



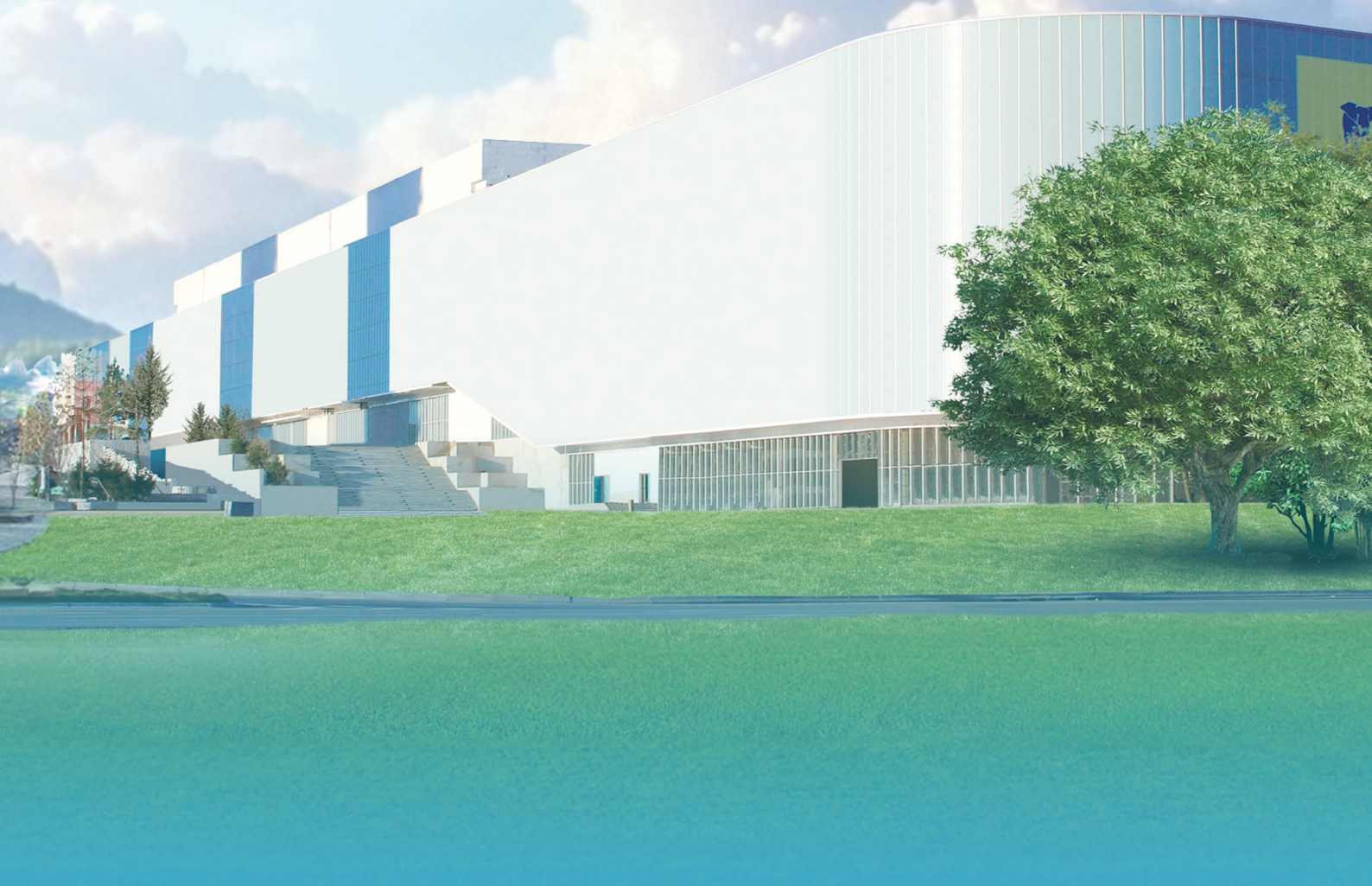
# 信基沙溪集团股份有限公司

## XINJI SHAXI GROUP CO., LTD

(Incorporated in the Cayman Islands with limited liability)  
Stock Code: 3603

# 2025

## INTERIM REPORT



# Contents

<b>2</b>	Corporate Information
<b>4</b>	Financial Highlights
<b>5</b>	Management Discussion and Analysis
<b>14</b>	Other Information and Corporate Governance
<b>20</b>	Condensed Consolidated Income Statement
<b>21</b>	Condensed Consolidated Statement of Comprehensive Income
<b>22</b>	Condensed Consolidated Balance Sheet
<b>24</b>	Condensed Consolidated Statement of Changes in Equity
<b>26</b>	Condensed Consolidated Statement of Cash Flows
<b>27</b>	Notes to the Condensed Consolidated Financial Statements
<b>58</b>	Definitions

# Corporate Information

## EXECUTIVE DIRECTORS

Mr. Cheung Hon Chuen, *Chairman of the Board and Chief Executive Officer*  
Mr. Mei Zuoting  
Mr. Zhang Weixin

## NON-EXECUTIVE DIRECTORS

Mr. Lin Lie  
Ms. Wang Yixue  
Mr. Zhao Hui

## INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. Zeng Zhaowu  
Mr. Tan Michael Zhen Shan  
Dr. Zheng Decheng

## ALTERNATE DIRECTORS

Mr. Zhang Weiquan  
*(Alternate Director to Mr. Cheung Hon Chuen, appointed on 29 August 2025)*  
Mr. Mei Jiawei  
*(Alternate Director to Mr. Mei Zuoting, appointed on 29 August 2025)*  
Mr. Zhang Jiajian  
*(Alternate Director to Mr. Zhang Weixin, appointed on 29 August 2025)*

## AUDIT COMMITTEE

Dr. Zeng Zhaowu (*Chairman*)  
Mr. Tan Michael Zhen Shan  
Dr. Zheng Decheng

## REMUNERATION COMMITTEE

Dr. Zeng Zhaowu (*Chairman*)  
Mr. Cheung Hon Chuen  
Dr. Zheng Decheng

## NOMINATION COMMITTEE

Mr. Cheung Hon Chuen (*Chairman*)  
Dr. Zheng Decheng  
Dr. Zeng Zhaowu  
Ms. Wang Yixue (*appointed on 29 August 2025*)  
Mr. Tan Michael Zhen Shan (*appointed on 29 August 2025*)

