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L U X X U

GROUP LIMITED

Luxxu Group Limited

勵時集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 1327)

**ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2025**

FINANCIAL HIGHLIGHTS

- Revenue for the year ended 31 December 2025 amounted to approximately RMB42.1 million (2024: approximately RMB29.4 million), representing an increase of approximately 43.2% as compared with the preceding year.
- Gross profit for the year ended 31 December 2025 was approximately RMB16.0 million (2024: approximately RMB12.4 million), representing an increase of approximately 29.0% as compared with the preceding year.
- Net loss for the year ended 31 December 2025 was approximately RMB21.7 million (2024: approximately RMB52.0 million).
- No dividend was proposed by the Board for the year ended 31 December 2025.

The board (the “Board”) of directors (the “Directors”) of Luxxu Group Limited (the “Company”) announces the consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2025 together with the comparative figures for the corresponding period in 2024 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	5	42,073	29,357
Cost of sales		<u>(26,030)</u>	<u>(16,920)</u>
Gross profit		16,043	12,437
Gains/(losses) on fair value of financial assets at fair value through profit or loss, net		8,518	(456)
Loss allowance for expected credit losses on trade receivables		(13,534)	(18,415)
Provision for allowance for inventories		(5,124)	(16,353)
Selling and distribution expenses		(5,518)	(6,929)
Administrative expenses		(19,600)	(19,920)
Finance costs	6	<u>(2,472)</u>	<u>(2,328)</u>
Loss before tax	7	(21,687)	(51,964)
Income tax	8	<u>–</u>	<u>–</u>
Loss for the year attributable to owners of the Company		(21,687)	(51,964)
Other comprehensive (expense)/income:			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of financial statements of foreign operations		<u>(2,834)</u>	<u>3,669</u>
Total comprehensive expense for the year attributable to owners of the Company		<u>(24,521)</u>	<u>(48,295)</u>
			(Restated)
LOSS PER SHARE			
Basic and diluted (<i>RMB cents</i>)	10	<u>(12.19)</u>	<u>(47.12)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	<i>Notes</i>	2025 RMB'000	2024 RMB'000
Non-current assets			
Property, plant and equipment		–	3,464
Right-of-use assets		4,751	8,520
Rental deposits		1,801	1,893
		<u>6,552</u>	<u>13,877</u>
Current assets			
Inventories		9,255	26,629
Trade receivables	<i>11</i>	7,975	13,986
Financial assets at fair value through profit or loss		23,403	14,604
Deposits, prepayments and other receivables		528	3,625
Cash and cash equivalents		4,160	1,030
		<u>45,321</u>	<u>59,874</u>
Current liabilities			
Accruals and other payables		2,606	1,934
Bond payables		–	5,146
Lease liabilities		3,491	3,419
Income tax payable		70	70
		<u>6,167</u>	<u>10,569</u>
Net current assets		<u>39,154</u>	<u>49,305</u>
Total assets less current liabilities		<u>45,706</u>	<u>63,182</u>
Non-current liabilities			
Bond payables		19,937	24,084
Lease liabilities		1,458	5,202
		<u>21,395</u>	<u>29,286</u>
NET ASSETS		<u>24,311</u>	<u>33,896</u>
Capital and reserves			
Share capital	<i>12</i>	1,911	45,286
Reserves		22,400	(11,390)
TOTAL EQUITY		<u>24,311</u>	<u>33,896</u>

NOTES

1. GENERAL INFORMATION

The Company is a limited company incorporated in the Cayman Islands on 3 December 2012 as an exempted company under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. Its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The Company’s registered office is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business of the Company is located at Unit 506, 5/F, New World Tower I, 18 Queen’s Road Central, Central, Hong Kong.

The Group is principally engaged into (i) the manufacture and sales of own-branded watches and jewellery, including but not limited to diamond watches, tourbillion watches and luxury jewellery accessories, original equipment manufacturer (“OEM”) watches and third-party watches; and (ii) provision of exhibition services.

