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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)

DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO RENEWAL OF TENANCY AGREEMENT

2026 HEADQUARTERS TENANCY AGREEMENT

On 5 December 2025, Guangzhou Shaxi Hotel, an indirect wholly-owned subsidiary of the Company, as tenant, entered into the 2026 Headquarters Tenancy Agreement with Guangzhou Real Estate, as landlord, to renew the lease of the Premises for a term of two years commencing from 1 January 2026 and ending on 31 December 2027 (both days inclusive).

IMPLICATIONS UNDER THE LISTING RULES

In accordance with HKFRS 16 "Leases", the entering into of the 2026 Headquarters Tenancy Agreement as lessee will require the Group to recognise the Premises as a right-of-use asset on its consolidated statement of financial position, thus the 2026 Headquarters Tenancy Agreement and the transactions contemplated thereunder will be regarded as an acquisition of asset by the Group under the Listing Rules.

As one or more of the applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the estimated value of the right-of-use assets to be recognised by the Group under the 2026 Headquarters Tenancy Agreement exceed(s) 5% but are less than 25%, the entering into of the 2026 Headquarters Tenancy Agreement constitutes a discloseable transaction on the part of the Company and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, Guangzhou Real Estate is co-owned by (i) Mr. Cheung, being an executive Director, the chairman of the Board and a controlling shareholder of the Company; (ii) Mr. Mei, being an executive Director and a controlling shareholder of the Company; and (iii) Mr. Zhang, being an executive Director and a controlling shareholder of the Company. Accordingly, Guangzhou Real Estate is an associate of Mr. Cheung, Mr. Mei and Mr. Zhang and a connected person of the Company, and the entering into of the 2026 Headquarters Tenancy Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the estimated value of the right-of-use assets to be recognised by the Group under the 2026 Headquarters Tenancy Agreement are more than 5% but less than 25% and the total consideration is less than HK$10,000,000, the entering into of the 2026 Headquarters Tenancy Agreement falls within the ambit of Rule 14A.76(2) of the Listing Rules and is subject to the reporting and announcement requirements but is exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Reference is made to the announcement of the Company dated 21 November 2023 in relation to, among other things, the 2024 Headquarters Tenancy Agreement.

On 5 December 2025, Guangzhou Shaxi Hotel, an indirect wholly-owned subsidiary of the Company, as tenant, entered into the 2026 Headquarters Tenancy Agreement with Guangzhou Real Estate, as landlord, to renew the lease of the Premises for a term of two years commencing from 1 January 2026 and ending on 31 December 2027 (both days inclusive).

2026 HEADQUARTERS TENANCY AGREEMENT

The principal terms of the 2026 Headquarters Tenancy Agreement are set out below:

Date:	5 December 2025
Landlord:	Guangzhou Xinji Real Estate Development Co., Ltd.* (廣州市信基置業房地產開發有限公司)
Tenant:	Guangzhou Shaxi International Hospitality Supplies City Company Limited* (廣州沙溪國際酒店用品城有限公司)
Premises:	The premises located at South Intersection No. 250, Dashi Street, Panyu District, Guangzhou, the PRC* (中國廣州市番禺區大石街南大路口250號)
Lease area:	Approximately 3,897.74 square meters
Lease term:	Two years commencing from 1 January 2026 and ending on 31 December 2027 (both days inclusive)
Use of Premises:	Office and headquarters of the Group
Total rental:	A one-time prepayment of RMB8,841,642 (equivalent to approximately HK$9,725,806) (tax inclusive and after taking into account the 3% discount provided by Guangzhou Real Estate), which shall be payable in full by Guangzhou Shaxi Hotel in advance before 1 January 2026