## COMPANY SECRETARY

Mr. Kam Chi Sing

## AUTHORISED REPRESENTATIVES

Mr. Mei Zuoting  
Mr. Kam Chi Sing

## AUDITOR

CCTH CPA Limited  
Certified Public Accountants  
Unit 1510-1517, 15/F, Tower 2  
Kowloon Commerce Centre  
No. 51 Kwai Cheong Road  
Kwai Chung, New Territories  
Hong Kong

## REGISTERED OFFICE

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Cayman Islands

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Rooms 301–303  
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Tsim Sha Tsui  
Kowloon  
Hong Kong

## HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

1st Floor, Xinjicheng Club  
No. 250, Intersection of Nanda Road  
Panyu District, Guangzhou  
PRC

## PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Appleby Global Services (Cayman) Limited  
71 Fort Street  
PO Box 500  
George Town  
Grand Cayman KY1-1106  
Cayman Islands



## Corporate Information

**HONG KONG BRANCH SHARE REGISTRAR  
AND TRANSFER OFFICE**

Tricor Investor Services Limited  
17/F, Far East Finance Centre  
16 Harcourt Road  
Hong Kong

**PRINCIPAL BANKERS**

Guangzhou Rural Commercial Bank  
Panyu Branch  
72 Chaoyang West Road  
Panyu District, Guangzhou  
PRC

CMB Wing Lung Bank Limited  
CMB Wing Lung Bank Building  
45 Des Voeux Road Central  
Hong Kong

**LEGAL ADVISER**

*As to Hong Kong law*  
P. C. Woo & Co.  
12/F, Prince's Building  
10 Chater Road  
Central  
Hong Kong

**SHARE LISTING**

The Stock Exchange of Hong Kong Limited

**STOCK CODE**

SEHK: 3603

**WEBSITE ADDRESS**

[www.xjsx.net.cn](http://www.xjsx.net.cn)

**LISTING DATE**

8 November 2019

## Financial Highlights

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Revenue	<b>116,593</b>	129,405
Loss for the period	<b>(29,130)</b>	(91,293)
Core net profit <sup>(i)</sup>	<b>28,313</b>	46,977
Core net profit margin <sup>(ii)</sup>	<b>24%</b>	36%
Loss per share (expressed in RMB per share)	<b>(0.02)</b>	(0.06)

Notes:

- (i) Core net profit for the six months ended 30 June 2025 and 2024 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 their respective periods.

# Management Discussion and Analysis

The Board is pleased to announce the unaudited condensed consolidated financial results of the Group for the six months ended 30 June 2025 together with the comparative figures for the six months ended 30 June 2024. The unaudited condensed consolidated financial results of the Group for the Reporting Period have been reviewed by the Audit Committee and approved by the Board on 29 August 2025.

## FINANCIAL REVIEW

### Revenue

The revenue of the Group decreased slightly by approximately 9.9% during the Reporting Period to RMB116.6 million in comparison to approximately RMB129.4 million recorded during the 2024 Period. Decrease in revenue for the Reporting Period was mainly due to the leasing concessions granted by the Group to merchants in the first half of 2025.

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

	Six months ended 30 June			
	2025		2024	
	RMB'000	%	RMB'000	%
Rental Income	83,595	72	95,596	74
Property Management Service	28,576	24	29,291	23
Sales of Goods	4,418	4	4,518	3
Others	4	—	—	—
<b>Total</b>	<b>116,593</b>	<b>100</b>	129,405	100

## Management Discussion and Analysis

### FINANCIAL REVIEW (cont'd)

#### Rental Income

During the Reporting Period, our rental income, which 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 72% of our total revenue. During the Reporting Period, our rental income decreased by approximately RMB12.0 million or approximately 12.6% to approximately RMB83.6 million (2024 Period: RMB95.6 million). Such decrease was mainly due to the leasing concessions granted by the Group to merchants in the first half of 2025.

#### 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 the Reporting Period, income from property management services decreased slightly by approximately RMB0.7 million or approximately 2.4% to approximately RMB28.6 million (2024 Period: RMB29.3 million), revealing no significant change.

#### 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 the Reporting Period, revenue from sales of goods decreased slightly by approximately RMB0.1 million or approximately 2.2% to approximately RMB4.4 million (2024 Period: RMB4.5 million). The revenue from sales of goods remained stable, compared with that in the 2024 Period.

#### Cost of Sales

Cost of sales for the Reporting Period was approximately RMB21.6 million as compared to approximately RMB21.5 million for the 2024 Period, showing no significant change.

#### Fair Value Losses on Investment Properties

Our fair value losses on investment properties decreased by approximately RMB107.8 million to fair value losses of approximately RMB76.6 million for the Reporting Period (2024 Period: fair value losses of RMB184.4 million). During the Reporting Period, the recovery in the occupancy rate of the Xinji Shaxi Hospitality Supplies Expo Center (信基沙溪酒店用品博览城) and the stability of annual rent in the Shenyang market compared to the 2024 Period resulted in a decrease in the fair value losses on investment properties recognised by the Group during the Reporting Period as compared to the 2024 Period.

#### Selling and Marketing Expenses

Our selling and marketing expenses decreased by approximately RMB0.7 million or 15.6% from approximately RMB4.4 million for the 2024 Period to approximately RMB3.7 million for the Reporting Period. Such decrease was mainly due to the decrease in expenses related to selling and marketing for the Group during the Reporting Period.

#### Administrative Expenses

Our administrative expenses increased by approximately RMB1.5 million or 9.1% from approximately RMB16.0 million for the 2024 Period to approximately RMB17.4 million for the Reporting Period. Such increase was mainly attributable to the increase of RMB1.0 million in the donation expenses of the Group for the Reporting Period as compared to the 2024 Period.

## Management Discussion and Analysis

### FINANCIAL REVIEW *(cont'd)*

#### Other Income

Our other income decreased by approximately RMB0.6 million or 24.2% from approximately RMB2.4 million for the 2024 Period to approximately RMB1.8 million for the Reporting Period.

#### Operating Loss and Operating Loss Margin

As a result of the foregoing, our operating loss decreased by approximately RMB81.0 million or 90.4% from approximately RMB89.6 million during the 2024 Period to an operating loss of approximately RMB8.6 million for the Reporting Period. Such decrease was mainly due to the decrease in fair value loss on investment properties.

#### Finance Income

Finance income decreased by approximately RMB0.8 million or 43.6% from approximately RMB1.9 million for the 2024 Period to approximately RMB1.1 million for the Reporting Period. The decrease was mainly due to a reduction in bank deposit interest rates.