The functional currency of the Company is Hong Kong dollars (“HK\$”). For the purpose of presenting the consolidated financial statements, the Group adopted Renminbi (“RMB”) as its presentation currency as to better reflect the financial results and performance of the main operation of the Group.

2. BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with all applicable HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). HKFRS Accounting Standards comprise Hong Kong Financial Reporting Standards (“HKFRSs”); Hong Kong Accounting Standards (“HKAS”); and Interpretations (the “Ints”). The consolidated financial statements of the Group also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) and with the disclosure requirements of the Hong Kong Companies Ordinance. Material accounting policies adopted by the Group are disclosed below.

The HKICPA has issued certain new and amendments to HKFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these new and amendment to HKFRS Accounting Standards to the extent that they are relevant to the Group for current and prior accounting periods reflected in the consolidated financial statements.

3. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

3.1 Application of amendments to HKFRS Accounting Standards

The Group has applied the following amendments to HKFRS Accounting Standards as issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2025, for the preparation of the consolidated financial statements of the Group:

Amendments to HKAS 21 and HKFRS 1 Lack of Exchangeability

The application of above amendments to HKFRS Accounting Standards in the current year has had no material impact on the Group's consolidated financial positions and performance for the current and prior years and/or on the disclosures set out in the consolidated financial statements of the Group.

3.2 New and amendments to HKFRS Accounting Standards issued but not yet effective

The Group has not applied any new or amendments to HKFRS Accounting Standards and Int that have been issued but are not yet effective for the financial year beginning on 1 January 2025. The new or amendments to HKFRS Accounting Standards and Int include the followings which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to HKFRS 9 and HKFRS 7 – Classification and Measurement of Financial Instruments	1 January 2026
Amendments to HKFRS 9 and HKFRS 7 – Contracts Referencing Nature-dependent Electricity	1 January 2026
Annual Improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
HKFRS 18 – Presentation and Disclosure in Financial Statements	1 January 2027
Amendments to HKAS 21 – Translation to a Hyperinflationary Presentation Currency	1 January 2027
Amendments to Int 5 – Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
Amendments to HKFRS 10 and HKAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined by the HKICPA

HKFRS 18 – Presentation and Disclosure in Financial Statements

HKFRS 18 will replace HKAS 1 – Presentation of Financial Statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the financial statements, HKFRS 18 introduces significant changes to the presentation of financial statements, with a focus on information about financial performance present in the statement of profit or loss, which will affect how the Group present and disclose financial performance in the consolidated financial statements.

The new accounting standard introduces the following key new requirements:

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.
- Management-defined performance measures ("MPMs") are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Group is currently assessing the impact of HKFRS 18, with respect to the structure of the Group's consolidated statement of profit or loss and other comprehensive income, the consolidated statement of cash flows and the additional disclosures required for the MPMs. The Group is also assessing the impact on how information is grouped in the consolidated financial statements. Preliminary assessments indicate the following key impacts:

- The Group will need to reclassify certain income and expense items into the new categories, namely investing and financing categories.
- The Group disclosed certain MPMs (e.g., adjusted operating profits and adjusted EBITDA) in its results announcements and the annual report. Under HKFRS 18, this will likely require additional disclosure for the MPMs within the notes to the consolidated financial statements.
- The Consolidated statement of cash flows will also be impacted, as the operating profit subtotal will be the required starting point for the indirect method.

4. OPERATING SEGMENT

Information reported internally to the chief operating decision makers, being the executive Directors, for the purpose of resources allocation and assessment of segment performance focuses on types of goods or services delivered or provided. The Group currently operates in two business segment in manufacturing, trading and retailing business of watches, jewellery accessories and assisting customers to hold exhibition.

A single management team reports to the chief operating decision makers who comprehensively manages the entire business. Accordingly, the Group does not have separate reportable segments.

Revenue from major products

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Branded watches and jewellery accessories	37,957	22,149
Exhibition income	4,116	7,208
	<u>42,073</u>	<u>29,357</u>

Geographical information (based on location of ultimate clients)

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Hong Kong, the PRC	4,116	7,208
The PRC, excluding Hong Kong	<u>37,957</u>	<u>22,149</u>
	<u>42,073</u>	<u>29,357</u>

The Group's non-current assets are mainly located in Hong Kong.

