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Zhixin Group Holding Limited

智欣集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2187)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

The board (the “**Board**”) of directors (the “**Directors**”) of Zhixin Group Holding Limited (the “**Company**”) hereby announces the audited results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2025 (“**FY2025**”) with the comparative figures for the corresponding year ended 31 December 2024 (“**FY2024**”) as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

		2025	2024
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	3	552,798	580,370
Cost of sales	3, 4	(513,989)	(525,992)
Gross profit		38,809	54,378
Other income		10,142	10,895
Other losses — net		(2,609)	(8,053)
Selling expenses	4	(4,918)	(13,850)
Administrative expenses	4	(81,890)	(82,722)
Net impairment losses on financial assets		(3,662)	(16,934)
Operating loss		(44,128)	(56,286)
Finance income	5	26	36
Finance costs	5	(14,067)	(18,201)
Finance costs — net	5	(14,041)	(18,165)
Loss before income tax		(58,169)	(74,451)
Income tax expense	6	(363)	(748)
Loss and total comprehensive loss for the year attributable to owners of the Company		<u>(58,532)</u>	<u>(75,199)</u>
Loss per share for loss attributable to owners of the Company			
— Basic	7	<u>(0.078)</u>	<u>(0.101)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	<i>Notes</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
ASSETS			
Non-current assets			
Property, plant and equipment	9	571,128	412,302
Right-of-use assets	10	105,159	100,367
Investment properties	11	29,931	31,085
Intangible assets	12	39,388	39,403
Financial asset at fair value through other comprehensive income (“FVOCI”)		10,000	—
Trade receivables	14	8,415	13,810
Prepayments for property, plant and equipment		30,641	—
Deferred income tax assets		6,568	4,454
		<u>801,230</u>	<u>601,421</u>
Current assets			
Inventories	13	11,865	18,993
Trade receivables	14	394,781	451,217
Prepayments, deposits and other receivables		38,385	41,987
Cash and cash equivalent		42,883	19,036
		<u>487,914</u>	<u>531,233</u>
Total assets		<u><u>1,289,144</u></u>	<u><u>1,132,654</u></u>
EQUITY			
Equity attributable to owners of the Company			
Share capital		6,358	6,358
Other reserves		364,659	364,659
(Accumulated losses)/retained earnings		(51,600)	6,932
		<u>319,417</u>	<u>377,949</u>
Total equity		<u><u>319,417</u></u>	<u><u>377,949</u></u>

	<i>Notes</i>	2025 RMB'000	2024 <i>RMB'000</i>
LIABILITIES			
Non-current liabilities			
Borrowings	<i>16</i>	351,799	132,691
Deferred income		35,675	12,064
Deferred income tax liabilities		2,206	6,234
		<u>389,680</u>	<u>150,989</u>
Current liabilities			
Trade payables	<i>15</i>	349,883	299,173
Other payables and accruals	<i>15</i>	70,245	69,964
Current income tax liabilities		5,388	1,828
Borrowings	<i>16</i>	150,368	227,698
Contract liabilities		4,163	5,053
		<u>580,047</u>	<u>603,716</u>
Total liabilities		<u>969,727</u>	<u>754,705</u>
Total equity and liabilities		<u>1,289,144</u>	<u>1,132,654</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. GENERAL

Zhixin Group Holding Limited (the “**Company**”) was incorporated in the Cayman Islands on 14 November 2018 as an exempted company with limited liability under the Companies Law, Cap. 22 of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Company acts as an investment holding company and its subsidiaries (together as the “**Group**”) principally engaged in the manufacturing and sale of ready-mixed concrete and precast concrete components in Xiamen city of Fujian province, and the manufacturing and sale of eco-friendly bricks and the recycling of iron ore tailings in Changjiang county of Hainan province, the People’s Republic of China (the “**PRC**”).

The Company’s shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited since 26 March 2021.

The ultimate controlling shareholder and major shareholder of the Company are Mr. Ye Zhijie, the Chairman and executive director of the Company, and Mr Huang Wengui, an executive director of the Company, respectively.

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

2. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES

2.1 Basis of preparation

The principal accounting policies applied in the preparation of the consolidated financial statements which are in accordance with the HKFRS Accounting Standards (“**HKFRSs**”) as issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and disclosure requirements of the Hong Kong Companies Ordinance Cap. 622 are set out below. The consolidated financial statements have been prepared on a historical cost basis except for financial asset at FVOCI which has been measured at fair value.

The preparation of the consolidated financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

2.1.1 Going concern

The Group recorded a loss of approximately RMB58,532,000 for the year end 31 December 2025, which is mainly attributable to the net loss from the Group's operations in ready-made concrete and precast concrete components business. Moreover, the production of precast concrete components business remained temporarily suspended during the year ended 31 December 2025. As at 31 December 2025, the Group's current liabilities exceeded its current assets by approximately RMB92,133,000. These events and conditions may cast significant doubt on the Group's ability to continue as a going concern.

The Group meets its day-to-day working capital requirements mainly through its operating cash flows and bank borrowings. In view of the above circumstance, in preparing the financial statements, the directors of the Company have given a careful consideration to the projected needs for liquidity, operation results and the available financial sources of the Group in evaluating whether the Group will have sufficient financial resources to continue as a going concern. Management's plan has included a number of measures to mitigate the liquidity pressure and to improve the financial position and operation results:

- (i) The Group will continue to make efforts to improve its operating results and cash flows, including but not limited to strengthening the collection of accounts receivables and increasing production capacity of the tailings recycling business;

- (ii) The Group will continue to manage the financing from bank borrowings with the effort to renew or refinance its long-term and short-term bank borrowings upon maturity. The Group has secured additional long-term loans with total amount of approximately RMB224,121,000 during the year ended 31 December 2025.

Having considered the above, the directors of the Company believe that the Group has adequate resources to continue operation for the foreseeable future of the period not less than twelve months from the year end date of these financial statements. The directors, therefore, are of the opinion that it is appropriate to adopt the going concern basis in preparing its consolidated financial statements. Further information on the Group's borrowings is given in Note 16.