#### Finance Expenses

Finance expenses decreased by approximately RMB3.1 million or 10.8% from approximately RMB28.7 million for the 2024 Period to approximately RMB25.6 million for the Reporting Period. The decrease was mainly due to the repayment of a portion of the bank loans and a reduction in loan interest rates for the Reporting Period.

#### Net Finance Expenses

Net finance expenses for the Reporting Period amounted to approximately RMB24.6 million as compared to approximately RMB26.8 million for the 2024 Period, which was mainly due to the repayment of a portion of the bank loans and a reduction in loan interest rates for the Reporting Period.

#### Loss for the Reporting Period

As a result of the foregoing, loss recorded by our Group decreased by approximately RMB62.2 million or 68.1% from loss of approximately RMB91.3 million for the 2024 Period to loss of approximately RMB29.1 million for the Reporting Period. The decrease in the loss was mainly due to the decrease in fair value losses on investment properties held by the Group for the Reporting Period.

#### 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 for the Reporting Period decreased by approximately RMB18.7 million or 39.7% from approximately RMB47.0 million for the 2024 Period to approximately RMB28.3 million for the Reporting Period. The decrease was mainly due to the decrease of approximately RMB12.8 million in the revenue from the Group's property leasing for the Reporting Period.



## Management Discussion and Analysis

### FINANCIAL REVIEW (cont'd)

#### Core Net Profit (cont'd)

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

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
<b>Loss for the period</b>	<b>(29,130)</b>	(91,293)
<b>Add:</b>		
Fair value losses on investment properties	<b>76,590</b>	184,360
Income tax expense in relation to above reconciled items	<b>(19,147)</b>	(46,090)
<b>Core net profit</b>	<b>28,313</b>	46,977
– Owners of the Company	<b>28,357</b>	46,786
– Non-controlling interests	<b>(44)</b>	191

### USE OF NET PROCEEDS

References are made to (i) the Prospectus in relation to the proposed use of the net proceeds (the “**Net Proceeds**”) from the global offering of the Company; (ii) the announcement (the “**First Change in UOP Announcement**”) of the Company dated 6 July 2020 in relation to the change in use of the Net Proceeds and business update of the Group; (iii) the announcement (the “**Second Change in UOP Announcement**”, together with the First Change in UOP Announcement, the “**Announcements**”) of the Company dated 24 November 2021 in relation to the further change in the use of the Net Proceeds; and (iv) the annual reports of the Company for the years ended 31 December 2021, 2022, 2023 and 2024. For further details, please refer to the Announcements and annual reports published by the Company. Unless otherwise defined, capitalised terms used herein shall bear the same meanings as those defined in the Announcements.

As at the date of the Second Change in UOP Announcement, the unutilised Net Proceeds amounted to approximately RMB133.3 million (including the outstanding Part Payment of RMB5.0 million to be returned by Guangzhou Chaoying to Guangzhou Shaxi International Hospitality Supplies City Company Limited\* (廣州沙溪國際酒店用品城有限公司) (“**Guangzhou Shaxi Hotel**”) under the Guangzhou Project) (the “**Unutilised Net Proceeds**”). To enable the Group to better utilise the Net Proceeds, the Group decided to reduce the portion of the Unutilised Net Proceeds for developing new projects from 100% to approximately 47.5%. Accordingly, the Board resolved to further change the use of the Unutilised Net Proceeds as follows:

- (i) reallocating approximately 30.0% of the Unutilised Net Proceeds in the amount of approximately RMB40.0 million, which was originally allocated for the development of new projects, namely the Zhengzhou Project, Fuzhou Project and Guangzhou Project (the “**Specific Projects**”), to expand the depth and breadth of property management service in China;
- (ii) reallocating approximately 22.5% of the Unutilised Net Proceeds in the amount of approximately RMB30.0 million, which was originally allocated for the Specific Projects, to establish a vertical e-commerce platform for the hospitality supplies industry; and
- (iii) reallocating approximately 47.5% of the Unutilised Net Proceeds in the amount of approximately RMB63.3 million, which was originally allocated for the Specific Projects, to general development of new projects in relation to the hospitality supplies and home furnishing industries.

## Management Discussion and Analysis

**USE OF NET PROCEEDS** (cont'd)

As of 30 June 2025, details of the original allocation, the revised allocation of the Net Proceeds, as disclosed in the First Change in UOP Announcement, the further revised allocation of the Net Proceeds as disclosed in the Second Change in UOP Announcement and the expected timeframe for utilising the Unutilised Net Proceeds are as follows:

	Original Intended Amount (RMB million)	Revised allocation of the Net Proceeds as disclosed in the First Change in UOP Announcement (RMB million)	Further revised allocation of the Net Proceeds as disclosed in the Second Change in UOP Announcement (RMB million)	Unutilised amount as of 31 December 2024 (RMB million)	Utilised amount from 1 January 2025 to 30 June 2025 (RMB million)	Unutilised amount as of 30 June 2025 (RMB million)	Expected timeframe for full utilisation of the Unutilised Net Proceeds
(i) Repayment of the Group's bank borrowings for the construction cost and sales and marketing cost of its shopping malls	56.7	31.2	-	-	-	-	-
(ii) Development of new projects			63.3 <sup>(1&amp;2)</sup>	63.3 <sup>(1&amp;2)</sup>		63.3 <sup>(1&amp;2)</sup>	till 2027
a) Chengdu Project	63.8	-	-	-	-	-	
b) Zhengzhou Project	40.8	22.5	N/A	N/A	-	N/A	
c) Fuzhou Project	55.9	30.8	N/A	N/A	-	N/A	
d) Guangzhou Project	-	80.0	-	-	-	-	
e) Other projects	-	-	N/A	N/A	-	N/A	
(iii) Expansion of Property Management Business	-	-	40.0	-	-	-	
(iv) Establishment of Vertical e-Commerce Platform for the Hospitality Supplies Industry	-	-	30.0	22.9	0.8	22.1	till 2027
(v) General working capital	-	27.2	-	-	-	-	-
<b>Total</b>	<b>217.2</b>	<b>191.7</b>	<b>133.3</b>	<b>86.2</b>	<b>0.8</b>	<b>85.4</b>	

## Notes:

- (1) Including the outstanding Part Payment of RMB5.0 million to be returned by Guangzhou Chaoying to Guangzhou Shaxi Hotel under the Guangzhou Project. For details, please refer to the paragraph headed "Reasons for and Benefits of the Further Change in Use of Proceeds – Unwinding of the Guangzhou Project" in the Second Change in UOP Announcement.
- (2) This amount represents the portion of the Unutilised Net Proceeds which shall be used for the general development of new projects in relation to the hospitality supplies and home furnishing industries, and will not be earmarked for and allocated to any of the Zhengzhou Project, Fuzhou Project or other projects specifically.

