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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)

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

The board (the “**Board**”) of directors (the “**Director(s)**”) of Xinji Shaxi Group Co., Ltd (the “**Company**”) is pleased to announce the audited annual results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2025 (the “**FY2025**”) together with the comparative figures for the year ended 31 December 2024 (the “**FY2024**”). These annual results have been reviewed by the Company’s audit committee.

FINANCIAL HIGHLIGHTS

	For the year ended 31 December	
	2025	2024
	RMB’000	RMB’000
Revenue	215,231	254,789
Loss for the year	(27,768)	(162,123)
Core net profit ⁽ⁱ⁾	59,266	73,776
Core net profit margin ⁽ⁱⁱ⁾	28%	29%
Loss per share (expressed in RMB)	(0.02)	(0.11)

Notes:

- (i) Core net profit for FY2024 and FY2025 is a non-HKFRS measure, which is used for investors to evaluate the performance results of the underlying business of the Group, by excluding losses from the changes in fair value of the investment properties and further adjusted for income tax effects for the aforementioned items.
- (ii) Core net profit margin is calculated through dividing core net profit by revenue of the Group in the respective years.

CONSOLIDATED INCOME STATEMENT

		Year ended 31 December	
		2025	2024
	Notes	RMB'000	RMB'000
Revenue	5	215,231	254,789
Cost of sales		(43,087)	(43,856)
Fair value losses on investment properties		(116,045)	(314,532)
Selling and marketing expenses		(10,742)	(12,336)
Administrative expenses		(36,496)	(35,452)
Net impairment losses on financial assets and lease receivables		(2,480)	(3,913)
Other income	6	1,275	3,403
Other gains – net		15,580	3,781
Operating profit/(loss)		23,236	(148,116)
Finance income	7	1,946	3,076
Finance expenses	7	(48,267)	(56,389)
Finance expenses – net	7	(46,321)	(53,313)
Loss before income tax		(23,085)	(201,429)
Income tax (expense)/credit	8	(4,683)	39,306
Loss for the year		(27,768)	(162,123)
Loss attributable to:			
– Owners of the Company		(27,685)	(162,314)
– Non-controlling interests		(83)	191
		(27,768)	(162,123)
Loss per share attributable to owners of the Company	9		
Basic and diluted (RMB)		(0.02)	(0.11)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Loss for the year	(27,768)	(162,123)
Other comprehensive income for the year, net of tax	—	—
Total comprehensive loss for the year	<u>(27,768)</u>	<u>(162,123)</u>
Total comprehensive loss attributable to:		
– Owners of the Company	(27,685)	(162,314)
– Non-controlling interests	<u>(83)</u>	<u>191</u>
	<u>(27,768)</u>	<u>(162,123)</u>

CONSOLIDATED BALANCE SHEET

		As at 31 December	
		2025	2024
	Note	RMB'000	RMB'000
ASSETS			
Non-current assets			
Property and equipment		10,492	5,497
Investment properties	11	1,845,694	1,971,588
Intangible assets		1,813	2,239
Deferred income tax assets	17	3,312	2,639
Lease and trade receivables and other receivables	12	–	25,276
Financial assets at fair value through profit or loss		488	5,522
		<u>1,861,799</u>	<u>2,012,761</u>
Current assets			
Inventories		–	1,168
Lease and trade receivables and other receivables	12	99,281	68,691
Amount due from a related party		993	–
Restricted cash		3,450	36
Cash and cash equivalents		693,742	582,501
		<u>797,466</u>	<u>652,396</u>
Total assets		<u>2,659,265</u>	<u>2,665,157</u>
EQUITY			
Share capital and premium		285,115	285,115
Other reserves	13	124,879	120,412
Retained earnings		737,385	769,537
		<u>1,147,379</u>	<u>1,175,064</u>
Non-controlling interests		<u>(1,943)</u>	<u>(1,860)</u>
Total equity		<u>1,145,436</u>	<u>1,173,204</u>

		As at 31 December	
		2025	2024
	<i>Note</i>	RMB'000	RMB'000
LIABILITIES			
Non-current liabilities			
Borrowings	<i>16</i>	335,409	574,420
Trade and other payables	<i>14(a)</i>	3,423	15,853
Lease liabilities	<i>14(b)</i>	150,367	166,184
Deferred income tax liabilities	<i>17</i>	172,657	183,485
		<u>661,856</u>	<u>939,942</u>
Current liabilities			
Borrowings	<i>16</i>	495,030	239,004
Trade and other payables	<i>14(a)</i>	176,923	162,795
Lease liabilities	<i>14(b)</i>	18,131	27,675
Contract liabilities	<i>15</i>	23,366	22,420
Advance from customers		100,179	64,807
Current income tax liabilities		36,990	32,746
Amounts due to related parties		1,354	2,564
		<u>851,973</u>	<u>552,011</u>
Total liabilities		<u>1,513,829</u>	<u>1,491,953</u>
Total equity and liabilities		<u>2,659,265</u>	<u>2,665,157</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

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

On 28 December 2018, in preparation for the Listing, Mr. Cheung Hon Chuen, Mr. Mei Zuoting and Mr. Zhang Weixin executed the concert parties agreement, pursuant to which they have confirmed their acting in concert arrangement in the past, as well as their intention to continue to act in the above manner upon Listing to consolidate their control over our Group through Honchuen Investment Limited, Zuoting Investment Limited and Weixin Development Overseas Limited until the concert parties agreement is terminated by them in writing.

As such, the Directors of the Company is in the view that, Honchuen Investment Limited, Zuoting Investment Limited and Weixin Development Overseas Limited are the ultimate holding company of the Company as at 31 December 2025.

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

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

These consolidated financial statements are presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousand (RMB’000), unless otherwise stated.

These consolidated financial statements have been approved for issue by the board of directors (the “**Board**”) of the Company on 30 March 2026.

2 APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

(a) Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21

Lack of Exchangeability

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

(b) New and amendments to HKFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency ³
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 ²
HKFRS 18	Presentation and Disclosure in Financial Statements ³

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2026.

³ Effective for annual periods beginning on or after 1 January 2027.

Except as mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 Presentation of Financial Statements. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 and HKFRS 7. Minor amendments to HKAS 7 Statement of Cash Flows and HKAS 33 Earnings per Share are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities (“**Listing Rules**”) on the Stock Exchange.

