

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

LIFESTYLE CHINA GROUP LIMITED

利福中國集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2136)

ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

HIGHLIGHTS

- Revenue decreased 3.4% to RMB1,210.6 million
- Loss attributable to owners of the Company amounted to RMB31.1 million (2024: RMB20.1 million)
- Losses per share amounted to RMB0.021 (2024: RMB0.014)
- No final dividend was declared by the Board

FINAL RESULTS

The board of directors (the “Board”) of Lifestyle China Group Limited (the “Company”) announces the audited consolidated results for the year ended 31 December 2025 of the Company and its subsidiaries (collectively, the “Group”), together with comparative figures for the previous year, as follows:

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2025**

	<i>Notes</i>	2025 RMB'000	2024 <i>RMB'000</i>
Revenue	3	1,210,630	1,252,612
Cost of sales		(560,467)	(550,591)
Gross profit		650,163	702,021
Other income and gains		192,752	204,346
Selling and distribution costs		(551,874)	(578,279)
Administrative expenses		(262,708)	(255,039)
Interest and investment income	5	54,445	52,029
Share of profit of a joint venture		37,047	32,315
Share of profits of associates		187,277	230,698
Finance costs	6	(163,681)	(186,916)
Profit before taxation		143,421	201,175
Taxation	7	(66,701)	(82,119)
Profit for the year	8	76,720	119,056
Other comprehensive (loss)/income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operation		(1,104)	7
Other comprehensive (loss)/income for the year		(1,104)	7
Total comprehensive income for the year		75,616	119,063
(Loss)/profit for the year attributable to:			
Owners of the Company		(31,131)	(20,105)
Non-controlling interests		107,851	139,161
		76,720	119,056
Total comprehensive (loss)/income attributable to:			
Owners of the Company		(32,235)	(20,098)
Non-controlling interests		107,851	139,161
		75,616	119,063
Losses per share attributable to owners of the Company			
- Basic and diluted	10	(RMB0.021)	(RMB0.014)

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2025**

	<i>Notes</i>	2025 RMB'000	2024 <i>RMB'000</i>
Non-current assets			
Property, plant and equipment		4,655,197	4,884,676
Right-of-use assets		3,282,435	3,426,205
Investment property		1,169,299	1,200,081
Investments in associates		3,828,669	3,701,776
Investment in a joint venture		386,309	366,621
Deferred tax assets		37,570	32,586
Other receivables	<i>11</i>	18,951	19,930
Bank deposits		472,100	618,600
		<u>13,850,530</u>	<u>14,250,475</u>
Current assets			
Inventories		89,350	97,177
Trade and other receivables	<i>11</i>	148,098	164,876
Amount due from associates		57,738	146,692
Structured bank deposits		541,700	509,510
Cash and bank balance		2,150,752	1,825,205
		<u>2,987,638</u>	<u>2,743,460</u>
Current liabilities			
Trade and other payables	<i>12</i>	875,607	955,314
Amount due to a joint venture		32,864	32,617
Amount due to a non-controlling shareholder of subsidiaries		26,142	26,142
Tax payable		16,858	19,937
Bank borrowings – due within one year		80,000	60,000
Lease liabilities		54,159	51,949
Contract liabilities		11,697	9,821
		<u>1,097,327</u>	<u>1,155,780</u>
Net current assets		<u>1,890,311</u>	<u>1,587,680</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AT 31 DECEMBER 2025

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Non-current liabilities		
Bank borrowings – due after one year	3,098,000	3,178,000
Lease liabilities	1,460,423	1,514,581
Deferred tax liabilities	82,800	75,897
	<u>4,641,223</u>	<u>4,768,478</u>
	<u>11,099,618</u>	<u>11,069,677</u>
Capital and reserves		
Share capital	6,291	6,291
Reserves	9,339,956	9,372,191
Equity attributable to owners of the Company	9,346,247	9,378,482
Non-controlling interests	1,753,371	1,691,195
	<u>11,099,618</u>	<u>11,069,677</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with the HKFRS Accounting Standard as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) and by the Hong Kong Companies Ordinance.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

New and amended standards adopted by the Group

The Group has applied the following new and amended standards for its annual reporting period commencing 1 January 2025:

Amendments to HKAS 21

Lack of Exchangeability

The new and amended standards listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

New standards and interpretations not yet adopted

There are no other new/revised HKFRS Accounting Standards not yet effective that are expected to have any material impact on the Group except for HKFRS 18 is expected to trigger certain changes in the presentation of consolidated income statement.

3. REVENUE

Revenue represents the amounts received and receivable for goods sold by the Group to customers, net of discounts and sales related taxes, income from concessionaire sales, service income and rental income during the year, and is analysed as follows:

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Recognised at a point in time:		
Sales of goods - direct sales	501,953	507,233
Recognised over time:		
Income from concessionaire sales	365,411	388,685
Service income	38,764	35,545
Revenue from contracts with customers	906,128	931,463
Rental income	304,502	321,149
Total revenue	<u>1,210,630</u>	<u>1,252,612</u>

All the above revenue is derived in China.