## Management Discussion and Analysis

### LIQUIDITY AND FINANCIAL RESOURCES

#### Cash and Cash Equivalents

As at 30 June 2025, the Group's cash and cash equivalents amounted to approximately RMB654.5 million (31 December 2024: RMB582.5 million). Cash and cash equivalents are mainly denominated in Renminbi.

#### Borrowings and Charges on the Group's Assets

As at 30 June 2025, the Group's bank borrowings of approximately RMB836.0 million (31 December 2024: RMB813.4 million) bore interest at interest rates ranging from 4.43% to 6.06% per annum and were secured by investment properties of the Group. As at 30 June 2025, the value of investment properties pledged as collateral for the Group's borrowings was approximately RMB853.8 million (31 December 2024: RMB859.6 million).

#### Gearing Ratio

The gearing ratio as at 30 June 2025, calculated on the basis of net debt over total capital, was 16% as compared with 20% as at 31 December 2024.

#### Net Current Assets and Current Ratio

As at 30 June 2025, the Group had net current assets of approximately RMB145.6 million as compared with net current assets of approximately RMB100.4 million as at 31 December 2024.

The current ratio was 1.24 as at 30 June 2025 (31 December 2024: 1.18).

#### Future Plans for Material Investments or Capital Assets

Save as those disclosed under the section headed "Business – Our Strategies" in the Prospectus or in this report, the Group had no other plan for material investments or capital assets as at 30 June 2025.

#### Acquisition and Disposal of Subsidiaries, Associates and Joint Ventures

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

#### Treasury Management

During the Reporting Period, there was no material change in the Group's funding and treasury policies.

#### Foreign Exchange Risk

The Group operates mainly in the PRC with most of the transactions settled in Renminbi. The management considers that the business is not exposed to any significant foreign exchange risk as there are no significant financial assets or liabilities of the Group denominated in the currencies other than Renminbi, except that as at 30 June 2025, the Group had approximately RMB202,000 denominated in Hong Kong dollars.

Currently, the Group does not have any foreign currency hedging policy, but the management will monitor the foreign exchange exposure of the Group continuously.

### 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.

## Management Discussion and Analysis

**BUSINESS REVIEW** (cont'd)**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 gross floor area 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 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 (上教綜合樓項目), which comprised of the premises known as Shangjiao Comprehensive Building\* (上教綜合樓); (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 Jiuliang Xinji Plaza\* (佛山九江信基廣場).

## Management Discussion and Analysis

### BUSINESS REVIEW (cont'd)

#### Business Segment Review (cont'd)

##### Property Management Projects (cont'd)

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 periods indicated:

	Property leasing income Six months ended 30 June		Property management service income Six months ended 30 June	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
Guangzhou region	<b>78,144</b>	88,223	<b>16,200</b>	16,539
Foshan region	–	–	<b>5,645</b>	4,419
Shenyang region	<b>5,451</b>	7,373	<b>6,731</b>	8,333

##### 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 report, there is no concrete schedule.



## Management Discussion and Analysis

### BUSINESS REVIEW *(cont'd)*

#### Business Segment Review *(cont'd)*

##### *Online Shopping Mall*

During the Reporting Period, our online shopping mall generated revenue of approximately RMB4.4 million for the sales of goods (2024 Period: RMB4.5 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 Reporting Period has decreased to approximately 18% (2024 Period: 39%).

##### *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.

### OUTLOOK

Looking ahead, the Group believes that the general outlook for the business environment in which the Group operates will continue to be challenging, but the Group will continue to adjust its operational strategies to address market changes. In light of the uncertain business environment, the Group will strive to expand the business of property management service and seek new business opportunities from time to time in order to broaden the source of income and diversify its business, thereby bringing sustainable and stable development to the Group in the interests of the Company and the Shareholders as a whole.

The Board will remain prudent about the prospects of the Group's six main business lines in the long term. Meanwhile, the Group continues to solidify its business foundation and remains committed to its six main business lines, and 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 service 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. The Group will continue to explore suitable business and investment opportunities to drive its business growth.

## Other Information and Corporate Governance

### COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to achieving and maintaining high standards of corporate governance by focusing on principles of integrity, accountability, transparency, independence, responsibility and fairness. The Company has developed and implemented sound corporate governance policies and measures, and the Board is responsible for performing such corporate governance duties. The Board will continue to review and monitor the corporate governance of the Company, as well as various internal policies and procedures, including but not limited to those applicable to employees and Directors, with reference to the CG Code set out in Appendix C1 to the Listing Rules and other applicable legal and regulatory requirements so as to maintain a high standard of corporate governance of the Company.

During the Reporting Period, the Company has complied with the principles and the applicable code provisions as set out in Part 2 of the CG Code<sup>(note)</sup> 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.

Mr. Cheung Hon Chuen 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 our 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. The Board currently comprises three

executive Directors (including Mr. Cheung), three non-executive Directors and three independent non-executive Directors and has a fairly strong independence element in its composition. In addition, the balance of power is further ensured by the following reasons:

- the Audit Committee 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 department which is 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.

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.

## Other Information and Corporate Governance

**MODEL CODE FOR SECURITIES TRANSACTIONS**

The Company has adopted the 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 Reporting Period. In addition, the Company is not aware of any non-compliance of the Model Code by the senior management of the Group during the Reporting Period.

**DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S INTERESTS AND SHORT POSITIONS IN SECURITIES AND UNDERLYING SHARES**

As at 30 June 2025, the interests or short positions of each Director and chief executive officer of the Company in the Shares, underlying Shares and debentures of the Company, as recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code contained in the Listing Rules, and the details of any right to subscribe for Shares of the Company and of the exercise of such rights, were as follows:

Director	Capacity/nature of interest	Class and number of securities held <sup>1</sup>	Approximate percentage of interest in the Company's issued share capital
Mr. Cheung	Interest of controlled corporation <sup>2,5</sup>	570,564,000 (L)	38.22%
Mr. Mei	Interest of controlled corporation <sup>3,5</sup>	570,564,000 (L)	38.22%
Mr. Zhang	Interest of controlled corporation <sup>4,5</sup>	570,564,000 (L)	38.22%

Notes:

1. The letter "L" denotes a long position in the Shares.
2. Honchuen Investment was wholly-owned by Mr. Cheung. Mr. Cheung is deemed to be interested in all the Shares held by Honchuen Investment under the SFO.
3. Zuoting Investment was wholly-owned by Mr. Mei. Mr. Mei is deemed to be interested in all the Shares held by Zuoting Investment under the SFO.
4. Weixin Development was wholly-owned by Mr. Zhang. Mr. Zhang is deemed to be interested in all the Shares held by Weixin Development under the SFO.
5. On 28 December 2018, in preparation for the Listing, Mr. Cheung, Mr. Mei and Mr. Zhang 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, Zuoting Investment and Weixin Development until the concert parties agreement is terminated by them in writing. As such, Mr. Cheung, Mr. Mei, Mr. Zhang, Honchuen Investment, Zuoting Investment and Weixin Development are deemed to be interested in the Shares held by the others under the SFO. Please refer to the section headed "Substantial Shareholders" in the Prospectus for details.

