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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)

QUARTERLY UPDATE ANNOUNCEMENT

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

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

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

Subsequent to the date of the Annual Report (i.e. 31 March 2025), the July Quarterly Announcement and up to the date of this announcement:

Measures disclosed in the Annual Report	Latest Progress
The Company has been actively negotiating with certain banks on new source of borrowings.	The Company has submitted an application of a new loan in the principal amount of RMB5 million from a commercial bank (the "**New Loan Application**") and the application is now under process by the bank.
The Company has been actively negotiating with certain banks to refinance the existing loan facilities from banks.	The discussion with the commercial bank on the renewal of an existing facilities in the aggregate principal amount of RMB4 million was discontinued. It was replaced by the New Loan Application at the same commercial bank.
The Company has been actively negotiating with investors on new source of funding by placing of new shares.	The Company is assessing the possibilities to conduct further equity fund raising before the end of 2025.
The Company has been actively negotiating with the lessors for extension of repayment of the outstanding lease payments included in other payables and accruals and lease liabilities.	The Company has maintained communications with the lessors from time to time. There is no substantial update as at the date of this announcement.
The Company will implement effective control on administrative and operating costs to improve the Company's financial performance and position to finance the Group's operations and to meet the Group's financial obligations as and when they fall due.	The Company has maintained communications with the suppliers from time to time. There is no substantial update as at the date of this announcement. The Company will continue to streamline its operations and control operation costs. Taking into account the changing consumption trend and pattern, the Group has commenced a rebranding by establishing new restaurants with lower overhead costs and would more effectively cater to locations with trendier customer base with higher spending power. The Group is also considering adjusting part of its restaurant operations. Further announcement will be published by the Company when there is significant process on the same.

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

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

Shanghai, PRC, 31 October 2025

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