4. SEGMENT INFORMATION

The Group's operating activities are attributable to a single operating segment under HKFRS 8 "Operating Segments" focusing on operation of department stores, retailing and related business as well as property investment in Chinese Mainland. This operating segment has been identified on the basis of internal management reports prepared in accordance with accounting policies conform to HKFRS Accounting Standards, that are regularly reviewed by the chief operating decision maker ("CODM") (i.e. the chief executive of the Company). The CODM regularly reviews revenue analysis and the profit for the year of the Group as a whole to make decisions about resource allocation. Accordingly, no separate segment information other than entity-wide information is presented.

The Group's non-current assets are all located in Chinese Mainland. The Group has no customers that contributed over 10% of the total revenue of the Group for both years.

5. INTEREST AND INVESTMENT INCOME

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest income from bank deposits	44,218	36,219
Investment income from structured bank deposits	<u>10,227</u>	<u>15,810</u>
	<u>54,445</u>	<u>52,029</u>

6. FINANCE COSTS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest expenses on:		
- Bank borrowings	96,363	117,576
- Lease liabilities	<u>67,318</u>	<u>69,340</u>
	<u>163,681</u>	<u>186,916</u>

7. TAXATION

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
The tax charge comprises:		
Current tax:		
China Enterprise Income Tax	44,835	57,655
Withholding tax	<u>24,259</u>	<u>22,270</u>
	<u>69,094</u>	<u>79,925</u>
Deferred tax (credit)/charge	<u>(2,393)</u>	<u>2,194</u>
	<u>66,701</u>	<u>82,119</u>

Under the Law of the Chinese Mainland on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the Chinese Mainland subsidiaries is 25% for both years.

8. PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging/(crediting):

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Directors' remuneration:		
Fees	1,101	1,094
Salary and allowances	15,430	13,937
Bonus	18,197	18,470
Retirement benefits scheme contributions	32	32
	<u>34,760</u>	<u>33,533</u>
Other staff costs, excluding retirement benefits scheme contributions	172,980	183,941
Retirement benefits scheme contributions, net of forfeited contributions for staff	21,250	20,943
	<u>194,230</u>	<u>204,884</u>
Total staff costs	<u>228,990</u>	<u>238,417</u>
Auditor's remuneration	3,255	3,380
Depreciation of property, plant and equipment	233,382	228,327
Depreciation of investment property	30,782	30,782
Depreciation of right-of-use assets	143,770	143,768
Provision for/ (reversal of) loss allowance on expected credit losses for trade receivables	51	(515)
Expenses related to variable lease payments	30,150	30,502
Loss on disposal of property, plant and equipment	6	660
Expenses relating to low-value leases	1,102	1,537
Expenses relating to short-term leases	182	179
Cost of inventories recognised as expense	<u>437,867</u>	<u>435,413</u>

9. DIVIDEND

No dividend was paid or proposed for ordinary shareholders of the Company during the year ended 31 December 2025 (2024: nil). A special cash dividend of HK\$0.42 per share, which amounted to a total of HK\$615 million (equivalent to approximately RMB549 million), was declared and paid after the year end on 21 January 2026 and 24 February 2026 respectively.

10. LOSSES PER SHARE

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

Losses figures are calculated as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Losses		
Loss for the year attributable to owners of the Company	<u>(31,131)</u>	<u>(20,105)</u>
	2025 <i>'000</i>	2024 <i>'000</i>
Number of shares		
Weighted average number of ordinary shares	<u>1,464,449</u>	<u>1,464,449</u>

The diluted losses per share for the year ended 31 December 2025 equals to the basic losses per share as there were no potential dilutive ordinary shares issued during the year (2024: Same).

11. TRADE AND OTHER RECEIVABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade receivables	21,574	19,356
Lease receivables	58,610	63,415
	80,184	82,771
Less: Loss allowance on expected credit losses	(8,684)	(8,633)
	71,500	74,138
Prepayments	291	305
Deposits paid	4,329	4,353
Value Added Tax (“VAT”) receivable	42,557	67,900
Others receivables	70,625	60,363
	117,802	132,921
Less: Loss allowance on expected credit losses	(22,253)	(22,253)
	95,549	110,668
	167,049	184,806
Less: Non-current portion	(18,951)	(19,930)
	148,098	164,876

The Group’s retail sales to customers are mainly made in cash and through debit card or third-party payment platform. Its major trade receivables arising from third-party payment platform sales are normally settled in one to two business days and lease receivables are normally settled 30 days in arrears. The following is an aged analysis of trade and lease receivables net of allowance for expected credit losses, if any, at the end of the reporting period presented based on invoice date:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
0 – 30 days	58,572	53,832
31 – 60 days	5,585	6,313
61 – 90 days	1,725	4,114
Over 90 days	5,618	9,879
	71,500	74,138