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

4 SEGMENT INFORMATION

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

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

– **Property leasing**

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

– **Property management services**

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

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

(a) **Segment revenue and results**

The following is an analysis of the Group’s revenue and results by reportable segments:

	Year ended 31 December 2025		
	Property leasing RMB’000	Property management services RMB’000	Total RMB’000
Reportable segment revenue			
Revenue from contracts with customers			
– at a point in time	7,003	–	7,003
– over time	–	54,697	54,697
Revenue from rental income	153,531	–	153,531
Inter-segment revenue	–	–	–
	<u>160,534</u>	<u>54,697</u>	<u>215,231</u>
Segment profit	<u>6,890</u>	<u>16,346</u>	23,236
Finance expenses – net			<u>(46,321)</u>
Loss before income tax			<u>(23,085)</u>

	Year ended 31 December 2024		
	Property leasing <i>RMB'000</i>	Property management services <i>RMB'000</i>	Total <i>RMB'000</i>
Reportable segment revenue			
Revenue from contracts with customers			
– at a point in time	8,211	–	8,211
– over time	–	57,965	57,965
Revenue from rental income	188,613	–	188,613
Inter-segment revenue	–	–	–
	<u>196,824</u>	<u>57,965</u>	<u>254,789</u>
Segment (loss)/profit	<u>(172,814)</u>	<u>24,698</u>	(148,116)
Finance expenses – net			<u>(53,313)</u>
Loss before income tax			<u>(201,429)</u>

(b) Segment assets and liabilities

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

	As at 31 December 2025			
	Property leasing <i>RMB'000</i>	Property management services <i>RMB'000</i>	Elimination <i>RMB'000</i>	Total <i>RMB'000</i>
Segment assets	<u>2,708,993</u>	<u>71,402</u>	<u>(124,442)</u>	2,655,953
Unallocated:				
– Deferred income tax assets				<u>3,312</u>
Consolidated total assets				<u>2,659,265</u>
Segment liabilities	<u>495,018</u>	<u>103,167</u>	<u>(124,442)</u>	473,743
Unallocated:				
– Deferred income tax liabilities				172,657
– Current income tax liabilities				36,990
– Borrowings				<u>830,439</u>
Consolidated total liabilities				<u>1,513,829</u>

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

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

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

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

(c) **Other segment information**

	Year ended 31 December 2025		
	Property leasing RMB'000	Property management services RMB'000	Total RMB'000
<i>Amounts included in the measure of segment profit or loss or segment assets:</i>			
Capital expenditure (<i>Note</i>)	14,257	–	14,257
Depreciation of property and equipment	4,990	9	4,999
Amortisation of intangible assets	426	–	426
Impairment losses on operating lease receivables recognised	4,513	–	4,513
Impairment losses on finance lease receivables (reversed)	(1,278)	–	(1,278)
Impairment losses on trade receivables recognised/(reversed)	156	(928)	(772)
Impairment losses on other receivables recognised	17	–	17
Gains on transfer of investment properties to finance lease receivables	(19,919)	–	(19,919)
Gains on lease modification from finance lease receivables	(3,801)	–	(3,801)
Fair value losses on financial assets at fair value through profit or loss	–	5,034	5,034
Fair value losses on investment properties	116,045	–	116,045
<i>Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or loss or segment assets:</i>			
Finance income:			
– Interest income	(455)	(4)	(459)
– Interest income from finance lease receivables	(1,487)	–	(1,487)
Finance expenses:			
– Interest on lease liabilities	8,741	–	8,741
– Interest expenses on borrowings	39,796	–	39,796
Income tax expense	2,280	2,403	4,683

	Year ended 31 December 2024		
	Property leasing RMB'000	Property management services RMB'000	Total RMB'000
<i>Amounts included in the measure of segment profit or loss or segment assets:</i>			
Capital expenditure (Note)	366	–	366
Depreciation of property and equipment	5,338	23	5,361
Amortisation of intangible assets	450	–	450
Impairment losses on operating lease receivables recognised	5,257	–	5,257
Impairment losses on finance lease receivables recognised	(988)	–	(988)
Impairment losses on trade receivables (reversed)/recognised	(123)	1,397	1,274
Impairment losses on other receivables reversed	(1,630)	–	(1,630)
Gains on transfer of investment properties to finance lease receivables	(833)	–	(833)
Losses on lease modification from finance lease receivables	1,200	–	1,200
Fair value gains on financial assets at fair value through profit or loss	–	(4,167)	(4,167)
Fair value losses on investment properties	314,532	–	314,532
<i>Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or loss or segment assets:</i>			
Finance income:			
– Interest income	(766)	(7)	(773)
– Interest income from finance lease receivables	(2,303)	–	(2,303)
Finance expenses:			
– Interest on lease liabilities	9,475	–	9,475
– Interest expenses on borrowings	46,914	–	46,914
Income tax (credit)/expense	(43,950)	4,644	(39,306)

Note: Capital expenditure comprises additions to property and equipment, investment properties (Note 11) and intangible assets.

(d) Information about major customers

There was no revenue derived from a single external customer that accounted for 10% or more of the Group's revenues during the year ended 31 December 2025 (2024: same).

5 REVENUE

	Year end 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue from contracts with customers:		
– Property management services (<i>Notes (a) and (c)</i>)	54,697	57,965
– Sales of goods (<i>Note (b)</i>)	6,991	8,137
– Others	12	74
	61,700	66,176
Rental income:		
– Property lease income (<i>Note 11</i>)	153,531	188,613
	215,231	254,789
Total revenue recognised	215,231	254,789
Disaggregation of revenue from contracts with customers:		
Timing of revenue recognition:		
– at a point in time	7,003	8,211
– over time	54,697	57,965
	61,700	66,176
Total revenue from contracts with customers	61,700	66,176

Notes:

- (a) Revenue generated from property management services is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation.
- (b) Revenue generated from sales of goods is recognised at a point in time when the customer obtains control of the assets.

- (c) The following table shows unsatisfied performance obligations resulting from fixed-price long-term property management services contracts:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Aggregate amount of the transaction price allocated to long-term property management services contracts that the performance obligations of which are partially or fully unsatisfied as at 31 December:		
Expected to be recognised over one year	214,749	268,436
Expected to be recognised within one year	36,774	45,967
	251,523	314,403

The amount disclosed above does not include any variable consideration.

- (d) As at 31 December 2025, no assets recognised from incremental costs to obtain a contract.

6 OTHER INCOME

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Compensation for land occupation (<i>Note (a)</i>)	–	1,742
Forfeiture of advances received from customers	–	775
Commission income due to amendment of rental contracts	709	226
Others	566	660
	1,275	3,403

Note:

- (a) During the prior year ended 31 December 2024, Guangzhou Panyu District Land Development Center entered into a supplemental agreement with Guangzhou Shaxi Hotel for compensation of land occupation to develop the Guangzhou Shaxi metro station. The compensation of land occupation amounted to approximately RMB1,742,000 was recognised as other income.