Information about major customers

Below are individual customer (from sales of branded watches and jewellery accessories) contributed over 10% of total revenue of the Group during the years ended 31 December 2025 and 2024:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Customer A	6,057	4,948
Customer B	5,410	3,379
Customer C	4,880	3,043
Customer D	N/A*	3,043

* The corresponding revenue did not contribute over 10% of the total revenue of the Group for the respective years.

5. REVENUE

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Revenue from contracts with customers within the scope of HKFRS 15		
Recognised at a point in time:		
Branded watches and jewellery accessories	37,957	22,149
Recognised over time:		
Exhibition income	<u>4,116</u>	<u>7,208</u>
	<u>42,073</u>	<u>29,357</u>

The exhibition contracts are with an original expected duration of one year or less or contracts for which revenue is recognised at the amount to which that Group has the right to invoice for the services performed. Accordingly, the Group has elected the practical expedient and has not disclosed the amount of transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as at the end of the reporting period.

6. FINANCE COSTS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest on bond payables	2,139	2,051
Interest on lease liabilities	333	277
	<u>2,472</u>	<u>2,328</u>

7. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging the followings:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Employee benefit expense (excluding directors' emoluments):		
Salaries and other benefits	4,578	5,089
Retirement benefits schemes contribution	132	151
	<u>4,710</u>	<u>5,240</u>
Directors' emoluments	330	332
Auditor's remuneration:		
– audit services	598	600
– non-audit services	13	6
Cost of inventories recognised as expenses	26,030	16,920
Depreciation of property, plant and equipment	3,377	5,477
Depreciation of right-of-use assets	3,437	3,472
	<u>3,437</u>	<u>3,472</u>

8. INCOME TAX

Hong Kong

Under the two-tiered profits tax regime, the first HK\$2,000,000 of assessable profits of qualifying corporations subject to Hong Kong Profits Tax will be taxed at 8.25%, and assessable profits above HK\$2,000,000 will be taxed at 16.5%. The assessable profits of corporations not qualifying for the two-tiered profits rates regime will continue to be taxed at a flat rate of 16.5%.

No Hong Kong Profits Tax has been provided as there was no assessable profits arising in Hong Kong during the years ended 31 December 2025 and 2024.

9. DIVIDENDS

No dividend was paid or proposed during the year and 31 December 2025, nor has any dividend been proposed since the end of the reporting period (2024: nil).

10. LOSS PER SHARE

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Loss		
Loss for the year attributable to owners of the Company and loss for the purpose of basic and diluted loss per share	<u>(21,687)</u>	<u>(51,964)</u>
	2025 '000	2024 '000
Weighted average number of shares		
Weight average number of ordinary shares for the purpose of basic and diluted loss per share	<u>177,837</u>	<u>110,286</u>

No adjustment has been made to the basic loss per share amounts presented for the years ended 31 December 2025 and 2024 in respect of a dilution as the impact of the exercise of the Company's share options outstanding had no dilutive effect on the basic loss per share amounts presented.

11. TRADE RECEIVABLES

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables	70,177	65,317
Less: Allowance for expected credit losses (“ECL”)	(62,202)	(51,331)
	<u>7,975</u>	<u>13,986</u>

The Group’s trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally ranged from 0 to 180 days for major customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group’s trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing. The following is an aged analysis of trade receivables, net of allowance for ECL, presented based on the invoice date at the end of the reporting period:

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
0 to 30 days	978	1,083
31 to 60 days	782	735
61 to 90 days	469	553
91 to 180 days	685	498
Over 180 days	5,061	11,117
	<u>7,975</u>	<u>13,986</u>