12. TRADE AND OTHER PAYABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade payables	45,644	52,000
Construction payables	5,630	13,232
Concessionaire sales payables	379,418	390,152
Refundable prepaid card deposits	105,742	114,102
Rental deposits received	233,335	232,344
Accrued expenses	49,746	63,863
VAT payable	5,381	5,553
Interest payables	2,719	3,215
Others	47,992	80,853
	<u>875,607</u>	<u>955,314</u>

The following is an aged analysis of trade payables at the end of the reporting period presented based on invoice date:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
0 – 30 days	41,226	48,080
31 – 60 days	980	370
61 – 90 days	291	1,052
Over 90 days	3,147	2,498
	<u>45,644</u>	<u>52,000</u>

The credit period of trade payables and concessionaire sales payables is around 45 days from transaction date. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

MANAGEMENT DISCUSSION AND ANALYSIS

Market Review

Amid a moderate global economic recovery and persistent geopolitical tensions, China's economy in 2025 managed to achieve the guided GDP growth target of approximately 5%, thanks to supports lent by a moderately loose monetary policy and proactive fiscal policy. China's total retail sales of consumer goods amounted to approximately RMB50.1 trillion, representing a year-on-year increase of approximately 3.7% only, reflecting the fact that the road to recovery of domestic demand is still challenging and will take time to fully manifest.

During the year, as China's real estate market continued to struggle amid persistent adjustment pressure and that consumer confidence did not recover fast enough, the central government took measures, including issuance of special treasury bonds, expansion of trade-in programs, subsidies for promoting service consumption, and special support for cultural and tourism consumption, to comprehensively deepening the "Special Action Plan for Boosting Consumption" with an aim to continuously releasing consumption potential. The Shanghai Municipal Government continued to introduce consumption-boosting activities, such as the "New Year Celebration Shopping Festival", as well as launching more diversified thematic promotions. To leverage on these favorable policies, the Group actively responded by organizing customer-centric themed events to boosting customer traffic and sales performance.

In recent years, consumer preferences have shifted to seeking for quality, experience, and sustainability such that the demand for personalized and scenario-based offerings have become more pronounced. In line with the trend of consumption transformation, the Group continues its effort to optimizing its tenant mix and brand portfolio, deepening integration of online-to-offline, providing precision marketing for members, intensifying promotion efforts and marketing activities, upgrading the shopping environment, and providing data-driven personalized services in order to strengthen customer loyalty, the Group has as a result demonstrated its operational resilience amid a subdued retailing environment.

Financial Review

In the face of challenges from continued weakness in the consumer market and intensifying competition, the Group managed to organize distinctive themed promotional activities by leveraging its strong brand equity of "Jiuguang". Besides, through deepening synergies among business formats within stores, upgrading membership benefits system, continuously optimizing its merchandising mix and brand portfolios, onboarding premium new merchants, and strengthening online-to-offline omni-channel integration with an aim to providing customers a smoother and more personalized shopping experience, the Group aims to effectively maintaining stable traffic footfall and enhancing customer loyalty and to remain competitive amid a subdued retailing environment.

Revenue and Sales Proceeds

In 2025, the Group's whole store sales proceeds edged up 0.8% from RMB5,328.2 million last year to RMB5,368.2 million, thanks to the 0.3% and 9.5% growth from Shanghai Jiuguang and Shanghai Jiuguang Center that were more than sufficient to cover the 10.4% drop in whole store sales proceeds at Suzhou Jiuguang. However, the Group's revenue in 2025 saw a decrease of 3.4% from RMB1,252.6 million in 2024 to RMB1,210.6 million, primarily a result of a 6.0% decline in commission income from concessionaire sales and 7.1% decline in rental income from shopping mall tenants. Meanwhile, the 9.2% increase to RMB41.5 million of rental income from the office towers of Shanghai Jiuguang Center, which contributed only approximately 3.4% of the Group's revenue, was insufficient to offset the aforementioned revenue decline. Revenue decline was the combined effect of the slow recovery of the macro-consumption environment, increased gross margin compression at concessionaire counters for inducing consumption, and intensifying competition from online channels. Total whole store gross sales proceeds increased by 2.0% year-on-year in the second half of 2025, as compared with a 0.4% year-on-year decline in the first half, reflecting a steadying of consumer confidence and progressive improvement in the operating environment in the second half of the year, albeit challenges remained.

Gross Profit and Concessionaire Rate

The Group's gross profit for the year decreased by 7.4% to RMB650.2 million from RMB702.0 million a year earlier, while the gross profit margin, expressed as a percentage of total sales proceeds from department stores, also decreased to 24.0% from 25.2% in 2024. When calculated as a percentage of revenue, the gross profit margin decreased to 53.7%, compared to 56.0% in 2024. The Group's average concessionaire rate declined to 19.3% from 19.5% in the previous year.