7 FINANCE EXPENSES – NET

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Finance income:		
– Interest income	(459)	(773)
– Interest income from finance lease receivables (<i>Note 12(b)</i>)	(1,487)	(2,303)
	<u>(1,946)</u>	<u>(3,076)</u>
Finance expenses:		
– Interest on lease liabilities (<i>Note 14(b)</i>)	8,471	9,475
– Interest expenses on borrowings	39,796	46,914
	<u>48,267</u>	<u>56,389</u>
Finance expenses – net	<u>46,321</u>	<u>53,313</u>

8 INCOME TAX EXPENSE/(CREDIT)

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Current income tax		
– PRC corporate income tax	16,184	13,499
Deferred income tax (<i>Note 17</i>)	(11,501)	(52,805)
	<u>4,683</u>	<u>(39,306)</u>

(a) PRC corporate income tax

The Group's subsidiaries in the PRC are subject to corporate income tax at tax rate of 25% during the year ended 31 December 2025 (2024: same).

(b) PRC withholding income tax

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

(c) Cayman Islands income tax

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

(d) British Virgin Islands income tax

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

(e) **Hong Kong profits tax**

Hong Kong profits tax has not been provided as the Group's subsidiaries incorporated in Hong Kong did not have any assessable profits during the year (2024: same).

(f) The income tax on the Group's loss before income tax differs from the theoretical amount that would arise using the enacted tax rate of the home country of the group entities as follows:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Loss before income tax	<u>(23,085)</u>	<u>(201,429)</u>
Tax calculated at applicable PRC corporate income tax rate of 25%	(5,771)	(50,357)
Tax effects of:		
Expenses not deductible for tax purposes	817	966
Tax losses for which no deferred income tax asset was recognised	<u>9,637</u>	<u>10,085</u>
Income tax expense/(credit)	<u>4,683</u>	<u>(39,306)</u>

9 LOSS PER SHARE

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

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

	Year end 31 December	
	2025 RMB'000	2024 RMB'000
Loss for the year attributable to owners of the Company for the purposes of basic and diluted loss per share	<u>(27,685)</u>	<u>(162,314)</u>

	Number of shares Year end 31 December	
	2025 '000	2024 '000
Weighted average number of shares for the purposes of basic and diluted loss per share	<u>1,492,944</u>	<u>1,495,257</u>

The Company did not have any potential dilutive ordinary shares outstanding during the years ended 31 December 2025 and 2024. Diluted loss per share is the same as the basic loss per share.

10 DIVIDEND

No dividends have been paid or declared by the Company during the year ended 31 December 2025 (2024: Nil).

11 INVESTMENT PROPERTIES

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Opening net book amount	1,971,588	2,284,851
Modification of lease liabilities in respect of lease contracts (Note 14(b))	(642)	(3,424)
Transfer to finance lease receivables (Note 12(b))	(15,750)	(1,640)
Early termination of lease (Note 14(b))	(5,828)	–
Lease modification from finance lease (Note 12(b))	8,230	6,260
Additions	4,141	73
Losses on change in fair value recognised in consolidated income statement	(116,045)	(314,532)
Closing net book amount	1,845,694	1,971,588
Analysis of investment properties:		
– properties on land use right certificates owned by the Group	838,630	888,200
– properties on right-of-use assets	1,007,064	1,083,388
	1,845,694	1,971,588

Amounts of rental income and direct operating expenses recognised in consolidated income statement for investment properties as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Rental income (Note 5)	153,531	188,613
Direct operating expenses incurred for investment properties that generated rental income during the year		
– Property maintenance expenses	(9,813)	(11,421)
	143,718	177,192

In prior years, the Group leased various land with shopping malls for its operations. Lease contracts are entered into for fixed term of 5 years to 30 years (2024: 5 years to 30 years). Lease terms are negotiated on an individual basis and contain different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

In addition, lease liabilities of RMB168,498,000 (Note 14(b)) (2024: RMB193,859,000) were recognised with related right-of-use assets of RMB1,007,064,000 as at 31 December 2025 (2024: RMB1,083,388,000). The lease agreements do not impose the covenants other than the security interests in the leased assets that are held by the lessor.

As at 31 December 2025, investment properties of RMB810,230,000 (2024: RMB859,600,000) were pledged as collateral for the Group's borrowings (Note 16).

The Group classifies cash outflows to acquire or construct investment property as investing and rental inflows as operating cash flows.

For the year ended 31 December 2025, the Group incurred rental expenses relating to short-term leases amounted to RMB63,000 (2024: RMB99,000). No rental expenses relating to leases of low-value assets was incurred by the Group for the year ended 31 December 2025 (2024: Nil).

The total cash outflow for leases in the year ended 31 December 2025 was RMB30,159,000 (2024: RMB27,158,000).

Investment properties were revalued at 31 December 2025 and 2024 on income capitalisation method and comparison method by Masterpiece Valuation Advisory Limited, an independent valuer, who has appropriate professional qualification and relevant experience in the location and category of the investment properties being valued.

The fair value of investment properties is a level 3 recurring fair value measurement.

12 LEASE AND TRADE RECEIVABLES AND OTHER RECEIVABLES

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Operating lease receivables (<i>Note (a)</i>)	54,383	56,978
Less: allowance for impairment of operating lease receivables	(19,205)	(14,692)
Operating lease receivables – net	35,178	42,286
Finance lease receivables (<i>Note (b)</i>)	11,469	27,785
Less: allowance for impairment of finance lease receivables	(1,008)	(2,286)
Finance lease receivables – net	10,461	25,499
Trade receivables (<i>Note (c)</i>)	10,999	8,534
Less: allowance for impairment of trade receivables	(2,165)	(2,937)
Trade receivables – net	8,834	5,597
Other receivables (<i>Note (d)</i>)	43,940	21,646
Less: allowance for impairment of other receivables	(7,356)	(7,339)
Other receivables – net	36,584	14,307
Prepaid tax and other levies	7	44
Prepayment for lease	2,456	1,042
Other Prepayments	2,703	2,048
Input VAT available for future deduction	3,058	3,144
	99,281	93,967
Less: non-current portion		
Finance lease receivables (<i>Note (b)</i>)	–	(25,276)
Current portion	99,281	68,691

Notes:

(a) Operating lease receivables

The gross operating lease receivables at end of the year are analysed as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Less than 1 year	54,383	56,978

(b) Finance lease receivables

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

The gross finance lease receivables at end of the year are analysed as follows:

	As at 31 December 2025	
	Minimum lease payment	Present value
	RMB'000	RMB'000
Not later than 1 year	15,776	11,469
Later than 1 year but not later than 5 years	–	–
More than 5 years	–	–
	15,776	11,469
Less: unearned finance income	(4,307)	–
Present value of minimum lease payments	11,469	11,469

	As at 31 December 2024	
	Minimum lease payment	Present value
	RMB'000	RMB'000
Not later than 1 year	647	223
Later than 1 year but not later than 5 years	31,393	27,562
More than 5 years	–	–
	32,040	27,785
Less: unearned finance income	(4,255)	–
Present value of minimum lease payments	27,785	27,785

The movement in gross finance lease receivables during the year is as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Balance at beginning of the year	27,785	56,179
Transfer from investment properties	35,669	2,473
Lease modification from finance leases	(4,429)	(7,460)
Interest income recognised (<i>Note 7</i>)	1,487	2,303
Settlement of rental income from finance lease receivables	(49,043)	(25,710)
Balance at end of the year	11,469	27,785

During the year ended 31 December 2025, the Group entered into agreements for sublease of properties for the periods which approximate the remaining lease periods of the properties held as right-of-use asset by the Group. Accordingly, the relevant investment properties (Note 11) with the carrying amount of RMB15,750,000 (2024: RMB1,640,000) were transferred to finance lease receivables, with the gains on transfer of investment properties from finance lease receivables amounted to RMB19,919,000 (2024: RMB833,000) recognised in profit or loss in respect of the year, calculated as the difference between the fair value of finance lease receivables recognised amounted to RMB35,669,000 (2024: RMB2,473,000) and the carrying amount of RMB15,750,000 (2024: RMB1,640,000) of the investment properties transferred out (Note 11).