Except as disclosed above, to the best knowledge, information and belief of our Directors and based on information available as at 30 June 2025, none of the Directors or chief executive of the Company and its respective associates had any interests or short positions in the Shares, underlying Shares and debentures of the Company and its associated corporation (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Division 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO; (ii) whose were required to be recorded in the register kept by the Company under section 352 of the SFO; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

## Other Information and Corporate Governance

**SUBSTANTIAL SHAREHOLDERS' AND OTHER SHAREHOLDERS' INTERESTS**

So far as our Directors are aware, as at 30 June 2025, the following persons have or are deemed or taken to have an interest or a short position in Shares or underlying Shares of the Company which will be required to be disclosed pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or who were recorded in the register of the Company required to be kept pursuant to section 336 of the SFO or, directly or indirectly, are interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company:

Name	Nature of Interest	Name of ordinary shares held	Approximate percentage of the Company's issued share capital
Honchuen Investment	Beneficial owner <sup>5</sup>	570,564,000 (L)	38.22%
Jingzhou Global Investments Ltd. ("Jingzhou Global")	Interest of controlled corporation <sup>2,5</sup>	570,564,000 (L)	38.22%
Kaixin Enterprises Ltd. ("Kaixin Enterprises")	Interest of controlled corporation <sup>2,5</sup>	570,564,000 (L)	38.22%
Jinrong Holdings Ltd. ("Jinrong Holdings")	Interest of controlled corporation <sup>2,5</sup>	570,564,000 (L)	38.22%
Ruifeng Holdings Ltd. ("Ruifeng Holdings")	Interest of controlled corporation <sup>2,5</sup>	570,564,000 (L)	38.22%
Hengyao Enterprises Ltd. ("Hengyao Enterprises")	Interest of controlled corporation <sup>2,5</sup>	570,564,000 (L)	38.22%
Shengtong Holdings Limited ("Shengtong Holdings")	Interest of controlled corporation <sup>2,5</sup>	570,564,000 (L)	38.22%
Huaxun Holdings Limited ("Huaxun Holdings")	Interest of controlled corporation <sup>2,5</sup>	570,564,000 (L)	38.22%
Fengchuang Holdings Limited ("Fengchuang Holdings")	Interest of controlled corporation <sup>2,5</sup>	570,564,000 (L)	38.22%
Yuchang Holdings Limited ("Yuchang Holdings")	Interest of controlled corporation <sup>2,5</sup>	570,564,000 (L)	38.22%
Zhuolian Holdings Limited ("Zhuolian Holdings")	Interest of controlled corporation <sup>2,5</sup>	570,564,000 (L)	38.22%
Xinyuan Company Limited ("Xinyuan Company")	Interest of controlled corporation <sup>2,5</sup>	570,564,000 (L)	38.22%
Mr. Cheung	Interest of controlled corporation <sup>2,5</sup>	570,564,000 (L)	38.22%
Zuoting Investment	Beneficial owner <sup>5</sup>	570,564,000 (L)	38.22%
Wanrong Holdings Limited ("Wanrong Holdings")	Interest of controlled corporation <sup>3,5</sup>	570,564,000 (L)	38.22%
Huajin Holdings Limited ("Huajin Holdings")	Interest of controlled corporation <sup>3,5</sup>	570,564,000 (L)	38.22%
Mr. Mei	Interest of controlled corporation <sup>3,5</sup>	570,564,000 (L)	38.22%
Weixin Development	Beneficial owner <sup>5</sup>	570,564,000 (L)	38.22%
Junya Holdings Limited ("Junya Holdings")	Interest of controlled corporation <sup>4,5</sup>	570,564,000 (L)	38.22%
Zhaoxin Holdings Limited ("Zhaoxin Holdings")	Interest of controlled corporation <sup>4,5</sup>	570,564,000 (L)	38.22%
Mr. Zhang	Interest of controlled corporation <sup>4,5</sup>	570,564,000 (L)	38.22%
Huang Wanyi	Interest of spouse <sup>6</sup>	570,564,000 (L)	38.22%
AL Capital Funds VCC for a/c of AL Capital Global Opportunities Fund <sup>7</sup>	Investment manager	129,180,000 (L)	8.65%
AL Capital Holdings International Pte. Ltd.	Interest of controlled corporation <sup>8</sup>	129,180,000 (L)	8.65%
Straits Universal Limited	Interest of controlled corporation <sup>8,9</sup>	129,180,000 (L)	8.65%
Mr. Lin Yi	Interest of controlled corporation <sup>8,9</sup>	129,180,000 (L)	8.65%
Huiqun Investment Limited	Beneficial owner <sup>10</sup>	93,375,000 (L)	6.25%

## Other Information and Corporate Governance

## Notes:

1. The letter “L” denotes a long position in the Shares.
2. Honchuen Investment is indirectly wholly-owned by Mr. Cheung through a number of companies as set out below:
  - (i) Honchuen Investment is direct wholly-owned by Jingzhou Global;
  - (ii) Jingzhou Global is directly owned as to 34%, 33% and 33% by Kaixin Enterprises, Jinrong Holdings and Ruifeng Holdings, respectively;
  - (iii) Kaixin Enterprises is directly owned as to 60% and 40% by Hengyao Enterprises and Ruifeng Holdings, respectively;
  - (iv) Jinrong Holdings is directly owned as to 60% and 40% by Ruifeng Holdings and Kaixin Enterprises, respectively;
  - (v) Ruifeng Holdings is directly owned as to 40%, 20%, 20% and 20% by Hengyao Enterprises, Shengtong Holdings, Huaxun Holdings and Fengchuang Holdings, respectively;
  - (vi) Hengyao Enterprises is directly owned as to 33.34%, 33.33% and 33.33% by Zhuolian Holdings, Yuchang Holdings and Xinyuan Company, respectively;
  - (vii) Each of Shengtong Holdings, Huaxun Holdings, Fengchuang Holdings, Yuchang Holdings, Zhuolian Holdings and Xinyuan Company is direct wholly-owned by Mr. Cheung.