Net Loss Attributable to Shareholders

For the year ended 31 December 2025, the loss attributable to the Company's shareholders increased from approximately RMB20.1 million in 2024 to approximately RMB31.1 million. The increase in loss was primarily due to (i) lower gross profit as a result of providing concessions to induce consumption; and (ii) a 18.9% year-on-year decrease in the Group's share of profit from its associate, Beiren Group, to approximately RMB112.0 million. However, the Group's loss was partially offset by a 12.4% decrease in finance costs to RMB163.7 million. During the year, the Group recorded an operating loss before tax and share of profits from associates and a joint venture of RMB80.9 million, as compared to RMB61.8 million in 2024.

Selling and Distribution Costs

In 2025, the Group's selling and distribution costs amounted to RMB551.9 million, a 4.6% decrease from RMB578.3 million in the previous year. The decrease was primarily attributable to the cost control and efficiency enhancement measures implemented by the Group, as well as a decrease in staff costs. The Group's total selling and distribution costs as a percentage of total sales proceeds from department stores during the year also decreased to 20.4% from 20.8% last year.

Administrative Expenses

The Group's general and administrative expenses increased by 3.0% from RMB 255.0 million in 2024 to RMB 262.7 million, primarily due to the RMB9.6 million one-off compensation payment caused by the previous construction works at JGC. Other general and administrative expenses remained stable.

Staff Costs

Staff costs, excluding directors' remuneration, decreased by 5.2% year-on-year to RMB194.2 million from RMB204.9 million in 2024, primarily attributable to the decrease in headcount following closure of the standalone Freshmart operation in March 2024.

As of 31 December 2025, the Group employed a total of 1,006 full-time staff, including three executive directors, as compared to 1,078 as of 31 December 2024.

Other Income, Gains and Losses

Other income, gains, and losses, which primarily comprise management fees from concessionaire counters and tenants, fees from third-party payment platforms, other miscellaneous income, and exchange gains/losses, decreased by 5.7% year-on-year to RMB192.8 million. The decrease was primarily due to an exchange loss of RMB17.1 million (2024: exchange gain of RMB2.0 million) arising from the Group's Hong Kong Dollars ("HKD") denominated cash held in Hong Kong amid depreciation of the Hong Kong dollar against the Renminbi ("RMB").

Interest and Investment Income

During the year, the Group's interest and investment income rose by 4.6% year-on-year to RMB54.4 million, primarily attributable to an increase in the Group's HKD bank deposits which commands higher deposit rates.

Finance Costs

The Group's finance costs consist of interest on bank borrowings and lease liabilities, amounted respectively to approximately RMB96.4 million (2024: RMB117.6 million) and RMB67.3 million (2024: RMB69.3 million) for the year. The decrease in bank loan interest was primarily due to a decrease in bank loan balances and reduction in the Loan Prime Rate.

Liquidity and Financial Resources

The Group's adjusted earnings before interest and tax, depreciation and amortization, exchange gains/losses, interest and investment income, share of profit of a joint venture and associates, and after deducting fixed rental payments in respect of leases accounted for under HKFRS 16 ("Adjusted EBITDA") for the year decreased by 7.0% to RMB334.1 million from RMB359.2 million in 2024. The decrease was primarily due to decline in sales and gross profit during the year.

The calculation of Adjusted EBITDA is as follow:

	2025	2024
	RMB'000	RMB'000
Profit before taxation	143,421	201,175
Add/(deduct):		
Depreciation and amortization	407,934	402,877
Exchange losses/(gains)	17,081	(2,043)
Interest and investment income	(54,445)	(52,029)
Finance costs	163,681	186,916
Share of profits of associates	(187,277)	(230,698)
Share of profit of a joint venture	(37,047)	(32,315)
Fixed rental payments in respect of leases accounted for under HKFRS 16	(119,266)	(114,680)
Adjusted EBITDA	<u>334,082</u>	<u>359,203</u>

As of 31 December 2025, the Group's net debt (defined as cash and bank balance, bank deposits, structured bank deposits, and amounts due from associates, less total bank borrowings, amounts due to a non-controlling shareholder of subsidiaries, and amounts due to a joint venture) decreased to approximately RMB14.7 million from approximately RMB196.8 million as of 31 December 2024. The decrease in net debt was primarily due to an increase in operating cash and dividends received from associates during the year.

As of 31 December 2025, the Group's cash and bank balance, bank deposits and structured bank deposits amounted to approximately RMB3,164.6 million (31 December 2024: RMB2,953.3 million), of which approximately RMB586.2 million was in HKD held in Hong Kong. The remaining cash balances were predominantly held in Chinese Mainland, with approximately 99% denominated in RMB and 1% in United States Dollars.

The increase in cash and bank balance, bank deposits and structured bank deposits was primarily attributable to: (i) net cash inflow from operating activities, and (ii) dividends received from associates and a joint venture during the year. At the end of the year, the Group's gearing ratio, defined as bank borrowings divided by equity attributable to owners of the Company, remained at approximately 34.0%.