During the year ended 31 December 2025, the Group entered into supplemental agreements with sublease tenants under which certain terms and conditions set out in the original lease agreements were modified which resulted in gains on lease modification from finance lease with sublease tenants amounted to RMB3,801,000 (2024: losses on lease modification from finance lease amounted to RMB1,200,000) recognised in profit or loss in respect of the current year. The losses on modification from finance leases was calculated as the difference between the carrying amount of the related finance lease receivables before the modifications amounted to RMB4,429,000 (2024: RMB7,460,000) and the fair value of the investment properties amounted to RMB8,230,000 (Note 11) (2024: RMB6,260,000) when the modification of the leases were effected.

Amounts of finance income recognised in consolidated income statement for finance lease receivables are as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Interest income from finance lease receivables (<i>Note 7</i>)	1,487	2,303

(c) **Trade receivables**

The aging analysis of gross trade receivables based on recognition date at the respective balance sheet date is as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Less than 1 year	10,999	8,534

(d) **Other receivables**

An analysis of the gross other receivables is as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Deposits paid (<i>Note (i)</i>)	25,477	5,256
Refundable payments (<i>Note (ii)</i>)	11,320	9,984
Advance payment for acquisition of subsidiaries (<i>Note (iii)</i>)	5,283	5,283
Sundry receivables (<i>Note (iv)</i>)	1,860	1,123
	43,940	21,646

Notes:

- (i) Included in the deposits paid is rental deposits paid for leasing the right-of use assets for its shopping mall operation.

During the year ended 31 December 2025, Guangzhou Shaxi International Hospitality Supplies City Company Limited, a wholly-owned subsidiary of the Company, paid a refundable deposit of RMB20,000,000 for participating in the bidding process in accordance with the terms of bid invitation documents of the lease of properties. On 17 December 2025, Guangzhou Shaxi International Hospitality Supplies City Company Limited is the successful bidder at the bidding process and hence, such refundable deposit paid for participating in the bidding process became as a security deposit for the lease of properties.

Details of the bidding process of the lease of properties and the successful bid for lease of properties are set out in the Group's circular dated 17 November 2025 and the Group's announcement dated 24 December 2025 respectively.

As at 31 December 2025, an impairment loss of RMB1,465,000 (2024: RMB1,465,000) was recognised for the rental deposits paid.

- (ii) It represents a payment for purchasing the goods. As at 31 December 2025, an impairment loss of RMB249,000 (2024: RMB249,000) was recognised for the refundable deposits.

As at the date of approval of the consolidated financial statements, a refundable payment of RMB7,850,000 was refunded.

- (iii) It represents as an advance payment paid for acquisition of subsidiaries in prior years. As at 31 December 2025, the advance payment was fully impaired an impairment loss of RMB5,283,000 (2024: RMB5,283,000) was recognised.

- (iv) As at 31 December 2025, an impairment loss of RMB359,000 (2024: RMB342,000) was recognised on sundry receivables.

- (e) As at 31 December 2025, lease and trade receivables and other receivables were denominated in RMB and the fair values of lease and trade receivables and other receivables approximated their carrying amounts (2024: same).

13 OTHER RESERVES

	Merger and other reserves <i>RMB'000</i>	Statutory reserves <i>RMB'000</i>	Total <i>RMB'000</i>
At 1 January 2024	57,042	60,783	117,825
Repurchase and cancellation of shares	(346)	–	(346)
Appropriation to statutory reserves (<i>Note (a)</i>)	–	2,933	2,933
At 31 December 2024	<u>56,696</u>	<u>63,716</u>	<u>120,412</u>
At 1 January 2025	56,696	63,716	120,412
Appropriation to statutory reserves (<i>Note (a)</i>)	–	4,467	4,467
At 31 December 2025	<u>56,696</u>	<u>68,183</u>	<u>124,879</u>

Note:

- (a) In accordance with the relevant laws and regulations in the PRC and the articles of association of the group companies incorporated in the PRC, the PRC group companies are required to appropriate 10% of the annual net profits of the companies, after offsetting any prior years' losses as determined under the applicable PRC accounting standards, to the statutory surplus reserve fund before distributing any net profits. When the balance of the statutory surplus reserve fund reaches 50% of the registered capitals of the respective PRC group companies, any further appropriation is at the discretion of the shareholders. The statutory surplus reserve fund can be used to offset prior years' losses, if any, and may be capitalised as capital, provided that the remaining balance of the statutory surplus reserve fund after such issue is no less than 25% of registered capitals of the respective PRC group companies.

14 TRADE AND OTHER PAYABLES AND LEASE LIABILITIES

(a) Trade and other payables

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Trade payables	11,864	17,502
Construction contract payables	24,059	22,179
Salary payables	24,260	20,907
Other tax liabilities	1,588	877
Deposits from tenants	62,775	59,199
Deposits from Property Developer (<i>Note (i)</i>)	50,000	50,000
Accrued expenses	4,550	3,179
Other deposits received (<i>Note (ii)</i>)	96	3,736
Other payables	1,154	1,069
	<u>180,346</u>	<u>178,648</u>
Less: non-current portion		
Deposits from tenants	<u>(3,423)</u>	<u>(15,853)</u>
Current portion	<u>176,923</u>	<u>162,795</u>

At 31 December 2025, the aging analysis of the trade and construction contract payables based on invoice date is as follows:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Less than 1 year	22,534	25,706
Over 1 year	<u>13,389</u>	<u>13,975</u>
	<u>35,923</u>	<u>39,681</u>

As at 31 December 2025 and 2024, trade and other payables were denominated in RMB and their fair values approximated their carrying amounts.