Each of Jingzhou Global, Kaixin Enterprises, Jinrong Holdings, Ruifeng Holdings, Hengyao Enterprises, Shengtong Holdings, Huaxun Holdings, Fengchuang Holdings, Yuchang Holdings, Zhuolian Holdings and Xinyuan Company and Mr. Cheung is deemed to be interested in all the Shares held by Honchuen Investment under the SFO.
3. Zuoting Investment is indirect wholly-owned by Mr. Mei through a number of companies as set out below:
  - (i) Zuoting Investment is direct wholly-owned by Wanrong Holdings;
  - (ii) Wanrong Holdings is directly owned as to 60% and 40% by Mr. Mei and Huajin Holdings, respectively; and
  - (iii) Huajin Holdings is direct wholly-owned by Mr. Mei.

Each of Wanrong Holdings, Huajin Holdings and Mr. Mei is deemed to be interested in all the Shares held by Zuoting Investment under the SFO.
4. Weixin Development is indirect wholly-owned by Mr. Zhang through a number of companies as set out below:
  - (i) Weixin Development is direct wholly-owned by Junya Holdings;
  - (ii) Junya Holdings is directly owned as to 60% and 40% by Mr. Zhang and Zhaoxin Holdings, respectively; and
  - (iii) Zhaoxin Holdings is direct wholly-owned by Mr. Zhang.

Each of Junya Holdings, Zhaoxin Holdings and Mr. Zhang is deemed to be interested in all the Shares held by Weixin Development under the SFO.
5. On 28 December 2018, in preparation for the Listing, Mr. Cheung, Mr. Mei and Mr. Zhang 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, Zuoting Investment and Weixin Development until the concert parties agreement is terminated by them in writing. As such, Mr. Cheung, Mr. Mei, Mr. Zhang, Honchuen Investment, Zuoting Investment and Weixin Development are deemed to be interested in the Shares held by the others under the SFO. For details, please refer to the section headed “Substantial Shareholders” in the Prospectus.
6. Ms. Huang Wanyi is the spouse of Mr. Zhang. By virtue of the SFO, Ms. Huang Wanyi is deemed to be interested in the same number of Shares in which Mr. Zhang is deemed to be interested in under the SFO.
7. AL Capital Global Opportunities Fund is a sub-fund of AL Capital Funds VCC, a variable capital company wholly-owned by AL Capital Holdings International Pte. Ltd. AL Capital Holdings International Pte. Ltd. is deemed to be interested in all the Shares held by AL Capital Funds VCC for a/c of AL Capital Global Opportunities Fund under the SFO.
8. AL Capital Holdings International Pte. Ltd. was wholly-owned by Straits Universal Limited. Straits Universal Limited is deemed to be interested in all the Shares held by AL Capital Holdings International Pte. Ltd. under the SFO.
9. Straits Universal Limited was wholly-owned by Mr. Lin Yi. Mr. Lin Yi is deemed to be interested in all the Shares held by Straits Universal Limited and AL Capital Holdings International Pte. Ltd. under the SFO.
10. To the best knowledge and belief of our Directors, Huiqun Investment Limited was wholly-owned by Independent Third Parties.



## Other Information and Corporate Governance

Except as disclosed above, as at 30 June 2025, none of the persons (other than Directors whose interests are set out in this interim report) had any interests or short positions in the Shares or underlying Shares as recorded in the register required to be kept by the Company under section 336 of the SFO.

### HUMAN RESOURCES

As at 30 June 2025, the total number of employees of the Group was approximately 258 (2024 Period: 256) and the employee benefit expenses for the Reporting Period including Directors' emoluments were approximately RMB18.4 million (2024 Period: RMB18.7 million). The Group offers a comprehensive remuneration package which is reviewed by the management on a regular basis. The Group provides employees with competitive remuneration, including wages, subsidies, seniority wages, attendance awards, benefits and year-end awards. The Group establishes employee remuneration policy based on the general market environment and practices, employee responsibilities, and the Group's financial capabilities. The Group's Remuneration Management Policy is developed based on the position-level salary system, with the objective of establishing internal wage comparability between the various grades and categories. Under the position-level salary system, the Group refers to the salary level of enterprises of the same scale in the same industry, determines the salary of employees by the corresponding rank of the employed position in the salary system, and links the performance salary with the Group's income and performance results. The Group also invests in continuing education and training programmes for its management staff and other employees with a view to constantly upgrading their skills and knowledge. The Group values employees as our most valuable assets and believes effective employee engagement is an integral part of business success. In this context, effective communication with employees at all levels is highly valued with the ultimate goal to enhance the efficiency in providing quality service to the customers.

### 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 Reporting Period.

### INTERIM DIVIDEND

The Board does not recommend the payment of any interim dividend for the Reporting Period (2024 Period: Nil).

### EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this report, the Board is not aware of any other significant events requiring disclosure that have taken place subsequent to the Reporting Period and up to the date of this report.

### MATERIAL LEGAL PROCEEDINGS

There was no significant event or arbitration proceeding which has a significant impact on the Group during the Reporting Period and up to the date of this report.

### SUFFICIENCY OF PUBLIC FLOAT

According to the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this report, the Company has maintained the public float as required under the Listing Rules during the Reporting Period and up to the date of this report.

## Other Information and Corporate Governance

### AUDIT COMMITTEE

The Company has established an 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 financial information during the Reporting Period set out in the interim result announcement and this report is unaudited but has been reviewed by the Audit Committee. The Audit Committee has reviewed this report and was satisfied that the Company's unaudited financial information contained in this report was prepared in accordance with applicable accounting standards.

The primary duties of the Audit Committee are to review and supervise, and provide an independent view of the effectiveness of the financial reporting process and the risk management and internal control systems of the Group, oversee the audit process and perform other duties and responsibilities as assigned by the Board.

### SHARE OPTION SCHEME

A share option scheme was adopted by the written resolutions of the Shareholders passed on 3 October 2019. The terms of the Share Option Scheme are in compliance with the provisions of Chapter 17 of the Listing Rules. Since the date of adoption to 30 June 2025, no share option was granted, exercised, cancelled or lapsed under the Share Option Scheme and there was no outstanding share option as at the date of this report.