2.1.2 Application of new and amendments to HKFRS Accounting Standards

Amendments to an HKFRS Accounting Standard that are mandatorily effective for the current year

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

Amendments to HKAS 21

Lack of Exchangeability

The Group has not applied any new standards and amendments to HKFRSs that are not yet mandatorily effective for the current accounting period. The application of the amendments to HKFRS Accounting Standard 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.

New and amendments to HKFRS Accounting Standards issued 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 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ²
Annual Improvements to HKFRS Accounting Standards — Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 ²
HKFRS 18 and consequential amendments to other HKFRS Accounting Standards	Presentation and Disclosure in Financial Statements ³
HKFRS 19 and subsequent amendments	Subsidiaries without Public Accountability: Disclosures ³
Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency 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.

Management is currently assessing the effect of applying these new standards and amendments on the Group's consolidated financial information. Based on the assessment performed to date, none of these new standards and amendments is expected to have a significant effect on the consolidated financial information of the Group. The Group does not expect to adopt these new standards and amendments until their respective effective dates.

3. REVENUE AND SEGMENT INFORMATION

The Group is engaged in manufacturing and sale of concrete, precast building component products and bricks.

The Company's executive directors are the Group's chief operating decision maker. The Group's chief operating decision maker examines the Group's performance from a product perspective and has identified three operating segments of its business as follows:

- (i) Ready-mixed concrete — manufacturing and sale of ready-mixed concrete in Xiamen,
- (ii) Precast concrete components — manufacturing and sale of precast concrete components in Xiamen, and
- (iii) Tailings recycling and bricks — sales of iron ore and other products produced from iron ore tailings recycling, and manufacturing and sales of eco-friendly bricks in Hainan.

The Group derived its revenue mainly from the transfer of goods at point in time during the year.

(a) Segment information of the Group

	Year ended 31 December 2025			Total RMB'000
	Ready- mixed concrete RMB'000	Precast concrete components RMB'000	Tailings recycling and bricks RMB'000	
Revenue	267,347	502	284,949	552,798
Cost of sales	<u>(293,716)</u>	<u>(1,896)</u>	<u>(218,377)</u>	<u>(513,989)</u>
Gross profit	(26,369)	(1,394)	66,572	38,809
Selling expenses	(4,273)	(275)	(370)	(4,918)
Administrative expenses	<u>(33,322)</u>	<u>(17,189)</u>	<u>(24,429)</u>	<u>(74,940)</u>
Segment results	<u><u>(63,964)</u></u>	<u><u>(18,858)</u></u>	<u><u>41,773</u></u>	<u><u>(41,049)</u></u>

A reconciliation of results of reportable segments to loss for the year is as follows:

Results of reportable segments	(41,049)
Unallocated costs and expenses	(6,950)
Other income	10,142
Other losses — net	(2,609)
Impairment losses on financial assets	(3,662)
Finance income	26
Finance costs	<u>(14,067)</u>
Loss before income tax	(58,169)
Income tax expense	<u>(363)</u>
Loss and total comprehensive loss for the year	<u><u>(58,532)</u></u>

	Year ended 31 December 2025			
	Ready- mixed concrete <i>RMB'000</i>	Precast concrete components <i>RMB'000</i>	Tailings recycling and bricks <i>RMB'000</i>	Total <i>RMB'000</i>
Other items for the year ended 31 December 2025:				
Additions to non-current assets (other than financial instruments and deferred income tax assets)	2,219	15,074	167,125	184,418
Depreciation	5,233	6,472	17,864	29,569
Amortisation	26	—	8	34
	<u>26</u>	<u>—</u>	<u>8</u>	<u>34</u>
Segment assets and liabilities are: As at 31 December 2025				
Segment assets	391,302	160,575	679,118	1,230,995
Unallocated assets				<u>58,149</u>
Total assets				<u>1,289,144</u>
Segment liabilities	280,426	31,911	141,862	454,199
Unallocated liabilities				<u>515,528</u>
Total liabilities				<u>969,727</u>

	Year ended 31 December 2024			Total RMB'000
	Ready- mixed concrete RMB'000	Precast concrete components RMB'000	Tailings recycling and bricks RMB'000	
Revenue	302,900	14,087	263,383	580,370
Cost of sales	<u>(307,300)</u>	<u>(38,844)</u>	<u>(179,848)</u>	<u>(525,992)</u>
Gross profit	(4,400)	(24,757)	83,535	54,378
Selling expenses	(3,844)	(1,954)	(8,052)	(13,850)
Administrative expenses	<u>(33,518)</u>	<u>(16,013)</u>	<u>(28,570)</u>	<u>(78,101)</u>
Segment results	<u><u>(41,762)</u></u>	<u><u>(42,724)</u></u>	<u><u>46,913</u></u>	<u><u>(37,573)</u></u>

A reconciliation of results of reportable segments to loss for the year is as follows:

Results of reportable segments	(37,573)
Unallocated costs and expenses	(4,621)
Other income	10,895
Other losses — net	(8,053)
Impairment losses on financial assets	(16,934)
Finance income	36
Finance costs	<u>(18,201)</u>
Loss before income tax	(74,451)
Income tax expense	<u>(748)</u>
Loss and total comprehensive loss for the year	<u><u>(75,199)</u></u>

	Year ended 31 December 2024			
	Ready- mixed concrete <i>RMB'000</i>	Precast concrete components <i>RMB'000</i>	Tailings recycling and bricks <i>RMB'000</i>	Total <i>RMB'000</i>
Other items for the year ended 31 December 2024:				
Additions to non-current assets (other than financial instruments and deferred income tax assets)	2,558	4,941	60,052	67,551
Depreciation	7,910	5,119	18,449	31,478
Amortisation	26	—	28	54
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Segment assets and liabilities are:				
As at 31 December 2024				
Segment assets	412,215	191,060	441,842	1,045,117
Unallocated assets				<u>87,537</u>
Total assets				<u>1,132,654</u>
Segment liabilities	259,123	24,956	98,333	382,412
Unallocated liabilities				<u>372,293</u>
Total liabilities				<u>754,705</u>