Note:

- (i) In June 2023, Guangzhou Shaxi Hotel, being an indirect wholly-owned subsidiary of the Company, was informed by Guangzhou Shenglong Fangyuan Real Estate Co., Ltd. (the “**Property Developer**”), a property developer, about a proposed redevelopment plan of Shaxi Village, which would cover the leased land and the shopping mall erected thereon. The Property Developer subsequently proposed to enter into an agreement (the “**Proposed Compensation Agreement**”) with the landlord and Guangzhou Shaxi Hotel pursuant to which the Property Developer intends to pay a compensation amount of approximately RMB845 million to Guangzhou Shaxi Hotel in consideration of an early termination of the tenancy agreement between Guangzhou Shaxi Hotel and Shaxi Village. The Proposed Compensation Agreement will be effective upon the Shaxi Village Redevelopment Plan having been approved by the landowners of Shaxi Village. As at 31 December 2025, the Shaxi Village Redevelopment Plan has not been approved by the landowners of Shaxi Village.

The Group has received a deposit of RMB50,000,000 from the Property Developer, which is included in other payables.

- (ii) As at 31 December 2024, included in other deposits received was a refundable advance payment of RMB3,000,000 received from a potential lessee for leasing a property. During the year ended 31 December 2025, the advance payment of RMB3,000,000 was fully refunded due to unsuccessful negotiation of the lease agreement.

(b) Lease liabilities

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Lease liabilities payable:		
Within 1 year	18,131	27,675
Within a period of more than 1 year but not exceeding 2 years	16,218	23,506
Within a period of more than 2 years but not exceeding 5 years	56,288	59,494
Within a period of more than 5 years	77,861	83,184
	168,498	193,859
Less: Amount due for settlement after 12 months shown under non-current liabilities	(150,367)	(166,184)
Amount due for settlement within 12 months shown under current liabilities	18,131	27,675

The weighted average incremental borrowing rates applied to lease liabilities range from 4.30% to 4.65% (2024: from 4.30% to 4.65%).

Set out below is the movement of lease liabilities:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Balance at beginning of the year	193,859	214,867
Modification of lease liabilities in respect of lease contracts (Note 11 and (ii))	(642)	(3,424)
Early termination of lease (Note (iii))	(3,094)	–
Interest on lease liabilities recognised (Note 7)	8,471	9,475
Settlement of lease liabilities	(30,096)	(27,059)
Balance at end of the year	168,498	193,859

- (i) The Group mainly leases land use right and properties. Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. The right-of-use assets are presented as property and equipment and investment properties (Note 11).
- (ii) Lease modification is a change in the scope of a lease or the consideration for a lease, that was not part of the original terms and conditions of the lease. During the years ended 31 December 2025 and 2024, lease modification of the Group consist of scenarios including extending the contractual lease term and modifying the consideration of original leased assets.

- (iii) During the year ended 31 December 2025, the landlord early terminated the original lease agreements with the Group, which resulted in losses on disposal of investment properties amounted to RMB2,734,000 (2024: Nil), of which a decrease in lease liabilities amounted to RMB3,094,000 (2024: Nil) and a decrease in investment properties (Note 11) amounted to RMB5,828,000 (2024: Nil).

15 CONTRACT LIABILITIES

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Business management service	5,465	5,465
Property management service	9,457	9,683
Sales of goods	8,444	7,272
	<u>23,366</u>	<u>22,420</u>

The following table shows how much of the revenue recognised relates to carried-forward contract liabilities and how much relates to performance obligations that were satisfied in prior periods.

	Business management service RMB'000	Property management service RMB'000	Sales of goods RMB'000
For the year ended 31 December 2025			
Balance at beginning of the year	5,465	9,683	7,272
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	–	(9,683)	(7,272)
Increase in contract liabilities as receipts in advance	–	9,457	8,444
Balance at end of the year	<u>5,465</u>	<u>9,457</u>	<u>8,444</u>
	Business management service RMB'000	Property management service RMB'000	Sales of goods RMB'000
For the year ended 31 December 2024			
Balance at beginning of the year	5,465	13,670	841
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	–	(13,670)	(841)
Increase in contract liabilities as receipts in advance	–	9,683	7,272
Balance at end of the year	<u>5,465</u>	<u>9,683</u>	<u>7,272</u>

16 BORROWINGS

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Bank borrowings – Secured (<i>Note (a), (b) and (c)</i>)	830,439	813,424
Total borrowings	830,439	813,424
Less: non-current portion		
– Bank borrowings – Secured	(335,409)	(574,420)
Current portion	495,030	239,004

Notes:

- (a) As at 31 December 2025, bank borrowings of RMB677,209,000 (2024: RMB680,126,000) from Guangzhou Rural Commercial Bank Co., Ltd. South China Branch, bore floating interest ranging from 3.85% to 6.13% (2024: 4.43% to 6.06%) per annum, and bank borrowings of RMB153,230,000 (2024: RMB133,298,000) from China Zheshang Bank Co., Ltd. Jiangmen Branch, bore fixed interest at 5.00% (2024: 5.90%) per annum, were secured by (1) the investment properties of RMB810,230,000 (2024: RMB859,600,000) of the Group (Note 11); and (2) personal guarantee from Mr. Cheung Hon Chuen, Mr. Mei Zuoting, Mr. Zhang Weixin, directors of the Company, and Ms. Huang Wanyi, a spouse of Mr. Zhang Weixin, and Ms. Cai Huanqi, a spouse of Mr. Mei Zuoting.
- (b) The exposure of bank borrowings to interest-rate changes at the end of the reporting dates are as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
6 months or less	830,439	813,424

- (c) The maturity of the bank borrowings is as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Less than 1 year	495,030	239,004
1 – 2 years	152,496	356,811
2 – 5 years	143,291	136,326
Over 5 years	39,622	81,283
	830,439	813,424

(d) The weighted average effective interest rates of borrowings are as follows:

	For the year ended	
	2025	2024
Bank borrowings	<u>4.85%</u>	<u>5.70%</u>

(e) The carrying amounts of current borrowings approximate their fair values due to their short-term maturities.

As at 31 December 2025, the carrying amounts of borrowings are primarily denominated in RMB and approximate their fair values (2024: same).