As of 31 December 2025, the Group had outstanding bank borrowings amounted to RMB3,178 million (31 December 2024: RMB3,238 million) drawn under the RMB3,300 million (31 December 2024: RMB3,300 million) 15-year secured term loan (“Term Loan”). The Term Loan is subject to progressive semi-annual repayment, amounting to RMB80 million in 2026, RMB660 million over the years from 2027 to 2030, and the remaining RMB2,438 million over the years from 2031 to year 2037.

Foreign Exchange Management

The functional currency of the Company and its subsidiaries in Chinese Mainland is RMB, in which majority of the Group’s transactions are denominated.

Given the fact that majority of the Group’s revenue and expenses, as well as borrowings and capital expenditures are denominated in RMB, and the HKD cash balance held in Hong Kong is for reserve and settlement of operating expenses incurred, and distribution of dividends of the Company outside of the Chinese Mainland, the Group currently does not require a comprehensive foreign currency hedging policy. Nevertheless, management will monitor the Group’s foreign currency exposure and, if necessary, will consider taking appropriate measures to mitigate any significant potential foreign currency risk.

Pledge of Assets

As of 31 December 2025, certain of the Group’s assets, comprising (i) properties, plant, and equipment located in China with a carrying amount of approximately RMB3,325 million (31 December 2024: RMB3,529 million); and (ii) right-of-use assets situated in China with a carrying amount of approximately RMB1,467 million (31 December 2024: RMB1,518 million) were pledged for securing bank loan facility extended to the Group in the amount of RMB3,300 million (31 December 2024: RMB3,300 million). The outstanding loan amount under this facility as of 31 December 2025 was RMB3,178 million (31 December 2024: RMB3,238 million).

Contingent liabilities

As of 31 December 2025, the Group had no material contingent liabilities.

Significant Investments, Material Acquisitions and Disposals

During the year, the Group did not make any significant investment, nor were there any material acquisitions or disposals of subsidiaries, associates and joint venture.

Review of Operations

During the year, against the backdrop of a slow macroeconomic recovery, deepening in the application of technological, and a change in the consumption structure, consumers demonstrated heightened awareness in health and environmental protection, increasingly brand-loyal and the demand for personalized and customized products, with online shopping remained at a high penetration rate. Facing challenges to sales growth, the Group flexibly adjusted its market strategies by precisely optimizing its product categories and high-end tenant mix, and enhancing synergy among in-store merchants, while persistently promoting scenario-based consumption and the development of green and low-carbon products by deepening the integration of its online and offline omni-channel offerings, the Group strives to enhance the shopping experience to satisfy the diversified needs of consumers.

During the year, the Group strengthened the effective engagement with its online members, and by leveraging data analysis with an aim to enhance precision marketing that help effectively directing foot traffic to physical stores. Furthermore, by optimizing offerings at its online platform for “click and collect” orders that will help boosting ancillary spending and increasing offline conversion rates. The Group continued to expand its live streaming presence on multiple platforms such as Douyin by organizing scenario-based themed live streaming events, and successfully drove traffic growth and achieving synergy between online and offline sales.

Shanghai Jiuguang Center (“JGC”)

JGC, the Group’s landmark commercial complex in Daning, Jing’an District, harmoniously blends shopping, leisure, entertainment and business functions under one roof. It covers diverse lifestyle offerings, including fashion and apparel, beauty and personal care, accessible luxury brands, food and beverage and entertainment.

During the year, JGC launched a series of highly interactive themed events and immersive experiences to enhance customer experience and consumption enthusiasm. In the spring of 2025, the “Jing’an Flower Festival”, held in Jing’an District where JGC is located, offered customers and tourists an integrated “park and mall” experience that blended natural ecology, cultural value, and commercial vibrancy. In the summer of 2025, JGC successfully launched the “Summer Heat Escape Plan (熱浪逃離計劃)”, which ingeniously integrated high-traffic elements such as the night-time economy, culture and arts, and the waterfront economy. Through meticulously curated summer-exclusive activity series, it successfully created a distinctive new commercial landscape centered on nighttime consumption. In November 2025, coinciding with JGC’s fourth anniversary, the Group collaborated with the classic IP “Pingu” to co-create the “Pingu Aurora Adventure Island”, covering an area of over 1,000 square meters. The project presented consumers with a polar adventure journey blending entertainment, interaction, and shopping experiences, successfully attracting family groups and boosting in-mall foot traffic and sales performance. Through intensive scenario-based activities, JGC has continuously aroused customer curiosity and maintained the mall’s fresh appeal, effectively attracting large numbers of tourists and young consumer groups, making a significant contribution to the growth of footfall and sales performance within the premises.

While JGC's whole store sales proceeds saw a year-on-year increase of approximately 9.5% to RMB1,832.8 million in 2025, and that rental income from the office towers also rose by 9.2% to RMB41.5 million, its total revenue however recorded a slight year-on-year decrease of approximately 0.4% to RMB324.5 million, mainly due to the decrease in rental income from the mall operations. Operational metrics revealed a slight 1.5% year-on-year decrease in average daily footfall to approximately 33,800 visitors and a decline in average ticket size from RMB175 in the previous year to RMB169. Meanwhile, the stay-and-buy ratio increased by 11.6 percentage points to 87.8%, reflecting a continuous update on the merchandises and store formats to meet the consumers' demand after four years of operations and also indicating a more prudent consumer spending behavior.