4. EXPENSES BY NATURE

The expenses charged to cost of sales, selling expenses and administrative expenses are analysed below:

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Raw materials and consumables used	365,732	358,732
Changes in inventories of finished goods and work in progress	3,491	9,601
Employee benefit expenses	60,741	65,731
Outsourcing service expenses	40,792	36,807
Transportation expenses	39,857	34,763
Depreciation of property, plant and equipment	26,316	30,425
Depreciation of right-of-use assets	3,388	3,394
Depreciation of investment properties	1,154	1,126
Amortisation of intangible assets	34	54
Electricity and water expenses	16,480	22,755
Short-term lease rental expenses	1,023	1,182
Other taxes and levies	8,802	4,829
(Reversal of provision)/provision for impairment of inventories	(1,601)	421
Impairment of property, plant and equipment	—	26,767
Auditors' remuneration		
— Audit services	1,462	2,450
— Non-audit services	738	262
Consulting fee	6,620	5,955
Others	25,768	17,310
	<hr/>	<hr/>
Total	<u>600,797</u>	<u>622,564</u>

5. FINANCE COSTS — NET

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Finance income		
— Interest income on bank deposits	<u>26</u>	<u>36</u>
Finance costs		
Interest expense on		
— bank borrowings	(17,022)	(19,400)
Other financing costs	<u>(130)</u>	<u>(371)</u>
	(17,152)	(19,771)
Less: interest capitalised in construction in progress <i>(note 9(d))</i>	<u>3,085</u>	<u>1,570</u>
Finance costs expensed	<u>(14,067)</u>	<u>(18,201)</u>
Finance costs — net	<u><u>(14,041)</u></u>	<u><u>(18,165)</u></u>

The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the interest rate applicable to the Group's borrowings for construction in process during the year ended 31 December 2025 of 3.86% (2024: 5.18%) per annum.

6. INCOME TAX EXPENSE

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current income tax		
— PRC income tax	6,505	672
Deferred income tax, net (credit)/charge	<u>(6,142)</u>	<u>76</u>
Income tax expense	<u><u>363</u></u>	<u><u>748</u></u>

(a) Cayman Islands, BVI and Hong Kong profits tax

The Company is an exempted company incorporated in the Cayman Islands and is not liable for taxation in the Cayman Islands.

The Group's subsidiary incorporated in the BVI is exempted company and is not liable for taxation in the BVI.

Hong Kong profits tax is calculated at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits during the year. The Group did not have assessable profits subject to in Hong Kong profits tax during the year (2024: nil).

(b) PRC corporate income tax (“CIT”)

Taxation on PRC income has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the PRC in which the Group's entities operate. The Company's subsidiaries incorporated in PRC are subject to CIT at the rate of 25% (2024: 25%) during the year, except for Zhixin Environmental Technology (Changjiang) Co., Ltd. (“**Zhixin Changjiang**”) which are subject to CIT at the preferential rate of 15% (2024: 15%).

Xiamen Zhixin Construction Technology Co., Ltd. (“**Zhixin Technology**”) obtained the qualification of certified high-tech enterprises in 2021. As approved by the relevant tax authority, the CIT rate applicable to Zhixin Technology in 2024 was 15%. The CIT rate has changed from 15% to 25% in 2025 following the expiry of its high-tech enterprises preferential CIT rate during the year ended 31 December 2025.

Zhixin Changjiang obtained the qualification of certified high-tech enterprises in 2023. As approved by the relevant tax authority, the CIT rate applicable to Zhixin Changjiang in 2025 was 15%.

Zhixin Changjiang (2024: Zhixin Technology and Zhixin Changjiang) was entitled to claim super tax deductions in relation to the qualifying expenditures under the Research and Development Tax Incentive regime in Hainan City (2024: Xiamen City and Hainan City).

In addition, in accordance with the Circular of the Ministry of Finance and the State Administration of Taxation on Issues concerning Implementing the Enterprise Income Tax Incentive Catalogue for Comprehensive Utilization of Resources Cai Shui [2008] No. 47, an enterprise, which uses the raw materials under the catalogue to produce recycled resource products under the catalogue and the products meet the national or industrial standards, is entitled to incentive tax arrangement such that 90% of the sales revenue of the products is subject to the calculation of the taxable income. The sales of products other than iron ore (including mainly crushed stones and gravel) from the iron ore tailings recycling business in the Group's subsidiary in Hainan, Zhixin Changjiang, qualify for the incentive tax arrangement and therefore 10% of Zhixin Changjiang's sales of these products was exempted from the taxable income of the Group in the calculation of CIT during the year.

(c) PRC withholding income tax

According to the CIT Law in the PRC, a 10% withholding tax on dividends received/receivable from PRC companies will be levied on the PRC companies' immediate holding companies established out of the PRC. A lower withholding tax rate may be applied if there is a tax treaty arrangement between the PRC and the jurisdiction of the foreign immediate holding companies, such as Hong Kong (5%), and simultaneously certain conditions are satisfied.

During the year, no PRC withholding income tax has been provided since the parent entities are able to control the timing of distributions from their PRC subsidiaries and are not expected to distribute these profits in the near future.

As at 31 December 2025, no deferred income tax liabilities is recognised for the withholding tax that would be payable on unremitted earnings of PRC subsidiaries of the Group. The Group does not have an intention to distribute the respective unremitted profits in the near future.

7. BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the year.

	2025	2024
Loss attributable to owners of the Company (<i>RMB'000</i>)	(58,532)	(75,199)
Weighted average number of ordinary shares in issue	748,000,000	748,000,000
Basic earnings per share (<i>RMB</i>)	<u>(0.078)</u>	<u>(0.101)</u>

No diluted earnings per share for both 2025 and 2024 were presented as there were no potential dilutive ordinary share outstanding as at 31 December 2025 and 2024.

8. DIVIDEND

No dividend was paid, declared or proposed during the year ended 31 December 2025 (2024: nil).