	The rental payment shall be funded by internal resources of the Group
Renewal:	Upon expiry of the lease term, Guangzhou Shaxi Hotel shall have the priority right to renew the lease under equivalent conditions
Other terms:	In the event that Guangzhou Shaxi Hotel is unable to continue the use of the Premises during the lease term due to the default of Guangzhou Real Estate, Guangzhou Real Estate shall forthwith refund Guangzhou Shaxi Hotel the rent for the period during which Guangzhou Shaxi Hotel is unable to continue the use of the Premises and pay an amount equivalent to 5% of the total refunded rent as compensation

RIGHT-OF-USE ASSETS

The Group estimates that the value of the right-of-use assets to be recognised by the Group under the 2026 Headquarters Tenancy Agreement shall be approximately RMB8,420,611 (equivalent to approximately HK$9,262,672), which is the present value of total consideration payable under the 2026 Headquarters Tenancy Agreement. The unaudited value of right-of-use assets is based on the preliminary assessment of the Board and subject to adjustment.

INFORMATION ON THE PARTIES

Guangzhou Shaxi Hotel is a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company. It is principally engaged in leasing services.

Guangzhou Real Estate is a company established in the PRC with limited liability, which is co-owned by Mr. Cheung, Mr. Mei and Mr. Zhang. It is principally engaged in real estate development.

REASONS FOR AND BENEFITS OF ENTERING INTO THE 2026 HEADQUARTERS TENANCY AGREEMENT

The Group is principally engaged in the operation of shopping malls for hospitality supplies and home furnishings which generated rental revenue in the PRC, with six main business lines, namely (i) 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) online shopping mall for sales of hospitality supplies and home furnishings; and (vi) exhibition management business.

The Premises are currently used by the Group as its office and headquarters. As the 2024 Headquarters Tenancy Agreement will expire on 31 December 2025, Guangzhou Shaxi Hotel and Guangzhou Real Estate have agreed to renew the tenancy of the Premises to continue the Group's present usage of the Premises as the office and headquarters for its usual and ordinary course of business.

The terms of the 2026 Headquarters Tenancy Agreement, including the rental, were determined after arm's length negotiation between Guangzhou Shaxi Hotel and Guangzhou Real Estate taking into account: (i) the prevailing market rates for comparable premises in similar locations in the PRC; (ii) the 3% discount on the total amount of rental provided by Guangzhou Real Estate in return for Guangzhou Shaxi Hotel agreeing to settle the total rental in full in advance; and (iii) the annual rental increment of 3% with reference to the expected inflation rate in the future. Masterpiece Valuation Advisory Limited (睿力評估諮詢有限公司), an independent valuer, is of the view that the 2026 Headquarters Tenancy Agreement is fair and reasonable, and on normal commercial terms.

The Directors (excluding the Directors who are required to abstain from voting, but including the independent non-executive Directors) are of the view that the 2026 Headquarters Tenancy Agreement was entered into on normal commercial terms, in the ordinary and usual course of business of the Group, and that the terms (including the rental) are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

In accordance with HKFRS 16 "Leases", the entering into of the 2026 Headquarters Tenancy Agreement as lessee will require the Group to recognise the Premises as a right-of-use asset on its consolidated statement of financial position, thus the 2026 Headquarters Tenancy Agreement and the transactions contemplated thereunder will be regarded as an acquisition of asset by the Group under the Listing Rules.