12. SHARE CAPITAL

	<i>Notes</i>	Number of shares '000	Nominal value HK\$'000
Authorised:			
As at 1 January 2024, 31 December 2024 and 1 January 2025, ordinary shares of HK\$0.10 each			
		1,300,000	130,000
Share Consolidation	<i>(a)</i>	(1,040,000)	–
Share Subdivision	<i>(a)</i>	12,740,000	–
		<u>13,000,000</u>	<u>130,000</u>
As at 31 December 2025, ordinary shares of HK\$0.01 each			
		<u>13,000,000</u>	<u>130,000</u>

	<i>Notes</i>	Number of shares '000	Nominal value of ordinary shares	
		<i>'000</i>	<i>HK\$'000</i>	<i>RMB'000</i>
Issued and fully paid:				
As at 1 January 2024, 31 December 2024 and 1 January 2025, ordinary shares of HK\$0.10 each				
		539,136	53,914	45,286
Share Consolidation	<i>(a)</i>	(431,309)	–	–
Capital Reduction	<i>(a)</i>	–	(52,835)	(44,381)
Rights Issue	<i>(b)</i>	107,827	1,078	1,006
		<u>215,654</u>	<u>2,157</u>	<u>1,911</u>
As at 31 December 2025, ordinary shares of HK\$0.01 each				
		<u>215,654</u>	<u>2,157</u>	<u>1,911</u>

Notes:

- (a) On 14 March 2025, the Company completed a capital reorganisation (the “Capital Reorganisation”) involving the share consolidation (the “Share Consolidation”), the capital reduction (the “Capital Reduction”) and the share subdivision (the “Share Subdivision”). The Capital Reorganisation was approved at the special meeting held on 7 February 2025. Details of which are as follows:

(i) Share Consolidation

Every five (5) issued and unissued Existing Shares of par value of HK\$0.10 each was consolidated into one (1) Consolidated Share of par value of HK\$0.50 each;

(ii) Capital Reduction

The issued share capital of the Company will be reduced by cancelling the paid-up share capital of the Company to the extent of HK\$0.49 on each of the then issued Consolidated Shares such that the par value of each issued Consolidated Share was reduced from HK\$0.50 to HK\$0.01. The credit arising from the Capital Reduction was applied towards offsetting against the accumulated loss of the Company as at the effective date of the Capital Reduction, thereby reducing the accumulated loss of the Company; and

(iii) Share Subdivision

Immediately following the Capital Reduction becoming effective, each of the authorised but unissued Consolidated Shares of par value of HK\$0.50 each in the authorised share capital of the Company was subdivided into fifty (50) authorised but unissued Adjusted Shares of par value of HK\$0.01 each.

- (b) On 2 December 2024, the Company announced a proposed rights issue on the basis of one rights share for every one shares in issue at a subscription price of HK\$0.15 per share to raise up to approximately HK\$16,174,000, equivalent to approximately RMB15,084,000 before expenses (the “Rights Issue”) by way of issuing up to 107,827,200 Rights Shares. On 12 May 2025, the Company allotted and issued 107,827,200 ordinary shares of HK\$0.15 each by way of the Rights Issue and the number of issued shares of the Company were increased to 215,654,400. The net proceeds from the Rights Issue after deducting related expenses were approximately HK\$16,000,000, equivalent to approximately RMB14,936,000.

BUSINESS REVIEW, OUTLOOK AND FUTURE PROSPECTS

In 2025, the Group continued to focus on its business operations which (i) cooperate with different industry experts to design and sales of prestige and high-end watches and accessories, including but not limited to diamond tourbillon watches and luxury jewellery watches; (ii) design, production and assembly of watches for our OEM customers; (iii) manufacture and sales of our own brands watches; and (iv) organisation of exhibitions.