9. PROPERTY, PLANT AND EQUIPMENT

	Buildings <i>RMB'000</i>	Machineries <i>RMB'000</i>	Concrete mixer trucks <i>RMB'000</i>	Office equipment and vehicles <i>RMB'000</i>	Construction in progress <i>RMB'000</i>	Total <i>RMB'000</i>
Year ended 31 December 2024						
Opening net book amount	201,531	163,462	17,341	6,423	19,543	408,300
Additions	516	968	2,177	5,410	58,499	67,570
Disposals	(30)	(4,514)	(1,484)	(348)	—	(6,376)
impairment	—	(19,699)	(6,881)	(187)	—	(26,767)
Depreciation charge (<i>note 4</i>)	(5,468)	(18,476)	(5,482)	(999)	—	(30,425)
Closing net book amount	<u>196,549</u>	<u>121,741</u>	<u>5,671</u>	<u>10,299</u>	<u>78,042</u>	<u>412,302</u>
At 31 December 2024						
Cost	229,535	233,225	30,443	26,867	78,042	598,112
Accumulated depreciation	(32,986)	(89,525)	(17,891)	(16,381)	—	(156,783)
Impairment	—	(21,959)	(6,881)	(187)	—	(29,027)
Net book amount	<u>196,549</u>	<u>121,741</u>	<u>5,671</u>	<u>10,299</u>	<u>78,042</u>	<u>412,302</u>

	Buildings RMB'000	Machineries RMB'000	Concrete mixer trucks RMB'000	Office equipment and vehicles RMB'000	Construction in progress RMB'000	Total RMB'000
Year ended 31 December 2025						
Opening net book amount	196,549	121,741	5,671	10,299	78,042	412,302
Additions	—	—	—	1,912	185,007	186,919
Transfer from construction in progress	22,378	—	—	—	(22,378)	—
Disposals	—	(33)	(707)	(1,037)	—	(1,777)
Depreciation charge (note 4)	(5,764)	(13,680)	(4,646)	(2,226)	—	(26,316)
Closing net book amount	213,163	108,028	318	8,948	240,671	571,128
At 31 December 2025						
Cost	251,913	220,430	23,352	25,414	240,671	761,780
Accumulated depreciation	(38,750)	(90,443)	(16,342)	(16,466)	—	(162,001)
Impairment	—	(21,959)	(6,692)	—	—	(28,651)
Net book amount	213,163	108,028	318	8,948	240,671	571,128

- (a) During the year, the amounts of depreciation expense and impairment loss charged to profit or loss were as follows:

	2025 RMB'000	2024 RMB'000
Depreciation of property, plant and equipment		
— Cost of sales	13,232	22,573
— Selling expenses	996	1,007
— Administrative expenses: depreciation	8,571	3,378
— Administrative expenses: production stoppage loss	3,517	3,467
	26,316	30,425

Impairment loss

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Impairment losses on property, plant and equipment		
— Cost of sales	—	26,580
— Administrative expenses	—	187
	<u>—</u>	<u>26,767</u>

- (b) During the year ended 31 December 2025, the Group continued to experience challenging market conditions in its ready-mixed concrete and precast concrete components segments, which are identified as two separate cash-generating units (“CGU(s)”). The Group remained temporarily suspended the production of precast concrete components during 2025, which will be resumed upon market recovery. In view of these impairment triggering indicators, the management carried out an assessment of the impairment of the operation assets of these two CGUs, including mainly the right of use assets (note 10) with net book value of RMB37,415,000 (2024: RMB44,272,000) and property, plant and equipment with net book value of RMB91,729,000 (2024: RMB100,992,000). The management engaged an external valuation expert to assist in the determination of the recoverable amounts of the assets. The assessment concluded that no further impairment is required (2024: among the property, plant and equipment of these two segments, the machineries, concrete mixer trucks, office equipment and vehicles with net book value of RMB60,395,000 as at 31 December 2024 were identified to be impaired, and impairment losses amounting to RMB26,767,000 was recognised in the consolidated statement of comprehensive income). The recoverable amounts of property, plant and equipment of these two CGUs were determined based on the fair value (“FV”) method, being the fair value less cost of disposal (FVLCOD), since the FVLCOD of the assets were the higher of the assessment results derived from the FV method and the Value in Use (VIU) method.
- (c) As at 31 December 2025, buildings and machineries of the Group with a total net book value of RMB119,150,000 (2024: RMB229,377,000) and construction in progress in relation to the iron ore tailings recycling plant with a net book value of RMB204,100,000 (2024: RMB51,304,000) were pledged to secure borrowings of the Group (note 16).

- (d) For the year ended 31 December 2025, general and specific borrowing interests amounting to approximately RMB3,085,000 (2024: RMB1,570,000) were capitalised into the cost of property, plant and equipment at an average borrowing rate of 3.86% (2024: 5.18%) per annum.

10 RIGHT-OF-USE ASSETS

	Land use rights RMB'000
At 1 January 2024	100,815
Transfer from investment properties	2,946
Depreciation charge (<i>note 4</i>)	<u>(3,394)</u>
At 31 December 2024 and 1 January 2025	100,367
Additions	8,180
Depreciation charge (<i>note 4</i>)	<u>(3,388)</u>
At 31 December 2025	<u><u>105,159</u></u>

The land use rights represent the Group's right-of-use assets arising from leasehold land in the PRC that the Group has made prepayment for the lease of the land. These include various land lots used for the office premises and production plants located in Jimei district of Xiamen city, Fujian province, the PRC, which are under leases of 20 to 42 years. In addition, the Group holds land use rights in Changjiang city, Hainan Province, the PRC, and Longyan city, Fujian Province, the PRC which are under a lease term of 50 years.

The Group has no lease liabilities as at 31 December 2025 and 2024. The right-of-use assets represent upfront lease payments for land use rights in the PRC. There are no ongoing payment obligations under the terms of these land leases.

As at 31 December 2025, land use rights of the Group with a total net book value of RMB96,979,000 (2024: RMB100,367,000) were pledged to secure borrowings of the Group (note 16).