17 DEFERRED INCOME TAX

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts of deferred income tax assets and liabilities of the Group after offsetting are as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Gross deferred income tax assets:		
Deferred income tax assets to be recovered after more than 12 months	<u>(56,838)</u>	<u>(61,957)</u>
Set-off of deferred income tax assets pursuant to set-off provisions	<u>53,526</u>	<u>59,318</u>
Net deferred income tax assets	<u>(3,312)</u>	<u>(2,639)</u>
Gross deferred income tax liabilities:		
Deferred income tax liabilities to be settled after more than 12 months	<u>226,183</u>	<u>242,803</u>
Set-off of deferred income tax liabilities pursuant to set-off provisions	<u>(53,526)</u>	<u>(59,318)</u>
Net deferred income tax liabilities	<u>172,657</u>	<u>183,485</u>

The net movements on deferred income tax are as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Balance at beginning of the year	180,846	233,651
Credited to profit or loss (<i>Note 8</i>)	<u>(11,501)</u>	<u>(52,805)</u>
Balance at end of the year	<u>169,345</u>	<u>180,846</u>

The movement in deferred income tax assets before offsetting during the year is as follows:

Deferred income tax assets	Temporary difference on recognition of cost of sales and expenses RMB'000	Allowance on doubtful receivables RMB'000	Lease liability RMB'000	Total RMB'000
At 1 January 2024	6,859	5,835	53,717	66,411
(Charged)/credited to profit or loss	<u>(181)</u>	<u>979</u>	<u>(5,252)</u>	<u>(4,454)</u>
At 31 December 2024 and at 1 January 2025	6,678	6,814	48,465	61,957
Credited/(charged) to profit or loss	<u>601</u>	<u>620</u>	<u>(6,340)</u>	<u>(5,119)</u>
At 31 December 2025	<u>7,279</u>	<u>7,434</u>	<u>42,125</u>	<u>56,838</u>

Deferred income tax assets are recognised for tax losses carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Group did not recognise deferred income tax assets of RMB50,450,000 (2024: RMB51,908,000) in respect of losses amounting to RMB201,798,000 (2024: RMB207,633,000) of certain subsidiaries that can be carried forward against future taxable income as at 31 December 2025. These tax losses will expire up to years 2023 to 2027.

The movement in deferred income tax liabilities before offsetting during the year is as follows:

Deferred income tax liabilities	Temporary difference of investment properties RMB'000	Finance lease receivables RMB'000	Fair value of financial assets at fair value through profit of loss RMB'000	Total RMB'000
At 1 January 2024	281,076	18,647	339	300,062
Transfer to finance lease receivables/transfer from investment properties	(410)	410	–	–
(Credited)/charged to profit or loss	<u>(53,087)</u>	<u>(5,214)</u>	<u>1,042</u>	<u>(57,259)</u>
At 31 December 2024 and at 1 January 2025	227,579	13,843	1,381	242,803
Transfer to finance lease receivables/transfer from investment properties	(3,938)	3,938	–	–
Credited to profit or loss	<u>(11,697)</u>	<u>(3,665)</u>	<u>(1,258)</u>	<u>(16,620)</u>
At 31 December 2025	<u>211,944</u>	<u>14,116</u>	<u>123</u>	<u>226,183</u>

As at 31 December 2025, deferred income tax liabilities amounting to RMB35,921,000 (2024: RMB35,921,000), have not been recognised for withholding tax and other taxes that would be payable on the unremitted earnings of the Group's subsidiaries in the PRC. Such amounts are permanently reinvested.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the FY2025. No interim dividend was paid or declared during FY2025 (2024: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

The Group's revenue decreased by approximately 15.5% to approximately RMB215.2 million for FY2025 as compared to approximately RMB254.8 million recorded for FY2024. Lower revenue for FY2025 as compared to FY2024 was mainly due to the expiration of the original lease of Xinji Hotelex Hospitality Supplies Center on 31 May 2026, and several renewal contracts in the FY2025 being financing lease contracts, as well as the reduction in rental income in other markets of the Group due to the introduction of leasing concession policies.

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

	For the year ended 31 December			
	2025		2024	
	RMB'000	%	RMB'000	%
Rental Income	153,531	71	188,613	74
Property Management Service	54,697	26	57,965	23
Sales of Goods	6,991	3	8,137	3
Others	12	–	74	–
Total	<u>215,231</u>	<u>100</u>	<u>254,789</u>	<u>100</u>

Rental Income

Rental income is the revenue received by our Group from the tenants who signed lease contracts with us to run business at our Group's owned/leased portfolio shopping malls, accounted for approximately 71% of our total revenue during FY2025. During FY2025, our rental income decreased by approximately RMB35.1 million or approximately 18.6% to approximately RMB153.5 million (FY2024: RMB188.6 million). Such decrease was mainly due to the expiration of the original lease of Xinji Hotelex Hospitality Supplies Center on 31 May 2026, and several renewal contracts in the FY2025 being financing lease contracts, as well as a reduction in rental income in other markets of the Group due to the introduction of leasing concession policies.

Property Management Service

Revenue from our property management service is the management fees paid by our Group's tenants under the property management agreements. During FY2025, income from property management services decreased by approximately RMB3.3 million or approximately 5.6% to approximately RMB54.7 million (FY2024: RMB58.0 million). The decrease in revenue from property management service was mainly due to the lower occupancy rate of the Group's two shopping malls in Shenyang during the year.

Sales of Goods

Revenue from sales of goods is the revenue generated from sales of hospitality products and home furnishings through our online shopping mall. During FY2025, revenue from sales of goods decreased by approximately RMB1.1 million to approximately RMB7.0 million (FY2024: RMB8.1 million). Such decrease in revenue from sales of goods was mainly due to the decrease in revenue in the business-to-customer platform business of our Group.

Cost of Sales

During FY2025, the Group's cost of sales was approximately RMB43.1 million as compared to approximately RMB43.9 million for FY2024, representing a small change.

Fair Value Losses on Investment Properties

Our fair value losses on investment properties decreased by approximately RMB198.5 million to fair value losses of approximately RMB116.0 million for FY2025 (FY2024: fair value losses of RMB314.5 million). During FY2025, primarily due to (i) the improvement in the operating conditions of Xinji Shaxi Hospitality Supplies Expo Center following the delay in its renovation plan, and (ii) the narrowing of the decline in occupancy rates of two shopping malls in Shenyang compared with the previous year, the fair value losses on investment properties recognized by the Group in the FY2025 decreased compared with that in FY2024.

Selling and Marketing Expenses

Our selling and marketing expenses decreased by approximately RMB1.6 million or 12.9% from approximately RMB12.3 million for FY2024 to approximately RMB10.7 million for FY2025. Such decrease was mainly due to the decrease in expenses related to selling and marketing for the Group during the FY2025.

Administrative Expenses

Our administrative expenses increased by approximately RMB1.0 million or 2.9% from approximately RMB35.5 million for FY2024 to approximately RMB36.5 million for FY2025. Such increase was mainly attributable to the higher labour costs resulting from salary adjustments for employees on certain projects.

Other Income

Our other income decreased by approximately RMB2.1 million or 62.5% from approximately RMB3.4 million for FY2024 to approximately RMB1.3 million for FY2025. The decrease was primarily attributable to the receipt of land occupation compensation in FY2024 due to subway reconstruction, which was one-off and non-recurring in nature.

Operating Loss/Profit and Operating Loss/Profit Margin

As a result of the foregoing, our operating loss decreased by approximately RMB171.4 million from approximately RMB148.1 million for FY2024 to an operating profit of approximately RMB23.2 million for FY2025. Such turnaround from operating loss to operating profit was mainly due to the decrease in fair value loss on investment properties.