Notwithstanding the commercial real estate market remained subdued amid China's slow economic recovery, the Group continued to prioritize its leasing efforts for JGC's twin office towers. By year-end, the East Tower and West Tower achieved occupancy rates of approximately 75% and 21% respectively, generated rental income of approximately RMB41.5 million for 2025, with tenants spanning logistics, professional services, and e-commerce sectors.

Shanghai Jiuguang

Amid the growing popularity of shopping malls and diversified retail formats, the department store retail sector has confronted mounting competition. As a mid-to-high-end shopping destination in the Jing'an Temple area, Shanghai Jiuguang however has solidified its market position in the department store sector through its strong brand equity, an agile yet disciplined management system and meticulous service philosophy.

Amid changing consumer behaviors, volatile economic conditions, and declining retail spending, Shanghai Jiuguang has during the year taken proactive measures in fine-tuning its operational strategies by continuously optimizing its tenant mix and brand portfolio, bringing in several Shanghai and even national debut stores covering innovative lifestyles and high-end consumer brands. Its merchandise offerings were more closely aligned with the diversified and evolving needs and preferences of modern consumers, providing customers with a more innovative and differentiated shopping experience, which will effectively enhancing the overall customer satisfaction and in-store sales performance.

During the year, Shanghai Jiuguang hosted a series of content-rich promotional events. In April, it presented the “2025 Inaugural Shanghai & Shanghai International Cosmetic Festival”, a flagship initiative of the “5 • 5 Shopping Festival”, at the atrium on the second floor of Jiuguang Department Store. Under the theme “First Bloom in Jing’an, Beauty Shines Globally”, the festival brought together international beauty brands and renowned domestic brands, featuring product debuts, trend forums, pop-up events, and livestreaming to create a signature spring consumption spectacle. At the same time, Shanghai Jiuguang served as the main venue for the Shanghai International Coffee Culture Festival, collaborating with district-wide coffee brands and commercial hubs to roll out joint promotional campaigns. The initiative featured exclusive festival consumption vouchers, sparking a coffee culture boom that stimulates customer’s spending. In August, the month-long Jiuguang Department Store Charity Month, themed “Gathering Sparks into a Torch, Shining with Charity (微光成炬 益起璀璨)”, was grandly launched, including art exhibitions, charity bazaars, and public welfare classes, specifically supporting charitable projects for art education and public advocacy for special youth groups such as those with autism, fully demonstrating the Group’s commitment to actively fulfilling corporate social responsibility. Through hosting art exhibitions, it presented high-quality cultural and artistic experiences for customers, further enriching the in-store consumption scenarios and enhancing the brand’s cultural connotation.

In 2025, Shanghai Jiuguang’s average ticket size increased by 21.4% year-on-year to RMB454, while average daily footfall declined 8.4% year-on-year to 42,800 visitors, and stay-and-buy ratio also dropped by 3.8 percentage points to 36.1%, affected by diversified consumer purchasing channels and the economic environment. As a result, whole store sales proceeds for the year edged up 0.3% to RMB2,560.4 million, with average concessionaire rate dipping by 0.5 percentage point to approximately 22.0%.

Suzhou Jiuguang

In 2025, Suzhou Jiuguang faced challenges from the slow recovery of the local retail market and intensified industry competition, with the overall operating environment remained severely challenging.

To consolidate its market position and boost customer traffic, Suzhou Jiuguang organized a wealth of promotional and themed activities throughout the year to drive foot traffic and stimulate consumption momentum. At the turn of the year, Suzhou Jiuguang organized a series of activities for its 16th anniversary celebration, which, in conjunction with millions of Douyin group-buy voucher subsidies and limited-time flash sales of digital currency red packets for Valentine’s Day, successfully drove customer engagement and enhanced member activity and loyalty. Suzhou Jiuguang continued to respond to the municipal government’s “5 • 5 Shopping Festival” initiative by encouraging consumers to use digital currency red packets for purchases at various offline stores, including Suzhou Jiuguang, which significantly boosted traffic and transaction volumes during the festival’s peak periods. In December 2025, Suzhou Jiuguang organized a Christmas promotional event themed "Aurora Ice and Snow Carnival (極光冰雪嘉年華)", creating a festive shopping experience through ice and snow scene decorations, themed photo installations, and interactions with cartoon characters. Notwithstanding the overall results was pressured by external economic volatility and weak consumer sentiment, the Group successfully strengthened customer loyalty and increased the average transaction value through precise event planning, laying a foundation for future recovery.

