Commercial Management Company Limited at No. 88 Hetang Section, Furong Avenue, Yuetang District, Xiangtan City, Hunan Province, the PRC. It is expected that this shopping mall would have a total operating area of approximately 120,000 sq.m. and could accommodate a maximum of 400 tenants. It is the first managed hospitality supplies shopping mall of the Group.

We are still negotiating with the landlord in relation to the specific opening time of the shopping mall. As at the date of this announcement, there is no concrete schedule.

Online Shopping Mall

During the Reporting Period, our online shopping mall generated revenue of approximately RMB4.4 million for the sales of goods (2024 Period: RMB4.5 million). The goods sold by the Group were entirely hospitality goods and home furnishings. The operating profit margin of the online shopping mall during the Reporting Period has decreased to approximately 18% (2024 Period: 39%).

Exhibition Management Business

We provided exhibition management services for the China Hospitality Expo (華南酒店業博覽會) (“CHE”) in the PRC annually. CHE was considered as the major managed exhibition of the Group. CHE provides a one-stop trade platform for global hospitality supplies providers and purchasers to broaden their sale and purchase channels.

Because of the continuous impact of the global outbreak of COVID-19 pandemic in 2020, the Company has already suspended the organisation of exhibitions for CHE since 2020 and no revenue was generated from CHE.

Outlook

Looking ahead, the Group believes that the general outlook for the business environment in which the Group operates will continue to be challenging, but the Group will continue to adjust its operational strategies to address market changes. In light of the uncertain business environment, the Group will strive to expand the business of property management service and seek new business opportunities from time to time in order to broaden the source of income and diversify its business, thereby bringing sustainable and stable development to the Group in the interests of the Company and the Shareholders as a whole.

The Board will remain prudent about the prospects of the Group’s six main business lines in the long term. Meanwhile, the Group continues to solidify its business foundation and remains committed to its six main business lines, and will maintain a model of rapid development of light asset projects featured by “Brand Export, Management Export, and Cooperative Operation”, while establishing a vertical e-commerce service platform for the hospitality supplies industry and expanding the online shopping mall business, thereby further expanding the market share and brand influence of the Group. The Group will continue to explore suitable business and investment opportunities to drive its business growth.

OTHER INFORMATION

Compliance with the Corporate Governance Code

The Company's corporate governance practices are based on the principles and the code provisions as set out in the Corporate Governance Code ("CG Code") contained in Appendix C1 to the Listing Rules. During the Reporting Period, the Company has complied with the principles and the applicable code provisions as set out in Part 2 of the CG Code^(note) contained in Appendix C1 to the Listing Rules other than code provision C.2.1 of the CG Code, which stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

Mr. Cheung Hon Chuen ("Mr. Cheung") is one of our founders, chairman of the Board and chief executive officer of the Company. As the industry leader of the hospitality supplies industry in China, Mr. Cheung has extensive experience in hospitality supplies industry and he is responsible for formulating strategic direction and overseeing the management and business operation of our Group. As Mr. Cheung is key to the Group's development, the Board considers that vesting the roles of chairman and chief executive officer in Mr. Cheung would not create any potential harm to the interest of our Group and it is, on the contrary, beneficial to the management of the Group. In addition, the operation of the senior management and our Board, which are comprised of experienced individuals, effectively oversees and balances the power and authority of Mr. Cheung, as both the chairman and chief executive officer of the Company. In addition, the balance of power is further ensured by the following reasons:

- the audit committee of the Company is comprised of all independent non-executive Directors; and
- the independent non-executive Directors have free and direct access to the Company's external auditor and independent professional advisers when considered necessary.

The Board believes that the present structure is considered to be appropriate under the current size of operation, enabling the Company to make and implement decisions promptly and efficiently. The Board has full confidence in Mr. Cheung, and believes that his appointment to the positions of chairman and chief executive officer is beneficial to the business prospects of the Company.

The Company has an internal audit function which primarily carries out the analysis and independent appraisal of the adequacy and effectiveness of the Company's risk management and internal control systems, and reports their findings to the Board on, at least, an annual basis.

Note: The amendments to the CG Code effective on 1 July 2025 will apply to the corporate governance reports and annual reports of the Company for financial years commencing after 1 July 2025.

The Group's internal control system also includes a well-established organisational structure with clearly defined lines of responsibility and authority. The day-to-day departmental operations are entrusted to individual department which is accountable for its own conduct and performance and is required to operate its own department's business within the scope of the delegated authority and to implement and strictly adhere to the strategies and policies set by the Company from time to time. Each department is also required to keep the Board informed of material developments of the department's business and implementation of the policies and strategies set by the Board on a regular basis so as to identify, evaluate and manage significant risks in a timely manner.

The Board currently comprises three executive Directors (including Mr. Cheung), three non-executive Directors and three independent non-executive Directors and has a fairly strong independence element in its composition.