Finance Income

Our finance income for FY2025 was approximately RMB1.9 million, representing a decrease of approximately RMB1.1 million as compared to FY2024, mainly due to the decrease in bank interest rates.

Finance Expenses

Our finance expenses for FY2025 was approximately RMB48.3 million, representing a decrease of RMB8.1 million as compared to approximately RMB56.4 million for FY2024, mainly due to repayment of a portion of the bank loans and a reduction in loan interest rates during the year under review.

Net Finance Expenses

Net finance expenses for the FY2025 amounted to approximately RMB46.3 million as compared to approximately RMB53.3 million for the FY2024, which was mainly due to the repayment of a portion of the bank loans and a reduction in loan interest rates for the FY2025.

Loss for the Year

As a result of the foregoing, loss recorded by our Group decreased by approximately RMB134.4 million or 82.9% from loss of approximately RMB162.1 million for the FY2024 to loss of approximately RMB27.8 million for the FY2025. The decrease in the loss was mainly due to the decrease in fair value losses on investment properties held by the Group for the FY2025.

Core Net Profit

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

Our core net profit decreased by approximately RMB14.5 million or 19.7% from approximately RMB73.8 million for FY2024 to approximately RMB59.3 million for FY2025. The decrease was mainly due to the decrease of approximately RMB35.1 million in the revenue from the Group's property leasing for the FY2025.

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

	For the year ended	
	31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Loss for the year	(27,768)	(162,123)
Add:		
Fair value losses on investment properties	116,045	314,532
Income tax expense in relation to above reconciled items	(29,011)	(78,633)
	<hr/>	<hr/>
Core net profit for the year	59,266	73,776
– Owners of the Company	59,349	73,585
– Non-controlling interests	(83)	191
	<hr/>	<hr/>

LIQUIDITY AND FINANCIAL RESOURCES

Cash and Cash Equivalents

As at 31 December 2025, the Group's cash and cash equivalents amounted to approximately RMB693.7 million (2024: RMB582.5 million), which are mainly denominated in Renminbi.

Borrowing and Charges on the Group's Assets

As at 31 December 2025, bank borrowings of RMB677.2 million (2024: RMB680.1 million) from Guangzhou Rural Commercial Bank Co., Ltd. South China Branch, bore floating interest ranging from 3.85% to 6.13% (2024: 4.43% to 6.06%) per annum, and bank borrowings of RMB153.2 million (2024: RMB133.3 million) from China Zheshang Bank Co., Ltd. Jiangmen Branch, bore fixed interest at 5.00% (2024: 5.90%) per annum, were secured by (1) the investment properties of the Group; and (2) personal guarantee from Mr. Cheung Hon Chuen, Mr. Mei Zuoting, Mr. Zhang Weixin, directors of the Company, and Ms. Huang Wanyi, a spouse of Mr. Zhang Weixin, and Ms. Cai Huanqi, a spouse of Mr. Mei Zuoting. The value of investment properties pledged as collateral for the Group's borrowings was approximately RMB810.2 million (2024: RMB859.6 million).

Gearing Ratio

The gearing ratio as at 31 December 2025, calculated on the basis of net debt over total capital, was 12% as compared with 20% as at 31 December 2024.

Net Current Assets/liabilities and Current Ratio

As at 31 December 2025, the Group had net current liabilities of RMB54.5 million as compared with net current assets of RMB100.4 million as at 31 December 2024. The current ratio was 0.94 as at 31 December 2025 (2024: 1.18).

Acquisition and Disposal of Subsidiaries, Associates and Joint Ventures

The Group had no material acquisitions and disposals of subsidiaries, associates and joint ventures during FY2025.

BUSINESS REVIEW

The Group is principally engaged in the operation of shopping malls for hospitality supplies and home furnishings which generate rental revenue in the PRC. Our business operations comprise six main business lines:

- (i) our shopping malls, including three shopping malls for hospitality supplies and two shopping malls for home furnishings;
- (ii) subleasing apartments;
- (iii) property management projects;
- (iv) managed shopping malls;
- (v) our online shopping mall for sales of hospitality supplies and home furnishings; and
- (vi) our exhibition management business.

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

Business Segment Review

Shopping Malls

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

Shopping Malls for Hospitality Supplies

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

Shopping Malls for Home Furnishings

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

Subleasing Apartments

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

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

Property Management Projects

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

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

	Property leasing income		Property management service income	
	For the year ended 31 December		For the year ended 31 December	
	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Guangzhou region	143,162	174,756	33,379	33,394
Foshan region	–	–	9,303	8,966
Shenyang region	10,369	14,137	12,015	15,325

Managed Shopping Mall

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

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

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

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

Online Shopping Mall

During the FY2025, our online shopping mall generated revenue of approximately RMB8.2 million for the sales of goods (FY2024: RMB8.1 million). The goods sold by the Group were entirely hospitality goods and home furnishings. The operating profit margin of the online shopping mall during the FY2025 was approximately 7% (FY2024: 9%).

Exhibition Management Business

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

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

Very substantial acquisition – Successful Bid for the Lease of the Properties

The land use rights lease agreement dated 11 November 2004 (as amended and supplemented by supplemental agreements dated 28 September 2007, 15 June 2010 and 26 August 2010) entered into between the Guangzhou City Panyu District Luopu Street Shangjiao Village Shareholding Economic Cooperatives* (廣州市番禺區洛浦街上滲村股份合作經濟社) (“SVSEC”) and Guangzhou Wanhua Hospitality Supplies City Company Limited* (廣州萬華酒店用品城有限公司), being an indirect wholly-owned subsidiary of the Company, in relation to the land on which Xinji Hotelex Hospitality Supplies Center is located will expire on 31 May 2026.

In order to continue the operation of Xinji Hotelex Hospitality Supplies Center through (i) the shops situated on the land at 101 Yingbin Road, Shangjiao Village, Luopu Street, Panyu District, Guangzhou City, the PRC (中國廣州市番禺區洛浦街上滘村迎賓路101號) and (ii) the shops situated on the land at 2 Shangjiao Street, Panyu District, Guangzhou City, the PRC (中國廣州市番禺區上滘大街2號) (collectively, the “**Properties**”), the Group intended to bid at the relevant bidding process in respect of a lease of the Properties.

In accordance with HKFRS 16 “Leases”, the entering into of the Lease Agreement (as defined below) as lessee requires the Group to recognise the Properties as a right-of-use asset on its consolidated statement of financial position, thus the Lease Agreement and the transactions contemplated thereunder would be regarded as an acquisition of asset by the Group under the Listing Rules. At the material time, assuming that the unaudited value of the right-of-use asset to be recognised by the Group pursuant to HKFRS 16 in respect of the possible lease was approximately RMB840,544,000 as determined by the valuer based on the Maximum Bid Price (as defined below), as one or more of the applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the possible lease would exceed 100%, the possible lease, if materialised, would constitute a very substantial acquisition on the part of the Company and was therefore subject to reporting, announcement and Shareholders’ approval requirements under Chapter 14 of the Listing Rules. If the Group was the successful bidder, it would enter into the Lease Agreement shortly after the public announcement of the bidding process results and would not have sufficient time to seek the approval of the Shareholders that was required under Chapter 14 of the Listing Rules. Accordingly, the Directors proposed to seek the Shareholders’ prior approval for the grant of the mandate.