Despite various activities did effectively grew customer foot traffic, sales performance for the full year still saw a decline as it was constrained by the weak macroeconomic environment and consumers' inclination towards rational spending. The whole store sales proceeds in 2025 decreased by approximately 10.4% year-on-year to RMB975.0 million, amid the approximately 15.0 percentage points decrease to approximately 33.6% in the stay-and-buy ratio. However, the average daily footfall increased by approximately 9.2% over the previous year to approximately 16,600 visitors, and the average ticket size also saw an increase by approximately 19.1% year-on-year to approximately RMB480. Average concessionaire rate for the store increased slightly by 0.9 percentage point to approximately 16.1% during the year. As a whole, despite the efforts in deepening the brand operations with innovate marketing models to attract customers, changes in the structure of the consumer market and local competitive pressure continued to impact negatively to the performance of Suzhou Jiuguang.

Dalian and Shenyang Property

The Group's commercial properties in Dalian and Shenyang remained vacant in 2025 and incurred an aggregate cash outflows of approximately RMB16.3 million for upkeeping and maintenance.

Investments in Associates

The Group holds a strategic equity stake in the Beiren Group, a leading retail conglomerate based in Shijiazhuang City, Hebei Province, China. During the year, Beiren Group's sales revenue from its jewelry category recorded a significant increase of 21.1%, while its supermarket category, one of its core businesses, also recorded an increase of 1.9%. However, affected by decline of 5.8% and 21.8% in the department store and electrical appliance categories respectively, Beiren Group's overall sales revenue only managed to increase by 2.4% year-on-year. On the other hand, Beiren Group's profit for the year recorded a decrease as there was a significant drop in bank interest income as well as the increase in depreciation and interest expenses. Accordingly, the Group's share of Beiren Group's net profit (net of attributable non-controlling interests) for the year decreased by 18.9% from RMB138.0 million in 2024 to RMB112.0 million.

Outlook and Plan

The global economy continues to seek a balance amid a relatively high interest rate environment and geopolitical uncertainties, with growth momentum diverging further among major economies. Facing slowing external demand and a volatile international trade environment, the domestic economy has maintained a moderate recovery supported by policies. However, the restoration of domestic demand momentum and consumer confidence remains challenging. The Chinese government is expected to continue implementing a moderately accommodative monetary policy and a proactive fiscal policy to support key sectors and household consumption. Efforts such as promoting trade-in programs, distributing consumption vouchers, and offering subsidies will continue with an aim to stabilize employment, boost consumption, and expand investment. The Group will prudently assess changes in the macroeconomic landscape, actively seize policy benefits and opportunities arising from industrial upgrades, and consolidate as well as enhance its market position in the department store and retail sectors.

In response to consumer's demand for diversified, personalized and high-quality experiences, the Group will continue to create immersive and experiential consumption scenarios by integrating value-added content such as art and cultural exhibitions, cross-border collaborative events, and themed markets to enhance customer engagement and prolong their dwell time. At the same time, the Group will accelerate its digital transformation, strengthening the functional integration of its online platform, membership system and mini-programs. Through targeted promotions, exclusive offers and tiered membership benefits, the Group aims to improve customer outreach efficiency and conversion rates. Additionally, the Group will prudently control costs and capital expenditures, optimize resource allocation, and continuously enhance operational efficiency and risk management capabilities. These measures are designed to maintain steady growth in a challenging market environment and create long-term value for shareholders.

Maximizing Jiuguang's brand equity

Leveraging the strong influence of the Jiuguang's brand in the retail market, the Group is committed to further consolidating its leading position in the department store retail market in Shanghai and the Yangtze River Delta region, despite the complex and volatile macroeconomic environment and intensifying industry competition continue to be present. Amid the increasingly blurred boundaries between online and offline channels and the ongoing adjustment of consumption patterns, the Group will continue to optimize store positioning and brand mix, focusing on mid-to-high-end and quality-oriented consumer demand. At the same time, through thematic events and membership operations, the Group will enhance customer loyalty to maintain the stability of its overall operational performance. Additionally, the Group will continue to introduce differentiated product assortments and promotional strategies, with a focus on incorporating brands and categories that better align with the aesthetics and lifestyles of younger consumers. By leveraging festive seasons, cross-industry events and social media content marketing, the Group aims to further enhance the image quality and market influence of our brand.

Championing green consumption

The Group will continue to uphold the philosophy of "green development and sustainable operations", actively responding to the government's advocacy for green consumption policies while deepening its practices in environmental management and corporate social responsibility. To promote a green consumption culture, the Group collaborated with the government to hold the 13th event for "National Low-Carbon Day" in June 2025, embracing the concept of a "zero-waste shopping malls" to drive the transformation of mall operations towards waste reduction, energy conservation and low-carbon development. Looking ahead, the Group will persist its efforts in implementing environmental sustainability strategies, actively fulfilling its corporate social responsibilities, and striving to advance the society towards a green, low-carbon and sustainable future.

Optimizing tenant and merchandise mix

In response to consumers' growing demand for high-quality, healthy and personalized products, coupled with an increasing emphasis on cost-effectiveness, the Group will continue to refine its brand mix and product portfolio. By conducting in-depth analysis of market trends and consumer preferences, we will actively introduce well-known and emerging brands that embody environmental concepts and unique design styles, thereby addressing the market's ongoing pursuit of quality and a healthy lifestyle.