The market environment showed significant improvement throughout 2025. According to the National Bureau of Statistics, China's GDP reached RMB140.19 trillion in 2025, achieving year-on-year growth of 5.0% and successfully meeting the government's target. More notably for our industry, retail sales of gold, silver and jewellery in China surged by 12.8% in 2025, significantly outperforming the overall retail market growth of 3.7%. This robust performance in the jewellery category reflects resilient consumer demand for high-end products despite broader economic headwinds. According to Bain & Company's 2025 China Personal Luxury Report, the mainland personal luxury market contracted by only 3% to 5% in 2025, a substantial moderation from the sharper decline experienced in 2024, with clear signs of recovery emerging in the second half of the year. The fourth quarter of 2025 even recorded positive growth of 1% to 3%, supported by a strong stock market performance that boosted consumer sentiment among affluent segments.

Going forward, the Group aimed to offer premium quality products to customers and will continue to strengthen our core competitiveness by improving our watch and jewellery design and development capabilities by upholding the design and artistic knowledge of the design team and recruitment of additional talents. In view of the economy condition in Hong Kong and the PRC, the Group expects 2026 will still be a challenging year. The Group will closely monitor the market response and remix the business and product portfolio to suit the market needs, including but not limited to design, manufacture and sales of prestige and high-end watches and jewellery and stay competitive.

In view of (i) the sustained purchasing power of Chinese women as a core driver of the consumption market; (ii) the fundamental shift in female consumption patterns from "pleasing others" to "self-love economics"; and (iii) the rising demand for emotional connection and experiential value in purchasing decisions, the Group believes there remains a strong long-term force behind the consumption of prestige and high-end watches and luxury jewellery and accessories. Female consumers today increasingly prioritise "heart-price ratio" over traditional cost-performance considerations, seeking products that deliver emotional satisfaction, aesthetic enjoyment and personal meaning. Many women also continue to invest in their professional growth and self-development, creating sustained demand for refined, workplace-appropriate accessories that reflect their personal achievements and aspirations. To capture this evolving demand, the Group will allocate more resources and effort to strengthen our in-house design team, nurturing authentic design capabilities that resonate with the modern woman's pursuit of self-expression, emotional connection and personal success. By focusing on designs that speak to the "self-love" mindset and the professional identity of our core customers, we aim to offer fashionable and emotionally resonant watches and jewellery that empower women to celebrate who they are and how far they have come.

Looking beyond the near-term uncertainties, the Group remains committed to seeking and seizing new opportunities, and is well-prepared to shine in the future.

APPRECIATION

I would like to take this opportunity to express my gratitude to the Board for its brilliant leadership, to our customers for their continued trust and support, to our suppliers for their strong partnership and collaboration, to the Company's shareholders for their steadfast confidence, to the community for their enthusiastic help, and last but not least, to our staff for their dedicated efforts and commitment throughout the year.

FINANCIAL REVIEW

Revenue

Our revenue increased by approximately RMB12.7 million or approximately 43.2% from approximately RMB29.4 million for the year ended 31 December 2024 to approximately RMB42.1 million for the year ended 31 December 2025. The increase in revenue was mainly attributable to the net effect of (i) increase of sales demand of watches and jewellery accessories due to the overall market condition; and (ii) the decrease in exhibition income.

Cost of sales

Our cost of sales increased by approximately RMB9.1 million or approximately 53.8% from approximately RMB16.9 million for the year ended 31 December 2024 to approximately RMB26.0 million for the year ended 31 December 2025. The increase was in line with the increase in revenue.

Gross profit and gross profit margin

Our gross profit increased by approximately RMB3.6 million or approximately 29.0% from approximately RMB12.4 million for the year ended 31 December 2024 to approximately RMB16.0 million for the year ended 31 December 2025 which was in line with the increase in the sales of watches, jewellery and accessories for the year ended 31 December 2025. Our overall gross profit margin decreased from approximately 42.4% for the year ended 31 December 2024 to approximately 38.1% for the year ended 31 December 2025. The decrease was mainly attributable to the decrease in exhibition income, which has a higher profit margin, during the year ended 31 December 2025.

Selling and distribution expenses

Our selling and distribution expenses decreased by approximately RMB1.4 million or approximately 20.3% from approximately RMB6.9 million for the year ended 31 December 2024 to approximately RMB5.5 million for the year ended 31 December 2025. The decrease was mainly attributable to decrease in marketing activities due to the decrease in exhibition held.