Model Code for Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as its code of conduct regarding dealings in the securities of the Company by the Directors, the Group's senior management, and employees who, because of his/her office or employment, is likely to possess inside information in relation to the Group or the Company's securities. Upon specific enquiry, all Directors confirmed that they have complied with the Model Code during the Reporting Period and up to the date of this announcement. In addition, the Company is not aware of any non-compliance of the Model Code by the senior management of the Group during the Reporting Period.

Purchase, Sale or Redemption of Company's Listed Securities

Neither the Company, nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the Reporting Period.

Share Option Scheme

A share option scheme was adopted by the written resolutions of the shareholders of the Company passed on 3 October 2019 (the “**Share Option Scheme**”). The terms of the Share Option Scheme are in compliance with the provisions of Chapter 17 of the Listing Rules. Since the date of adoption to 30 June 2025, no share option was granted, exercised, cancelled or lapsed under the Share Option Scheme and there was no outstanding share option as at the date of this announcement.

Events after Reporting Period

Save as disclosed in this announcement, there is no other important event subsequent to 30 June 2025 and up to the date of this announcement.

Audit Committee

The Company has established an audit committee (the “**Audit Committee**”) with written terms of reference in compliance with paragraph D.3 of the CG Code as set out in Appendix C1 to the Listing Rules. The Audit Committee consists of three members, namely Dr. Zeng Zhaowu, Mr. Tan Michael Zhen Shan and Dr. Zheng Decheng. Dr. Zeng Zhaowu currently serves as the chairman of the Audit Committee.

The Audit Committee has considered and reviewed the Group’s interim results for the Reporting Period, the accounting principles and practices adopted by the Company and the Group and discussed matters in relation to internal control and financial reporting with the management. The Audit Committee considers that the interim results for the Reporting Period are in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been duly made.

Publication of Interim Results and Interim Report

This results announcement is published on the websites of the Stock Exchange at www.hkexnews.hk and the Company at www.xjsx.net.cn. The 2025 interim report of the Company containing all the information required by the Listing Rules will be despatched to the shareholders of the Company in September 2025 and will be published on the above websites.

CHANGES IN COMPOSITION OF THE NOMINATION COMMITTEE

The Board hereby announces the following changes in the composition of the nomination committee of the Board (the “**Nomination Committee**”) with effect from 29 August 2025:

1. Ms. Wang Yixue (“**Ms. Wang**”), a non-executive Director, has been appointed as a member of the Nomination Committee; and
2. Mr. Tan Michael Zhen Shan (“**Mr. Tan**”), an independent non-executive Director, has been appointed as a member of the Nomination Committee.

Save as disclosed above, position(s) of each of Ms. Wang and Mr. Tan in the Company remain unchanged.

Following the above changes, the Nomination Committee comprises five members, namely (i) Mr. Cheung Hon Chuen (being an executive Director and the chairman of the Board), (ii) Ms. Wang (being a non-executive Director) and (iii) Dr. Zeng Zhaowu, Mr. Tan and Dr. Zheng Decheng (all being independent non-executive Directors). Mr. Cheung Hon Chuen shall remain as the chairman of the Nomination Committee.

The Board believes that improved gender diversity in the Nomination Committee could strengthen the effectiveness and diversity of the Board, and further enhance corporate governance of the Company.

In addition, these changes are made in accordance with the Board's a regular evaluation on the structure of its committees and for compliance with the amended Listing Rules and Corporate Governance Code as set out in Appendix C1 to the Listing Rules, which came into effect on 1 July 2025.

APPOINTMENT OF ALTERNATE DIRECTORS

The Board hereby announces that it has resolved to approve the appointment of Mr. Zhang Weiquan ("**Mr. WQ Zhang**"), Mr. Mei Jiawei ("**Mr. JW Mei**") and Mr. Zhang Jiajian ("**Mr. JJ Zhang**") as alternate Director to each of Mr. Cheung Hon Chuen ("**Mr. Cheung**"), Mr. Mei Zuoting ("**Mr. Mei**") and Mr. Zhang Weixin ("**Mr. Zhang**"), respectively, with effect from 29 August 2025.

The biographical details of Mr. WQ Zhang, Mr. JW Mei and Mr. JJ Zhang are set out as follows:

Mr. Zhang Weiquan (張偉泉), aged 55, has approximately nine years of experience in investment management. He has served as an executive director and manager of Foshan Shunde Yuxing Trading Co., Ltd.* (佛山市順德區禹興貿易有限公司) ("**Yuxing Trading**") since 2016, mainly responsible for strategic investment planning of the company.

As at the date of this announcement, Mr. WQ Zhang holds 20% equity interests in Yuxing Trading, which in turn holds 38,046,000 shares (the "**Shares**"), representing approximately 2.55% of the total issued share capital, of the Company.

Mr. WQ Zhang is the brother of Mr. Cheung, who is the chairman, the chief executive officer, an executive Director and a controlling shareholder of the Company.