11. INVESTMENT PROPERTIES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Land and buildings, at cost		
Opening net book amount	31,085	35,157
Transferred to right-of-use assets	—	(2,946)
Depreciation charge (<i>note 4</i>)	<u>(1,154)</u>	<u>(1,126)</u>
Closing net book amount	<u>29,931</u>	<u>31,085</u>
As at 31 December:		
Cost	40,760	40,760
Accumulated depreciation	<u>(10,829)</u>	<u>(9,675)</u>
	<u>29,931</u>	<u>31,085</u>

The Group's investment properties were stated at historical cost to the Group less accumulated depreciation and accumulated impairment losses at the end of each reporting period.

As at 31 December 2025, investment properties with a net book amount of RMB29,931,000 (2024: RMB22,368,000) were pledged to secure borrowings of the Group (note 16).

12. INTANGIBLE ASSETS

	Goodwill <i>RMB'000</i>	Software <i>RMB'000</i>	Total <i>RMB'000</i>
Year ended 31 December 2024			
Opening net book amount	39,297	160	39,457
Amortisation charge (<i>note 4</i>)	—	(54)	(54)
	<u>39,297</u>	<u>106</u>	<u>39,403</u>
Closing net book amount	<u>39,297</u>	<u>106</u>	<u>39,403</u>
At 31 December 2024			
Cost	39,297	480	39,777
Accumulated amortisation	—	(374)	(374)
	<u>39,297</u>	<u>106</u>	<u>39,403</u>
Net book amount	<u>39,297</u>	<u>106</u>	<u>39,403</u>
Year ended 31 December 2025			
Opening net book amount	39,297	106	39,403
Additions	—	19	19
Amortisation charge (<i>note 4</i>)	—	(34)	(34)
	<u>39,297</u>	<u>91</u>	<u>39,388</u>
Closing net book amount	<u>39,297</u>	<u>91</u>	<u>39,388</u>
At 31 December 2025			
Cost	39,297	499	39,796
Accumulated amortisation	—	(408)	(408)
	<u>39,297</u>	<u>91</u>	<u>39,388</u>
Net book amount	<u>39,297</u>	<u>91</u>	<u>39,388</u>

During the year, the amounts of amortisation expense charged to profit or loss were as follows:

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Amortisation of intangible assets		
— Cost of sales (<i>note 4</i>)	<u>34</u>	<u>54</u>

Impairment test for goodwill

Goodwill was derived from the acquisition of Zhixin Changjiang, which became a subsidiary of the Group, in December 2021. The Company has carried out an impairment review of the carrying amount of goodwill as at 31 December 2025 and have concluded that no provision for impairment is required (2024: Nil).

For the purposes of impairment testing, goodwill acquired has been allocated to the lowest level of CGUs identified, which is Zhixin Changjiang, in the segment of tailings recycling and manufacturing of bricks. The recoverable amount of the CGU is determined based on value-in-use calculations. The calculation of the recoverable amount of the CGU uses cash flow projections based on the financial estimates made by management of the Company, with reference to the amount of investments in production facilities and timing of commercial operation of the facilities and the prevailing market conditions, covering a period of five years. The major assumptions adopted in the cash flow projection included: i) revenue growth rate from years 2026 to 2030 at 26% (2024: 20.8%) per annum; ii) average gross profit margin of 29% (2024: 31%); iii) pre-tax discount rate of 16% (2024: 13%); and iv) terminal growth rates of 3.0% (2024: 2.0%).

Management believes that reasonably possible changes in the key assumptions used in the impairment test would not cause the carrying amount of the CGU to exceed its recoverable amount.

13. INVENTORIES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Raw materials	7,464	12,702
Finished goods	4,401	7,892
Less: provision for impairment of inventories	<u>—</u>	<u>(1,601)</u>
	<u>11,865</u>	<u>18,993</u>

The provision for impairment of inventories is reconciled to the opening balance of that provision as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
As at 1 January	1,601	1,181
Increase in provision recognised in profit or loss during the year	<u>—</u>	1,130
Decrease in provision upon sales of inventories	<u>(1,601)</u>	<u>(710)</u>
	<u>—</u>	<u>1,601</u>

During the year ended 31 December 2025, the cost of inventories recognised as expense and included in “cost of sales” amounted to RMB369,223,000 (2024: RMB368,333,000).

14. TRADE RECEIVABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current:		
Trade receivables	428,251	479,913
Less: provision for impairment	<u>(33,470)</u>	<u>(28,696)</u>
	<u>394,781</u>	<u>451,217</u>
Non-current:		
Retention receivables	9,898	16,405
Less: provision for impairment	<u>(1,483)</u>	<u>(2,595)</u>
	<u>8,415</u>	<u>13,810</u>
Total trade and retention receivables, net	<u><u>403,196</u></u>	<u><u>465,027</u></u>

(a) Ageing analysis of trade receivables

The ageing analysis of gross trade receivables including retention receivables before provision for impairment as at the balance sheet date based on invoice date is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 1 year	276,020	261,204
1 and 2 years	59,363	74,880
2 and 3 years	38,022	99,729
Over 3 years	<u>64,744</u>	<u>60,505</u>
	<u><u>438,149</u></u>	<u><u>496,318</u></u>

(b) Impairment of trade receivables

The Group applies the simplified approach to measure expected credit losses, which is the lifetime expected credit losses for the trade receivables and retention receivables as prescribed by HKFRS 9.

The movements in provision for impairment of trade receivables are as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
As at 1 January	31,291	14,357
Increase in loss allowance recognised in profit or loss during the year	<u>3,662</u>	<u>16,934</u>
As at 31 December	<u>34,953</u>	<u>31,291</u>

The carrying amounts of the Group's trade receivables were denominated in RMB.

(c) Transferred receivables

The carrying amounts of the trade receivables as at 31 December 2025 include retention receivables amounting to RMB27,441,000 (2024: RMB38,061,000) which were subject to factoring arrangements. Under this arrangement, the Group has transferred the relevant receivables to the factors (banks in the PRC) in exchange for cash and is prevented from selling or pledging the receivables, while the Group retained the risk and rewards of late payment and credit risk. The Group therefore continues to recognise the transferred receivables in their entirety in its balance sheet. The amount repayable under the factoring agreement is presented as secured borrowing (note 16). The Group considers that the held to collect business model remains appropriate for these receivables and hence continues measuring them at amortised cost.