Administrative expenses

Our administrative expenses slightly decreased by approximately RMB0.3 million or approximately 1.5% from approximately RMB19.9 million for the year ended 31 December 2024 to approximately RMB19.6 million for the year ended 31 December 2025.

Loss before taxation

As a result of the foregoing, our loss before taxation decreased by approximately RMB30.3 million to approximately RMB21.7 million for the year ended 31 December 2025 as against a loss before taxation of approximately RMB52.0 million for the year ended 31 December 2024.

Taxation

No income tax expense for the year ended 31 December 2025 and 2024.

Loss for the year

As a result of the foregoing, we recorded a loss for the year of approximately RMB21.7 million for the year ended 31 December 2025 as against a loss for the year of approximately RMB52.0 million for the year ended 31 December 2024.

FINANCIAL POSITION

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

As at 31 December 2025, the Group's total cash and bank balances were approximately RMB4.2 million (31 December 2024: approximately RMB1.0 million), most of which are held in HKD. The current ratio (defined as current assets divided by current liabilities) of the Group increased from 5.7 times as at 31 December 2024 to 7.3 times as at 31 December 2025. The gearing ratio (defined as total interest-bearing borrowings divided by shareholders' equity) of the Group decreased from 86.2% as at 31 December 2024 to approximately 82.0% as at 31 December 2025.

MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES

The Group did not carry out any material acquisition nor disposal of any subsidiaries for the year ended 31 December 2025.

SIGNIFICANT INVESTMENTS IN LISTED SECURITIES

Name of investee	As at 31 December 2025 RMB'000	Percentage to the Group's audited total assets as at 31 December 2025 %	Number of shares held by the Group as at 31 December 2025	Percentage of shareholding held by the Group as at 31 December 2025 %
Significant investments				
BFB Health Limited ("BFB") (stock code: 205.HK) (note)	10,496	20.2	17,430,000	1.39
AMCO United Holding Limited ("AMCO") (stock code: 630.HK) (note 2)	6,716	12.9	29,890,000	3.1
Capital VC Limited ("CAPITAL") (stock code: 2324.HK) (note 3)	2,660	5.1	19,340,000	4.3
Others	3,531	6.9		
Total	<u>23,403</u>	<u>45.1</u>		

Note 1:

BFB and its subsidiaries are principally engaged in the provision of advertising agency services and distribution of books and magazines in the People's Republic of China and the securities broking business, money lending business and provision of e-commerce platform services and sales of high-tech products in Hong Kong. Based on BFB's unaudited interim result announcement for the six months ended 30 June 2025, revenue and loss of BFB was approximately HK\$15,744,000 and HK\$376,000 respectively. As at 31 December 2025, the Group owned 17,430,000 shares of BFB, representing 1.39% equity interests in BFB with a carrying amount of the Group's interest in BFB of approximately RMB10.5 million, representing approximately 20.2% of the total assets of the Company as at 31 December 2025. Up to 31 December 2025, no dividends was received from BFB. The fair value of BFB is based on quoted market prices.

Note 2:

AMCO and its subsidiaries are principally engaged in (i) manufacture and sale of medical devices products; (ii) manufacture and sale of plastic moulding products; (iii) provision of money lending; and (iv) investment in securities. Based on AMCO's unaudited interim result announcement for the six months ended 30 June 2025, revenue and profit of AMCO was approximately HK\$27,144,000 and HK\$1,148,000 respectively. As at 31 December 2025, the Group owned 29,890,000 shares of AMCO, representing 3.1% equity interests in AMCO with a carrying amount of the Group's interest in AMCO of approximately RMB6.7 million, representing approximately 12.9% of the total assets of the Company as at 31 December 2025. Up to 31 December 2025, no dividends was received from AMCO. The fair value of AMCO is based on quoted market prices.