Refining loyalty program

The Group will continue to refine its VIP membership program and actively focus on expanding membership coverage by attracting new members through diverse channels and precision marketing strategies. To show appreciation for the long-term support of members, the Group will launch exclusive benefits, special member privileges, and exclusive rewards for new members, further enhancing membership engagement and stickiness. Furthermore, AI-driven analytics will be deployed to deeply analyse membership shopping preferences and behaviors, enabling more targeted product recommendations and personalized shopping experiences. These measures are designed to continuously enhance members' satisfaction, thereby consolidating greater customer loyalty to the Jiuguang brand.

Combination of online and offline marketing

The Group actively leverages artificial intelligence technology to deepen integration of online and offline operations, further enhancing operational efficiency and customer experience. The Jiuguang AI Smart Service function launched during the year optimized customer service processes and strengthened interactions with consumers. Artificial intelligence technology has also been widely applied in customer flow analysis, smart marketing, and inventory and supply chain management, enabling the Group to respond more flexibly to structural changes in the retail industry. At the same time, the Group will fully utilize social media platforms such as Xiaohongshu and Douyin to expand brand influence, channel online traffic to offline stores, and promote the synergistic development of omni-channel retail.

Creating a high-quality shopping environment

The Group continues to work closely with merchants to create a high-quality shopping environment by incorporating diverse and interactive design elements, further enhancing customer engagement and interest. At the same time, drawing on advanced concepts from smart cities and smart retail, we continuously optimize in-store design and air quality, striving to create a more comfortable and enjoyable consumer experience. Through ongoing improvements to the shopping environment, the Group is committed to enhancing the overall customer experience, thereby driving sustained and steady sales growth.

Looking ahead, against the backdrop of intensifying competition in the retail industry and ongoing consumption upgrades, the Group will actively leverage artificial intelligence and big data technologies to enhance operational efficiency and optimize the omni-channel shopping experience. Also, we will fully capitalize on the brand strengths and core competitiveness of Jiuguang, closely aligning with consumers' pursuit of high-quality, healthy and sustainable lifestyles. We strive to achieve steady, sustainable, and high-quality development in a dynamic market environment.

EMPLOYEES

As at 31 December 2025, the Group had a total of 1,006 employees, with 1,000 based in Chinese Mainland and 6 in Hong Kong. The staff costs (excluding directors' emoluments) amounted to RMB194.2 million (2024: RMB204.9 million) for the year ended 31 December 2025. The Group ensures that pay levels of its employees are competitive and in line with the market trend and its employees are rewarded on a performance related basis within the general framework of the Group's salary and bonus system.

CORPORATE GOVERNANCE CODE

The Company has complied with the code provisions of the Corporate Governance Code as set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange for the year ended 31 December 2025, except the following deviation:

The roles of the Chairman and Chief Executive Officer are not segregated but such arrangement on the other hand helps facilitate development and execution of the Group's business strategies and enhances efficiency and effectiveness of its operations.

DIVIDEND

Save for the special cash dividend declared and paid after the year end, the Board has resolved to not declare any final dividend for the year ended 31 December 2025 (2024: nil).

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining shareholders who are entitled to attend and vote at the forthcoming annual general meeting to be held on Tuesday, 19 May 2026, the register of members of the Company will be closed from Thursday, 14 May 2026 to Tuesday, 19 May 2026, both days inclusive. In order to qualify for the right to attend and vote at the annual general meeting, all transfers accompanied by the relevant share certificate(s) must be lodged with the Company's share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Wednesday, 13 May 2026.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any listed securities of the Company during the year ended 31 December 2025.

REVIEW OF ANNUAL RESULTS

The Group's audited consolidated results for the year ended 31 December 2025 have been reviewed by the audit committee of the Company.

SCOPE OF WORK OF MESSRS. PRICEWATERHOUSECOOPERS

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in this preliminary announcement have been agreed by the Group's auditor, Messrs. PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. PricewaterhouseCoopers in this respect did not constitute an assurance engagement and consequently no assurance conclusion has been expressed by Messrs. PricewaterhouseCoopers on this preliminary announcement.

ACKNOWLEDGEMENT

We would like to thank our staff for the hard work and dedication they have bestowed upon the Group over the past year in spite of the challenging operating environment. We would also like to extend our gratitude to our customers, business partners and shareholders for their continued support.

On behalf of the Board
Lifestyle China Group Limited
Lau Luen Hung, Thomas
Chairman

Hong Kong, 23 March 2026

As at the date of this announcement, the Board comprises Mr. Lau Luen Hung, Thomas, Mr. Lau Kam Sen and Ms. Lau Kam Shim as executive directors, Ms. Chan Chor Ling, Amy as non-executive director, and Ms. Cheung Mei Han, Mr. Cheung Yuet Man, Raymond and Mr. Lam Kwong Wai as independent non-executive directors.