15. TRADE PAYABLES AND OTHER PAYABLES AND ACCRUALS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade payables — current		
Trade payables	<u>349,883</u>	<u>299,173</u>
Other payables and accruals — current		
Payables for purchase of property, plant and equipment	28,221	31,079
Amounts due to related parties	27,918	7,919
Accrual for operating expenses	2,665	10,432
Other taxes payable excluding income tax liabilities	2,366	6,336
Employee benefits payables	4,147	7,138
Others	<u>4,928</u>	<u>7,060</u>
Total other payables and accruals	<u>70,245</u>	<u>69,964</u>
Total	<u>420,128</u>	<u>369,137</u>

The ageing analysis of trade payables as at 31 December 2025 and 2024 based on invoice date is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 1 year	266,199	246,851
1–2 years	36,556	50,035
Over 2 years	<u>47,128</u>	<u>2,287</u>
	<u>349,883</u>	<u>299,173</u>

The trade payables and other payables and accruals are non-interest bearing.

16. BORROWINGS

	2025			2024		
	Current	Non-current	Total	Current	Non-current	Total
Bank borrowings						
— Secured	110,927	346,799	457,726	189,637	132,691	322,328
— Unsecured	12,000	5,000	17,000	—	—	—
— Factoring borrowings	27,441	—	27,441	38,061	—	38,061
Total borrowings	<u>150,368</u>	<u>351,799</u>	<u>502,167</u>	<u>227,698</u>	<u>132,691</u>	<u>360,389</u>

(a) Bank borrowings

The secured bank borrowings of the Group as at 31 December 2025 and 2024 were secured by the pledge of assets of the Group as set out below, corporate guarantees provided by certain subsidiaries of the Group, and guarantees from Mr. Ye Zhijie and his spouse, Mr. Huang Wengui and one independent third party credit guarantee corporation.

	2025	2024
	RMB'000	RMB'000
<i>Assets of the Group pledged as securities:</i>		
— Property, plant and equipment (note 9)	119,150	229,377
— Construction in progress (note 9)	204,100	51,304
— Right-of-use assets (note 10)	96,979	100,367
— Investment properties (note 11)	29,931	22,368
— Trade receivables	1,927	—
— Transferred receivables (note 14)	27,441	38,061
Total	<u>479,528</u>	<u>441,477</u>

For the year ended 31 December 2025, the weighted average effective interest rate on bank borrowings was 4.4% (2024: 4.8%) per annum.

The carrying amounts of the Group's bank loans were denominated in RMB.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is a manufacturer and supplier of concrete-based building materials in Xiamen, Fujian Province of the PRC, and engages in comprehensive utilisation of iron ore tailings and the business of manufacturing eco-friendly bricks in Changjiang, Hainan Province of the PRC. The business segments can be categorised into three types, namely ready-mixed concrete, precast concrete components (“**PC components**”), and iron ore tailings recycling and eco-friendly bricks.

OUTLOOK

Challenges

The operating challenges for the ready-mixed concrete and PC components segments in Xiamen are expected to persist in the near term. Intense market competition, particularly from State-owned enterprises (“**SOEs**”), and the ongoing property market downturn will continue to pressure revenue and profit margins. The Group will maintain a prudent operational strategy, focusing on cost control, risk management, and selective project acceptance to mitigate losses.

Growth Drivers

The Group is highly optimistic about the growth potential of its iron ore tailings recycling and eco-friendly bricks segment in Hainan and the new mineral resources processing project in Longyan, which are positioned as core drivers for sustainable development:

- **Operation in Hainan:** Changjiang County’s abundant iron ore tailings reserves, amounting to hundreds of millions of tonnes, ensure a stable long-term raw material supply. With the completion of technological upgrades to existing production lines and the construction of a new production line underway, the segment will further unlock production capacity and generate steady revenue through the sale of value-added products.
- **Operation in Longyan:** Following the completion of land acquisition and levelling, construction of the mineral resources processing and eco-friendly building materials factory is scheduled to commence in 2026. Leveraging proven resource utilisation technology developed from the operation in Hainan, the Group will extract valuable minerals from sand and gravel residuals and produce lightweight eco-friendly building materials, with strategic synergy from its equity investment in Fujian Sheng Tai Silicon Industry Co., Ltd.

Strategic Focus

The Group will focus on its core competitive advantages in solid waste resource utilisation and eco-friendly building materials manufacturing. It will accelerate the expansion and deepening of operations in Hainan and Longyan to drive high-quality growth, while managing ongoing challenges in Xiamen through disciplined operational and risk management.

FINANCIAL REVIEW

Revenue

The Group derived its revenue from sales of (i) ready-mixed concrete, (ii) PC components, and (iii) the products produced in iron ore tailings recycling and eco-friendly bricks. The Group's revenue decreased by approximately RMB27.6 million or 4.8% from approximately RMB580.4 million for FY2024 to approximately RMB552.8 million for FY2025.

Ready-mixed concrete

Revenue derived from sale of ready-mixed concrete decreased by approximately RMB35.5 million or 11.7% from approximately RMB302.9 million in FY2024 to approximately RMB267.3 million in FY2025. The downturn was mainly due to intense market competition in Xiamen, particularly from SOEs, which forced the Group to offer price concessions to maintain market share, coupled with the lingering impact of the sluggish property market on overall industry demand.

PC components

Revenue derived from sale of PC components dropped significantly by approximately RMB13.6 million or 96.4% from approximately RMB14.1 million in FY2024 to approximately RMB0.5 million in FY2025. The Group temporarily suspend PC component production during FY2025 due to unfavorable market conditions, with production resumption contingent on market recovery.