As one or more of the applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the estimated value of the right-of-use assets to be recognised by the Group under the 2026 Headquarters Tenancy Agreement exceed(s) 5% but are less than 25%, the entering into of the 2026 Headquarters Tenancy Agreement constitutes a discloseable transaction on the part of the Company and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, Guangzhou Real Estate is co-owned by (i) Mr. Cheung, being an executive Director, the chairman of the Board and a controlling shareholder of the Company; (ii) Mr. Mei, being an executive Director and a controlling shareholder of the Company; and (iii) Mr. Zhang, being an executive Director and a controlling shareholder of the Company. Accordingly, Guangzhou Real Estate is an associate of Mr. Cheung, Mr. Mei and Mr. Zhang and a connected person of the Company, and the entering into of the 2026 Headquarters Tenancy Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the estimated value of the right-of-use assets to be recognised by the Group under the 2026 Headquarters Tenancy Agreement are more than 5% but less than 25% and the total consideration is less than HK$10,000,000, the entering into of the 2026 Headquarters Tenancy Agreement falls within the ambit of Rule 14A.76(2) of the Listing Rules and is subject to the reporting and announcement requirements but is exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Mr. Cheung, Mr. Mei and Mr. Zhang have abstained from voting on the relevant Board resolution(s) of the Company for approving the 2026 Headquarters Tenancy Agreement. To the best knowledge, information and belief of the Directors, after having made all reasonable enquiries, other than Mr. Cheung, Mr. Mei and Mr. Zhang, none of the Directors has material interest in the transaction contemplated under the 2026 Headquarters Tenancy Agreement and none of them is required to abstain from voting on the relevant Board resolution(s).

DEFINITIONS

In this announcement, the following expressions will have the meanings set out below unless the context requires otherwise:

"associate"	has the meaning ascribed to it under the Listing Rules
"Board"	the board of Directors
"Company"	Xinji Shaxi Group Co., Ltd (信基沙溪集團股份有限公司), a company incorporated in the Cayman Islands as an exempted company with limited liability whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 3603)
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"controlling shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	the director(s) of the Company
"Group"	the Company and its subsidiaries
"Guangzhou Real Estate"	Guangzhou Xinji Real Estate Development Co., Ltd.* (廣州市信基置業房地產開發有限公司), a company established in the PRC with limited liability, which is co-owned by Mr. Cheung, Mr. Mei and Mr. Zhang
"Guangzhou Shaxi Hotel"	Guangzhou Shaxi International Hospitality Supplies City Company Limited* (廣州沙溪國際酒店用品城有限公司), a company established in the PRC with limited liability, and an indirect wholly-owned subsidiary of the Company
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"HKFRS"	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC

"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Mr. Cheung"	Mr. Cheung Hon Chuen (張漢泉), the chairman of the Board, an executive Director and a controlling shareholder of the Company
"Mr. Mei"	Mr. Mei Zuoting (梅佐挺), an executive Director and a controlling shareholder of the Company
"Mr. Zhang"	Mr. Zhang Weixin (張偉新), an executive Director and a controlling shareholder of the Company
"PRC"	the People's Republic of China, which for the sole purpose of this announcement, excludes the Hong Kong Special Administrative Region, the Macau Special Administrative Region of the PRC and Taiwan
"Premises"	the premises located at South Intersection No. 250, Dashi Street, Panyu District, Guangzhou, the PRC* (中國廣州市番禺區大石街南大路口250號)
"RMB"	Renminbi, the lawful currency of the PRC
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"2024 Headquarters Tenancy Agreement"	the tenancy agreement dated 21 November 2023 entered into between Guangzhou Real Estate and Guangzhou Shaxi Hotel in respect of the lease of the Premises during the period from 1 January 2024 to 31 December 2025 (both days inclusive)
"2026 Headquarters Tenancy Agreement"	the tenancy agreement dated 5 December 2025 entered into between Guangzhou Real Estate and Guangzhou Shaxi Hotel in respect of the lease of the Premises during the period from 1 January 2026 to 31 December 2027 (both days inclusive)
"%"	per cent

For the purpose of this announcement, unless otherwise indicated, conversion of Renminbi into Hong Kong dollars is calculated at the approximate exchange rate of RMB1.00 to HK$1.10. This exchange rate is adopted for the purpose of illustration purpose only and does not constitute a representation that any amounts have been, could have been, or may be, exchanged at this rate or any other rates at all.

* *The English translation of Chinese names or words in this announcement, where indicated, is included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.*

By order of the Board
Xinji Shaxi Group Co., Ltd
Cheung Hon Chuen
Chairman

Guangzhou, the PRC, 5 December 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.