Note 3:

CAPITAL and its subsidiaries are principally engaged in engaged in investing in listed and unlisted companies mainly in Hong Kong and the People's Republic of China. Based on CAPITAL's audited annual report for the year ended 30 September 2025, revenue and profit of CAPITAL was approximately HK\$125,276,000 and HK\$131,089,000 respectively. As at 31 December 2025, the Group owned 19,340,000 shares of CAPITAL, representing 4.3% equity interests in CAPITAL with a carrying amount of the Group's interest in CAPITAL of approximately RMB2.7 million, representing approximately 5.1% of the total assets of the Company as at 31 December 2025. Up to 31 December 2025, no dividends was received from CAPITAL. The fair value of CAPITAL is based on quoted market prices.

The future performance of the listed securities may be influenced by the Hong Kong stock market. In this regard, the Group will continue to maintain a diversified investment portfolio and closely monitor the performance of its investments and the market trends to adjust its investment strategies.

Except the significant investments disclosed above, at 31 December 2025, there was no investment held by the Group the value of which was more than 5% of the total assets of the Group and no investment held by the Group contributed more than 10% of the realised or unrealised gain for the year ended 31 December 2025.

INVESTMENT POLICY

The Company has adopted an internal investment policy (the “Investment Policy”) which sets out, among other things, the objectives, guidelines, management and responsibilities of investment activities conducted by the Group. Set out below are details of the infrastructure of the Group’s investments.

Investment objectives

The investment objectives of the Group are to enhance the efficiency in the utilization of idle funds and generate stable return to the Group within an acceptable risk level with a view to broaden its revenue streams and to provide necessary financial support for the development of the Group’s long-term investment projects, which in turn enhance value for its Shareholders.

Investment strategy

The Company will allocate corporate resources efficiently by maintaining an appropriate investment scale and optimizing the structure and diversification of its investment portfolio. At the same time, the Company prioritizes thorough investment risk assessment and control, adhering to the principle of economic benefits as the foremost consideration in all investment decisions.

Investment scope

The Company’s investment activities encompass both long-term and short-term investments, depending on its strategic needs and the prevailing market conditions. Long-term investments focus on growth and strategy, while short-term investments prioritize liquidity, operational support and capital stability.

Permissible and prohibited investments

Under the Investment Policy, the Company may invest in a range of assets including shares, bonds, investment funds, insurance products and bank deposits. The Company is prohibited from using excessive leverage, investing in unlisted securities, or engaging in speculative derivative trading.

Defined risk limits and counterparty risk

While there is no general threshold or restriction in relation to the risk limits or counterparty risk of its investments, the Group is required to adhere to its investment strategy to maintain its investments within an acceptable risk level. In particular, the Group is required to evaluate the counterparty risks of each investment taking into consideration, inter alia, credit ratings of the investment (if any), size and reputation of the issuer, and whether or not the counterparty is a licensed corporation in Hong Kong or overseas.

Liquidity management

It is the top priority of the Group to ensure that it has sufficient cash and bank deposits to meet its working capital requirement. While there is no specific threshold set under the Investment Policy, the Group seeks to maintain a balanced liquidity profile within its cash, bank deposits and investments. In addition, the use of borrowed funds or those required for ongoing operations for investment purposes is prohibited. All of the existing investments of the Group were or will be funded by internal resources of the Group.

Investment decisions

Investment decisions of the Group are made through a multi-layered governance structure. An investment management team (the “Investment Management Team”), comprising two executive Directors (namely Mr. Liang Yanhuang and Mr. Yang Xi), assisted by the Group financial manager, is responsible for identifying suitable investment opportunities available on the market and the execution of the investments. Pursuant to the Investment Policy, the Investment Management Team may approve investments (or a series of investments) with an amount below 5% of the market capitalization and/or total assets of the Group from time to time. Any proposed investment exceeding such threshold must be reviewed and approved by the Board.