Iron ore tailings recycling and eco-friendly bricks

Revenue derived from the sales of products produced in iron ore tailings recycling and eco-friendly bricks increased by approximately RMB21.6 million or 8.2% from approximately RMB263.4 million in FY2024 to approximately RMB284.9 million in FY2025. The growth was supported by abundant iron ore tailings reserves and sustained market demand in Hainan.

Cost of Sales

Cost of sales decreased by approximately RMB12.0 million or 2.3% from approximately RMB526.0 million in FY2024 to approximately RMB514.0 million in FY2025. The decrease in cost of sales was mainly due to the decrease in revenue from ready-mixed concrete and PC components, offset by the increase in revenue from iron ore tailing recycling and eco-friendly bricks which has expanded production scale and increased raw material procurement to meet the growing market demand in FY2025.

Gross profit and gross profit margin

The Group's gross profit decreased by approximately RMB15.6 million or 28.6% from approximately RMB54.4 million in FY2024 to approximately RMB38.8 million in FY2025, with the overall gross profit margin declining from 9.4% in FY2024 to 7.0% in FY2025. The margin compression was mainly attributable to the following factors:

Ready-mixed concrete

The segment of ready-mixed concrete recorded a gross loss of approximately RMB26.4 million in FY2025, a significant deterioration from a gross loss of approximately RMB4.4 million in FY2024. The widening loss reflected the impact of price competition outweighing the cost reduction efforts.

PC components

The gross loss of PC components narrowed from approximately RMB24.8 million in FY2024 to approximately RMB1.4 million in FY2025, benefiting from the production suspension which reduced associated costs.

Iron ore tailings recycling and eco-friendly bricks

Gross profit from iron ore tailings recycling and eco-friendly bricks decreased by approximately RMB16.9 million from approximately RMB83.5 million in FY2024 to approximately RMB66.6 million in FY2025. The gross profit margin declined as cost increases outpaced revenue growth. Nevertheless, the segment remained profitable and continued to be the Group's primary profit contributor.

OTHER INCOME

Other income decreased by approximately RMB0.8 million or 6.9% from approximately RMB10.9 million in FY2024 to approximately RMB10.1 million in FY2025. The main components of other income are government grants which amounted to approximately RMB6.9 million in FY2025. The decrease in other income was mainly due to the decrease in compensation received for delayed settlement of trade receivables in FY2025.

OTHER LOSSES — NET

Net other losses decreased significantly by approximately RMB5.4 million or 67.6% from approximately RMB8.1 million in FY2024 to approximately RMB2.6 million in FY2025. The improvement was primarily due to reduced losses on disposal of property, plant and equipment.

SELLING EXPENSES

Selling expenses decreased substantially by approximately RMB8.9 million or 64.5% from approximately RMB13.9 million in FY2024 to approximately RMB4.9 million in FY2025. The significant reduction was primarily due to the suspension of PC components production and the reduced sales volume in the ready-mixed concrete segment, which led to lower selling expenditures.

ADMINISTRATIVE EXPENSES

Administrative expenses remained relatively stable at approximately RMB81.9 million in FY2025, compared to approximately RMB82.7 million in FY2024. The composition of administrative expenses mainly included staff costs, depreciation, and research and development expenses.

NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS

Net impairment losses on financial assets decreased significantly by approximately RMB13.3 million or 78.4% from approximately RMB16.9 million in FY2024 to approximately RMB3.7 million in FY2025. The reduction was mainly due to the improved credit risk management and the recovery of certain trade receivables for which impairment provisions were made in prior years.

FINANCE COSTS — NET

Finance costs — net was decreased by approximately RMB4.1 million or 22.9% from approximately RMB18.2 million in FY2024 to approximately RMB14.1 million in FY2025. The decrease was mainly due to a lower weighted average effective interest rate on bank borrowings (4.4% in FY2025 versus 4.8% in FY2024). During FY2025, the Group capitalized borrowing costs of approximately RMB3.1 million into the cost of property, plant and equipment, as compared to approximately RMB1.6 million in FY2024.

INCOME TAX EXPENSE

Income tax expense was decreased by approximately RMB0.3 million from approximately RMB0.7 million in FY2024 to approximately RMB0.4 million in FY2025. Such decrease was mainly due to the decrease in taxable profit from the Group's operation in the PRC.

LOSS FOR THE YEAR

Due to the factors of the foregoing, the Group recorded a net loss attributable to owners of the Company of approximately RMB58.5 million in FY2025, compared to a net loss of approximately RMB75.2 million in FY2024, representing an improvement of 22.2%.

LIQUIDITY AND FINANCIAL RESOURCES

During FY2025, the Group funded its operations mainly with cash generated from its operations and borrowings. As at 31 December 2025, the Group's net current liabilities were approximately RMB92.1 million (31 December 2024: net current liabilities of approximately RMB72.5 million), while the Group's cash and cash equivalents as at 31 December 2025 was approximately RMB42.9 million (31 December 2024: RMB19.0 million).

As at 31 December 2025, the Group had current borrowings of approximately RMB150.4 million (31 December 2024: RMB227.7 million) and non-current borrowings of approximately RMB351.8 million (31 December 2024: RMB132.7 million). Details of the Group's borrowings are set out in Note 16 of the consolidated financial statements in this results announcement.

Gearing ratio is calculated based on net debt divided by total capital. Net debt is calculated as total borrowings, lease liabilities and amounts due to related parties less cash and cash equivalents and restricted bank balance. Total capital is calculated as equity as shown in the consolidated statements of financial position plus net debt. The Group's gearing ratio as at 31 December 2025 was approximately 60% (31 December 2024: 48%). The increase was primarily due to the growth in total borrowings to support capital expenditure in the iron ore tailings recycling segment.

CURRENCY RISK

Majority of the subsidiaries of the Group operate in the PRC and their functional currency is RMB. The Group does not expect to face any significant currency risk that might have a material impact on the operating results of the Group. Currently, the Group does not have any hedging policy for foreign currencies. Nevertheless, the Group's management will continue to monitor the foreign currency risk and will consider hedging significant foreign currency risk when necessary.

CAPITAL COMMITMENTS

As at 31 December 2025, the Group's capital commitments amounted to approximately RMB367.5 million (31 December 2024: RMB404.3 million).