The number of share options available for grant under the scheme mandate at the beginning and the end of the Reporting Period is 150,000,000.

### CHANGES IN INFORMATION OF DIRECTORS

With effect from 29 August 2025, Mr. Zhang Weiquan, Mr. Mei Jiawei and Mr. Zhang Jiajian were appointed as alternate Directors to each of Mr. Cheung Hon Chuen, Mr. Mei Zuoting and Mr. Zhang Weixin respectively. Mr. Zhang Weiquan is the brother of Mr. Cheung Hon Chuen, who is the chairman, the chief executive officer, an executive Director and a controlling shareholder of the Company. Mr. Mei Jiawei is the son of Mr. Mei Zuoting, who is an executive Director and a controlling shareholder of the Company. Mr. Zhang Jiajian is the son of Mr. Zhang Weixin, who is an executive Director and a controlling shareholder of the Company. Further details have been set out in the announcement of the Company dated 29 August 2025.

Save as disclosed above, there is no other change in the Directors' information required to be disclosed pursuant to Rule 13.51(B)(1) of the Listing Rules.

## Condensed Consolidated Income Statement

	Notes	Six months ended 30 June	
		2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Revenue	7	<b>116,593</b>	129,405
Cost of sales	8	<b>(21,615)</b>	(21,517)
Fair value losses on investment properties	14	<b>(76,590)</b>	(184,360)
Selling and marketing expenses	8	<b>(3,707)</b>	(4,393)
Administrative expenses	8	<b>(17,448)</b>	(15,992)
Net impairment losses (recognised)/reversed on financial assets and lease receivables		<b>(1,965)</b>	64
Other income		<b>1,796</b>	2,370
Other (losses)/gains – net		<b>(5,648)</b>	4,781
<b>Operating loss</b>		<b>(8,584)</b>	(89,642)
Finance income	9	<b>1,063</b>	1,885
Finance expenses	9	<b>(25,620)</b>	(28,734)
Finance expenses – net	9	<b>(24,557)</b>	(26,849)
<b>Loss before income tax</b>		<b>(33,141)</b>	(116,491)
Income tax credit	10	<b>4,011</b>	25,198
<b>Loss for the period</b>		<b>(29,130)</b>	(91,293)
<b>Loss attributable to:</b>			
– Owners of the Company		<b>(29,086)</b>	(91,484)
– Non-controlling interests		<b>(44)</b>	191
<b>Loss for the period</b>		<b>(29,130)</b>	(91,293)
<b>Loss per share attributable to owners of the Company</b>			
Basic and diluted (RMB)	11	<b>(0.02)</b>	(0.06)

The above interim condensed consolidated income statement should be read in conjunction with the accompanying notes.

## Condensed Consolidated Statement of Comprehensive Income

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
<b>Loss for the period</b>	<b>(29,130)</b>	(91,293)
<b>Other comprehensive income for the period net of tax</b>	–	–
<b>Total comprehensive loss for the period</b>	<b>(29,130)</b>	(91,293)
<b>Total comprehensive loss attributable to:</b>		
– Owners of the Company	<b>(29,086)</b>	(91,484)
– Non-controlling interests	<b>(44)</b>	191
<b>Total comprehensive loss for the period</b>	<b>(29,130)</b>	(91,293)

The above interim condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

# Condensed Consolidated Balance Sheet

		As at	
		30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Notes			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	13	3,852	5,497
Investment properties	14	1,897,520	1,971,588
Intangible assets	15	2,018	2,239
Deferred income tax assets		5,195	2,639
Lease and trade receivables and other receivables	16	–	25,276
Financial assets at fair value through profit or loss		481	5,522
		1,909,066	2,012,761
<b>Current assets</b>			
Inventories		8	1,168
Lease and trade receivables and other receivables	16	85,770	68,691
Restricted cash		36	36
Cash and cash equivalents	17	654,536	582,501
		740,350	652,396
<b>Total assets</b>		2,649,416	2,665,157
<b>EQUITY</b>			
Share capital and premium	18	285,115	285,115
Other reserves	19	121,194	120,412
Retained earnings		739,669	769,537
		1,145,978	1,175,064
Non-controlling interests		(1,904)	(1,860)
<b>Total equity</b>		1,144,074	1,173,204



## Condensed Consolidated Balance Sheet

	Notes	As at	
		30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	23	573,320	574,420
Trade and other payables	20	14,201	15,853
Lease liabilities	20	150,706	166,184
Deferred income tax liabilities		172,371	183,485
		910,598	939,942
<b>Current liabilities</b>			
Borrowings	23	262,704	239,004
Trade and other payables	20	159,497	162,795
Lease liabilities	20	26,817	27,675
Contract liabilities	21	24,801	22,420
Advance from customers	22	83,145	64,807
Current income tax liabilities		35,409	32,746
Amounts due to related parties	25	2,371	2,564
		594,744	552,011
<b>Total liabilities</b>		1,505,342	1,491,953
<b>Total equity and liabilities</b>		2,649,416	2,665,157

The above interim condensed consolidated balance sheet should be read in conjunction with the accompanying notes.

The interim condensed consolidated financial information on pages 20 to 57 were approved by the Board of Directors on 29 August 2025 and were signed on its behalf:

**Cheung Hon Chuen**, Director/  
**Zhang Weiquan**, Alternate Director to  
 Mr. Cheung Hon Chuen

**Mei Zuoting**, Director/  
**Mei Jiawei**, Alternate Director to  
 Mr. Mei Zuoting

# Condensed Consolidated Statement of Changes in Equity

	Notes	Attributable to owners of the Company				Non-controlling interests RMB'000	Total RMB'000
		Share capital and premium RMB'000 (Note 18)	Other reserves RMB'000 (Note 19)	Retained earnings RMB'000	Total RMB'000		
Six months ended 30 June 2025 (Unaudited)							
Balance at 1 January 2025		285,115	120,412	769,537	1,175,064	(1,860)	1,173,204
Loss for the period		–	–	(29,086)	(29,086)	(44)	(29,130)
<b>Total comprehensive loss for the period</b>		–	–	(29,086)	(29,086)	(44)	(29,130)
Transfer to statutory reserves	19	–	782	(782)	–	–	–
<b>Balance at 30 June 2025</b>		285,115	121,194	739,669	1,145,978	(1,904)	1,144,074