Mr. Mei Jiawei (梅嘉偉), aged 43, has approximately 13 years of experience in real estate and asset investment and financing. From 2007 to 2010, he worked at China Aoyuan Group Co., Ltd.* (中國奧園集團股份有限公司), with his last position as deputy director of the investment and financing department. From 2010 to 2012, he worked at Yuehai Real Estate Development (China) Co., Ltd* (粵海房地產開發(中國)有限公司), with his last position as deputy director of the investment development center. From 2015 to 2019, he was an executive director and general manager of Guangzhou Qixiong Technology Co., Ltd.* (廣州七雄科技有限公司). Since 2019, he served as the vice president of Guangzhou Xinji Investment Development Co., Ltd* (廣州信基投資發展有限公司), primarily in charge of debt investment management as well as asset mergers and acquisitions. Mr. JW Mei received a bachelor's degree in economics from the State University of New York in 2006.

Mr. JW Mei is the son of Mr. Mei, who is an executive Director and a controlling shareholder of the Company.

Mr. Zhang Jiajian (張嘉健), aged 29, worked in audit department and government affairs department at PricewaterhouseCoopers Zhong Tian LLP Guangzhou office (普華永道中天會計師事務所廣州分所) from October 2022 to February 2025, with his last position as an audit consultant. Since February 2025, he has also been a general manager of Huizhuo Commercial Operations (Guangzhou) Co., Ltd.* (匯卓商業運營(廣州)有限公司) and an executive director and financial controller of Foshan Yuefanshun Trading Co., Ltd.* (佛山悅番順貿易有限公司), responsible for strategic planning and day-to-day management of the companies. Mr. JJ Zhang received a degree of Bachelor of Arts in Global Studies from the University of California, Santa Barbara in 2020 and a degree of Master of Science in Business Management from Hong Kong Baptist University in 2022.

As at the date of this announcement, Mr. JJ Zhang holds 20% equity interests in Yuxing Trading, which in turn holds 38,046,000 Shares, representing approximately 2.55% of the total issued share capital, of the Company.

Mr. JJ Zhang is the son of Mr. Zhang, who is an executive Director and a controlling shareholder of the Company.

As at the date of this announcement, Mr. Cheung, Mr. Mei and Mr. Zhang, being parties acting in concert, are interested in an aggregate of 570,564,000 Shares, representing approximately 38.22% of the total issued share capital, of the Company. On 28 December 2018, in preparation for the listing of the shares of the Company, Mr. Cheung, Mr. Mei and Mr. Zhang executed the concert parties agreement, pursuant to which they have confirmed their acting in concert arrangement in the past, as well as their intention to continue to act in the above manner upon listing to consolidate their control over the Group through Honchuen Investment Limited, Zuoting Investment Limited and Weixin Development Overseas Limited until the concert parties agreement is terminated by them in writing. As such, Mr. Cheung, Mr. Mei and Mr. Zhang are deemed to be interested in the Shares held by the others under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”).

Save as disclosed herein, as at the date of this announcement, each of Mr. WQ Zhang, Mr. JW Mei and Mr. JJ Zhang (i) does not hold any other position in the Company or other members of the Group; (ii) has not held any directorship in the last three years in other public companies the securities of which are listed on any securities market in Hong Kong or overseas; (iii) does not have any relationship with any Directors, senior management or substantial or controlling shareholders (as defined in the Listing Rules) of the Company; and (iv) does not have any interest in the Shares or underlying Shares within the meaning of Part XV of the SFO.

Each of Mr. WQ Zhang, Mr. JW Mei and Mr. JJ Zhang has not entered into any contract of service with the Company as alternate Director to Mr. Cheung, Mr. Mei and Mr. Zhang, respectively, nor is each of them appointed for a specific term. Each of Mr. WQ Zhang, Mr. JW Mei and Mr. JJ Zhang does not receive any emoluments from the Company as alternate director to Mr. Cheung, Mr. Mei and Mr. Zhang, respectively. Each of Mr. WQ Zhang, Mr. JW Mei and Mr. JJ Zhang will cease as alternate director if each of Mr. Cheung, Mr. Mei and Mr. Zhang ceases to be an executive Director, respectively.

Save as disclosed above and as far as the Directors are aware, there is no other information relating to the above appointments which is required to be disclosed pursuant to the requirements under Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters that need to be brought to the attention of the shareholders of the Company.

By order of the Board
Xinji Shaxi Group Co., Ltd
Kam Chi Sing
Company Secretary

Guangzhou, the PRC, 29 August 2025

As at the date of this announcement, the Board comprises Mr. Cheung Hon Chuen as chairman and executive Director (Mr. Zhang Weiquan as his alternate); Mr. Mei Zuoting (Mr. Mei Jiawei as his alternate) and Mr. Zhang Weixin (Mr. Zhang Jiajian as his alternate) as executive Directors; Mr. Lin Lie, Ms. Wang Yixue and Mr. Zhao Hui as non-executive Directors; and Dr. Zeng Zhaowu, Mr. Tan Michael Zhen Shan and Dr. Zheng Decheng as independent non-executive Directors.

If there is any inconsistency between the Chinese names of entities or enterprises established in the PRC and their English translations, the Chinese names shall prevail. The English translation of company names in Chinese or another language which are marked with “” and the Chinese translation of company names in English which are marked with “*” is for identification purpose only.*