PLEDGE OF ASSETS

Details of the pledge of assets of the Group are set out in Notes 9, 10, 11, 14 and 16 of the consolidated financial statements in this results announcement.

CONTINGENT LIABILITIES

As at 31 December 2025, the Group had no significant contingent liabilities (31 December 2024: nil).

CAPITAL STRUCTURE

As at 31 December 2025, the Group's capital structure has remained unchanged since the Listing. The Group's capital structure comprises equity attributable to owners of the Company (including issued share capital and reserves). The Board reviewed the Group's capital structure on a regular basis. As part of the review, the Board has considered the costs of capital and risks relating to various types of capital.

SIGNIFICANT ACQUISITIONS AND DISPOSALS

The Group did not have any significant acquisitions and disposals relating to subsidiaries, associates and joint ventures during FY2025. However, the Group made strategic investments to expand its business footprint:

- Through its wholly-owned subsidiary, Zhixin New Energy Technology (Longyan) Co., Ltd., the Group acquired two adjacent industrial land parcels in Longyan, Fujian Province, with a total area of approximately 61,319 square meters, for a total consideration of RMB7.21 million.
- In January 2026, Zhixin New Energy Technology (Longyan) Co., Ltd., successfully bid for approximately 3.8 million cubic meters of sand and gravel residuals from a glass vein quartz mine in Shizhaibei mining area for RMB4.62 million, ensuring a long-term supply of raw material for its eco-friendly building materials production.

SIGNIFICANT INVESTMENTS

The Group did not have any significant investments during FY2025.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2025, the Group employed 320 (31 December 2024: 442) employees. Employees' remunerations are determined with reference to factors such as qualifications, duties, contributions and experience. Besides, the Group outsourced some factory workers for the PC component production lines from several employment agents to enhance workforce efficiency, workforce flexibility and manageability.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As at 31 December 2025, save as disclosed in this announcement, the Group did not have any other immediate plans for material investments and capital assets.

USE OF PROCEEDS

The net proceeds from the Share Offering received by the Company, after deducting the underwriting fees and listing expenses in connection with the Share Offering, amounted to approximately HK\$238.7 million. As at 31 December 2025, the Group had utilised approximately HK\$233.3 million of the net proceeds, leaving an unutilised balance of approximately HK\$5.4 million (the “**Unutilised Net Proceeds**”). On 16 March 2026, the Board resolved to reallocate the Unutilised Net Proceeds of HK\$5.4 million which was originally earmarked for expanding PC component production capacity to the settlement of the Group’s outstanding bank borrowings by December 2026. This reallocation was made in light of the intense market competition on PC components in Xiamen and the Group’s financial needs, enabling more efficient deployment of idle resources to reduce financial leverage and interest costs. Please refer to the announcement (the “**Announcement**”) of the Company dated 16 March 2026 for details. The following table sets forth the status of the use of net proceeds with reference to the updated utilisation of net proceeds in accordance with the Announcement:

	Planned use of net proceeds prior to the reallocation <i>HK\$ million</i>	Utilised net proceeds as at 31 December 2024, 1 January 2025 and 31 December 2025 <i>HK\$ million</i>	Unutilised net proceeds as at 31 December 2025 <i>HK\$ million</i>	Updated utilisation of the Unutilised Net Proceeds as disclosed in the Announcement <i>HK\$ million</i>	Expected timeline for utilising the Unutilised Net Proceeds
(i) Expanding the Group’s PC component production capacity	24.5	19.1	5.4	—	N/A
(ii) Enhancing the Group’s information technology system	1.2	1.2	—	—	N/A
(iii) Improving the Group’s environmental protection system	1.2	1.2	—	—	N/A
(iv) Acquiring mixer and concrete pump trucks	2.0	2.0	—	—	N/A
(v) General working capital	105.3	105.3	—	—	N/A
(vi) Repayment of borrowings	104.5	104.5	—	5.4	By December 2026
Total	238.7	233.3	5.4	5.4	

CORPORATE GOVERNANCE

To the best knowledge of the Directors, the Company has complied with the code provisions as set out in the Corporate Governance Code contained in Appendix C1 of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) during FY2025.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities during FY2025.

EVENT AFTER THE REPORTING DATE

On 27 January 2026, the Company entered into two separate subscription agreements with two subscribers in respect of the subscription of an aggregate of 149,600,000 subscription shares at the subscription price of HK\$0.68 per subscription share. Such subscription was completed on 20 March 2026.

Save as disclosed in this announcement, there were no significant events which had material effect on the Group subsequent to the end of the reporting period of the Company and up to the date of this announcement.

REVIEW OF FINANCIAL STATEMENTS AND SCOPE OF WORK OF THE AUDITOR

The Group’s audited financial statements for FY2025 has been reviewed by the audit committee of the Board, which is of the opinion that such statements comply with applicable accounting standards, the Listing Rules and other legal requirements, and that adequate disclosures have been made.

The financial figures in this results announcement of the Group’s results for FY2025 have been compared by the Group’s auditor, Crowe (HK) CPA Limited (“**Crowe**”), Certified Public Accountants, to the amounts set out in the Group’s consolidated financial statements for FY2025 and the amounts were found to be in agreement. The work performed by Crowe 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 Crowe on this results announcement.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This results announcement is published on the Company's website at www.xiamenzhixin.com and the website of the Stock Exchange at www.hkexnews.hk. The 2025 annual report of the Company will be despatched to shareholders of the Company and published on the above-mentioned websites in due course.

By order of the Board
Zhixin Group Holding Limited
Ye Zhijie
Chairman and Executive Director

Hong Kong, 31 March 2026

As at the date of this announcement, the Board comprises Mr. Ye Zhijie, Mr. Huang Wengui, Mr. Lai Quanshui, Mr. Qiu Limiao, Mr. Ye Dan and Mr. Huang Kaining as executive Directors; and Ms. Wong Tuen Sau, Mr. Cai Huinong and Mr. Jiang Qinjian as independent non-executive Directors.