Ongoing risk management and control measures

The Group maintains comprehensive internal control and risk management processes, including regular performance reviews, stringent approval workflows and periodic monitoring of all investment projects. The Investment Management Team is responsible for ongoing monitoring of the investments made by the Group, the preparation of half-yearly reports in relation to the performance of the investments and regular re-evaluations of counterparties and/or investment targets. The Investment Management Team is also responsible for ensuring that records of all investment proposals, documentation and accounting records are properly kept. The Investment Management Team should promptly report to the Board in the event of any material adverse changes in the Group’s investments, which are determined on a case-by-case basis depending on the nature and size of the specific investment. Generally, the Investment Management Team is required to report to the Board if, among other things, (i) the investment has recorded ongoing and irrecoverable losses; or (ii) there is any material change in the circumstances or terms of the investment so that it no longer conforms with the Group’s investment strategy (for example, increase in risk level due to macroeconomics changes).

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2025, the Group had a total of 56 (2024: 56) employees. The total remuneration costs incurred by the Group for the financial year 2025 were approximately RMB5.0 million (2024: approximately RMB5.6 million). We review the performance of our employees annually and use the results of such review in our annual salary review and promotion appraisal, in order to attract and retain valuable employees.

DEBTS AND CHARGE ON ASSETS

As at 31 December 2025, none of the assets of the Group has been pledged to secure any banking facilities granted to the Group (2024: Nil).

FOREIGN CURRENCY RISK

The Group mainly operates in the PRC and Hong Kong and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to RMB and United States dollars (“USD”). During the years ended 31 December 2025 and 2024, the Group has not entered into any hedging arrangements. However, the management will continue to monitor closely its foreign currency exposure and requirements and to arrange for hedging facilities when necessary.

CAPITAL COMMITMENTS

The Group had no capital commitments as at 31 December 2025 and 2024.

CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 31 December 2025 and 2024.

FINAL DIVIDENDS

The Board did not recommend the payment of any final dividend for the year ended 31 December 2025 (2024: Nil).

AUDIT COMMITTEE

The audit committee (the “Audit Committee”) consists of three members, all being independent non-executive Directors, namely, Mr. Yu Chon Man (Chairman), Ms. Duan Baili and Mr. Zhong Weili. The duties of the Audit Committee include, without limitation, (a) making recommendations to the Board on the appointment, re-appointment and removal of the external auditor, approving the remuneration and terms of engagement of the external auditor, and any questions of its resignation or dismissal; (b) monitoring integrity of the Group’s financial statements, annual report and accounts and half-year report, and reviewing significant financial reporting judgments contained therein; (c) reviewing the Group’s financial control, internal control and risk management systems; and (d) reviewing reports made by the corporate guarantee committee, a committee closely monitoring the Group’s activities for the provision of corporate guarantee and to enforce the prohibition on provision of corporate guarantee to any party other than member of the Group. The Group’s annual results for the year ended 31 December 2025 have been reviewed by the Audit Committee.

EVENT AFTER THE END OF THE REPORTING PERIOD

The Group did not have any event after the end of the reporting period.

SCOPE OF WORK OF EXTERNAL AUDITOR

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 the preliminary announcement have been agreed by the Group's auditors, Jon Gepsom CPA Limited, to the amounts set out in the Group's latest draft consolidated financial statements for the year. The work performed by Jon Gepsom CPA Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Jon Gepsom CPA Limited on the preliminary announcement.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as its code of conduct regarding securities transactions by the Directors. All Directors confirmed that they have complied with the Model Code throughout the year ended 31 December 2025.

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

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

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND THE ANNUAL REPORT

This results announcement is published on the Company's website (www.luxxu.hk) and the website of the Stock Exchange (www.hkexnews.hk). The Company's 2025 Annual Report containing all information required under the Listing Rules will be despatched to the shareholders of the Company and available on the above websites in due course.

By Order of the Board
Luxxu Group Limited
Liang Yanhuang
Executive Director

Hong Kong, 30 March 2026

As at the date of this announcement, the Board comprises two executive Directors being Mr. Liang Yanhuang and Mr. Yang Xi; and three independent non-executive Directors, being Mr. Yu Chon Man, Ms. Duan Baili and Mr. Zhong Weili.

In the case of inconsistency, the English text of this announcement shall prevail over the Chinese text.