At the extraordinary general meeting of the Company held on 5 December 2025, the Shareholders approved the grant of the mandate to the Directors to appoint a person to bid on behalf of any PRC subsidiary of the Company at the relevant bidding process at or above the reserve price of RMB3,621,840 per month but not exceed an amount equivalent to 5% above the valuation of the Properties as assessed by the valuer (the “**Maximum Bid Price**”).

On 31 December 2025, the Group (as the successful bidder) entered into a lease agreement with the SVSEC (the “**Lease Agreement**”) for the lease of the Properties for a term of 20 years at the reserve price. The independent valuation of market rent of the Properties in existing state was approximately RMB4,930,000 per month as at 30 September 2025.

The Directors believe that the revenue generated from this transaction shall contribute positively to the results of the Group in future. For details, please refer to the Company’s announcements dated 31 October 2025, 5 December 2025 and 24 December 2025 and the Company’s circular dated 17 November 2025.

DISCLOSEABLE AND CONNECTED TRANSACTION

On 5 December 2025, Guangzhou Shaxi International Hospitality Supplies City Company Limited* (廣州沙溪國際酒店用品城有限公司), an indirect wholly-owned subsidiary of the Company, as tenant, entered into a tenancy agreement (the “**2026 Headquarters Tenancy Agreement**”) with Guangzhou Xinji Real Estate Development Co., Ltd.* (廣州市信基置業房地產開發有限公司) (“**Guangzhou Real Estate**”), as landlord, to renew the lease of 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) (the “**Premises**”), which is approximately 3,897.74 square meters, for a term of two years commencing from 1 January 2026 and ending on 31 December 2027 (both days inclusive) at a total rent of RMB8,841,642.

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.

Guangzhou Real Estate is co-owned by (i) Mr. Cheung Hon Chuen, being an executive Director, the chairman of the Board and a controlling shareholder of the Company; (ii) Mr. Mei Zuoting, being an executive Director and a controlling shareholder of the Company; and (iii) Mr. Zhang Weixin, being an executive Director and a controlling shareholder of the Company. Accordingly, Guangzhou Real Estate is an associate of Mr. Cheung Hon Chuen, Mr. Mei Zuoting and Mr. Zhang Weixin 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.

For further details, please refer to the announcement of the Company dated 5 December 2025.

FUTURE PROSPECTS

The macroeconomic environment is expected to remain uncertain, with potential risks from China's property sector, US trade policy, and global volatility. Nevertheless, our objective of exploring the new local markets remains unchanged.

Looking ahead, the Board maintains a prudent yet optimistic look for the Group's six main business lines in the long term. The Group is dedicated to allocating resources for its development while actively pursuing new opportunities.

The Board will continue to closely monitor the global economies development, formulate strategies and plans to utilise its resources effectively and capture viable business opportunities to maintain sustainable long-term growth of the Group. To ensure long-term sustainability, the Company will adopt a cautious approach and remain vigilant against potential risks. It will closely monitor its working capital management, while staying attentive to operational developments.

We will maintain a model of rapid development of light asset projects featured by "Brand Export, Management Export, and Cooperative Operation", while establishing a vertical e-commerce platform for the hospitality supplies industry and expanding the online shopping mall business, thereby further expanding the market share and brand influence of the Group. We will focus on the platform sharing concept of "Industrial Alliance and Collective Development", enhancing the brand stickiness along with the development of the industry. Our aim is to maintain our market leadership status, to continue our reputation for premium quality, and consequently to deliver consistently steady returns for investors. Meanwhile, the Group will continue to expand the business of property management service (especially through the acquisition and merger of mature property management service projects), with an aim to increase the stable cash flow of the Group, so as to advance the interests of the Company and its Shareholders, which will bring sustainable and stable development to the Group.

CORPORATE GOVERNANCE

The Company's corporate governance practices are based on the principles and the code provisions as set out in the Corporate Governance Code ("**CG Code**") contained in Appendix C1 to the Listing Rules.

During the FY2025, the Company has complied with the principles and the applicable code provisions as set out in Part 2 of the CG Code^(note) contained in Appendix C1 to the Listing Rules other than code provision C.2.1 of the CG Code, which stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

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

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

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

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

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

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

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (“**Model Code**”) as set out in Appendix C3 to the Listing Rules as its code of conduct regarding dealings in the securities of the Company by the Directors, the Group’s senior management, and employees who, because of his/her office or employment, is likely to possess inside information in relation to the Group or the Company’s securities. Upon specific enquiry, all Directors confirmed that they have complied with the Model Code during the FY2025. In addition, the Company is not aware of any non-compliance of the Model Code by the senior management of the Group during the year under review.

PURCHASE, SALE OR REDEMPTION OF COMPANY'S LISTED SECURITIES

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

SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

Save as disclosed in this announcement, there are no significant events after the year ended 31 December 2025 and up to the date of this announcement.

SUFFICIENCY OF PUBLIC FLOAT

As at the date of this announcement, according to the information that is publicly available to the Company and within the knowledge of the Board, the Company has maintained the public float as required under the Listing Rules with more than 25% of the issued shares of the Company being held by the public.

AUDIT COMMITTEE

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

The Audit Committee has considered and reviewed the Group's annual results for the FY2025, the accounting principles and practices adopted by the Company and the Group and discussed matters in relation to internal control and financial reporting with the management. The Audit Committee considers that the annual financial results for the FY2025 are in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been duly made.

SCOPE OF WORK OF THE COMPANY'S AUDITOR

The figures in respect of the Group's consolidated balance sheet, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for FY2025 as set out in this annual results announcement have been agreed by the Company's auditors to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by the Company's auditors in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the Company's auditors on this annual results announcement.

CLOSURE OF REGISTER OF MEMBERS

The Company will hold the annual general meeting (the “AGM”) on Friday, 29 May 2026.

For the purpose of ascertaining the Shareholders’ entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 26 May 2026 to Friday, 29 May 2026, both days inclusive, and during which period no transfer of Shares will be registered.

In order to be eligible to attend and vote at the AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Friday, 22 May 2026.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This results announcement is published on the websites of the Stock Exchange at www.hkexnews.hk and the Company at www.xjsx.net.cn. The 2025 annual report of the Company containing all the information required by the Listing Rules will be despatched to the shareholders of the Company in April 2026 and will be published on the above websites.

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

Guangzhou, the PRC, 30 March 2026

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

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