## Condensed Consolidated Statement of Changes in Equity

		Attributable to owners of the Company					
	Notes	Share capital and premium RMB'000 (Note 18)	Other reserves RMB'000 (Note 19)	Retained earnings RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total RMB'000
Six months ended 30 June 2024 (Unaudited)							
Balance at 1 January 2024		285,178	117,825	934,784	1,337,787	(2,051)	1,335,736
Loss for the period		–	–	(91,484)	(91,484)	191	(91,293)
<b>Total comprehensive loss for the period</b>		–	–	(91,484)	(91,484)	191	(91,293)
Repurchase and cancellation of shares	19	(63)	(346)	–	(409)	–	(409)
Transfer to statutory reserves	19	–	901	(901)	–	–	–
<b>Balance at 30 June 2024</b>		285,115	118,380	842,399	1,245,894	(1,860)	1,244,034

The above interim condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

## Condensed Consolidated Statement of Cash Flows

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
<b>Cash flows from operating activities</b>		
Cash generated from operations	86,307	106,719
Income tax paid	(6,714)	(5,509)
Interest received	1,063	1,885
Interest paid	(24,187)	(27,426)
Net cash generated from operating activities	56,469	75,669
<b>Cash flows from investing activities</b>		
Payments for investment properties	(1,317)	(2,523)
Payments for purchase of property and equipment	(784)	(160)
Prepayments for lease	(1,387)	(2,023)
Consideration paid for business combination under common control	–	(9,470)
Proceeds from finance lease	5,790	11,174
Net cash generated from/(used in) investing activities	2,302	(3,002)
<b>Cash flows from financing activities</b>		
Repurchase and cancellation of shares	–	(409)
Proceeds from borrowings	25,000	–
Repayments of borrowings	(3,833)	(21,815)
Cash advances to related parties	(1,026)	(4,062)
Repayment from related parties	833	2,421
Principal element of lease payment	(7,738)	(7,258)
Net cash generated from/(used in) financing activities	13,236	(31,123)
<b>Net increase in cash and cash equivalents</b>	72,007	41,544
Cash and cash equivalents at beginning of period	582,501	513,011
Exchange gain/(loss) on cash and cash equivalents	28	(16)
<b>Cash and cash equivalents at end of period</b>	654,536	554,539

The above interim condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

# Notes to the Condensed 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.

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.

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

The unaudited interim condensed consolidated financial information is presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousand (RMB’000), unless otherwise stated. The unaudited interim condensed consolidated financial statements contain condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the Group’s annual consolidated financial statements for the year ended 31 December 2024.

The unaudited interim condensed consolidated financial information has been approved for issue by the board of directors (the “**Board**”) of the Company on 29 August 2025.



## Notes to the Condensed Consolidated Financial Statements

### 2 BASIS OF PREPARATION

The unaudited interim condensed consolidated financial information for the six months ended 30 June 2025 has been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim financial reporting” (“**HKAS 34**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the applicable disclosures provisions of Rules Governing the Listing of Securities on the Stock Exchange. The unaudited interim condensed consolidated financial information does not include all the information and disclosure required in the Group’s annual consolidated financial statements and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2024.

### 3 APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

The unaudited interim condensed consolidated financial statements have been prepared with the same accounting policies adopted in the 2024 annual consolidated financial statements, except for those that relate to new standards or interpretations effective for the first time for periods beginning on or after 1 January 2025.

#### Amendments to HKFRS Accounting Standards that are mandatorily effective for the annual periods beginning on 1 January 2025

In the accounting period beginning from 1 January 2025, the Group has applied, for the first time, the following amendments to HKFRS Accounting Standards:

##### *Amendments to HKAS 21*

##### *Lack of exchangeability*

The amendments to HKAS 21 specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. Besides, the amendments also require an entity to disclose additional information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity’s financial performance, financial position and cash flows.

The amendments did not have a material impact on the Group’s unaudited interim condensed consolidated financial statements.

## Notes to the Condensed Consolidated Financial Statements

### 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the unaudited interim condensed consolidated financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing the unaudited interim condensed consolidated financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Group's annual consolidated financial statements for the year ended 31 December 2024.

### 5 FINANCIAL RISK MANAGEMENT

#### 5.1 Financial risk factors

The Group's activities exposed it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk.

The Group operates mainly in the PRC with most of the transactions settled in RMB. Management considers that the business is not exposed to any significant foreign exchange risk as there are no significant financial assets or liabilities of the Group denominated in currencies other than RMB, except that as at 30 June 2025, the Group has cash and cash equivalents (Note 17) denominated in Hong Kong dollar ("HK\$"). The Group has not entered into forward exchange contract to hedge its exposure to foreign exchange risk.

The unaudited interim condensed consolidated financial information does not include all financial risk management information and disclosures required in the Group's annual consolidated financial statements and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2024.

## Notes to the Condensed Consolidated Financial Statements

**5 FINANCIAL RISK MANAGEMENT** (cont'd)**5.1 Financial risk factors** (cont'd)**5.1.1 Liquidity risk**

Cash flow forecasts are prepared by management of the operating entities and aggregated by Group finance. Group finance monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasts take into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets. The following table shows the remaining contractual maturities (or the earliest date a financial liability may become payable in the absence of a fixed maturity date) at the balance sheet date of the Group's financial liabilities and lease liabilities based on contractual undiscounted cash flows:

	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
<b>At 30 June 2025 (Unaudited)</b>					
Borrowings (including interests)	289,089	337,196	199,868	62,423	888,576
Amounts due to related parties	2,371	–	–	–	2,371
Lease liabilities	28,545	22,583	70,336	114,192	235,656
Trade and other payables (excluding salary payables and other tax liabilities)	136,628	10,889	1,351	1,961	150,829
	<b>456,633</b>	<b>370,668</b>	<b>271,555</b>	<b>178,576</b>	<b>1,277,432</b>
<b>At 31 December 2024 (Audited)</b>					
Borrowings (including interests)	272,107	425,376	154,473	84,453	936,409
Amounts due to related parties	2,564	–	–	–	2,564
Lease liabilities	28,358	25,126	69,554	125,905	248,943
Trade and other payables (excluding salary payables and other tax liabilities)	141,012	12,247	1,543	2,062	156,864
	<b>444,041</b>	<b>462,749</b>	<b>225,570</b>	<b>212,420</b>	<b>1,344,780</b>

Interests are calculated on borrowings held as at 30 June 2025 (31 December 2024: same). Floating-rate interest is estimated using the current interest rate as at 30 June 2025 (31 December 2024: same).

## Notes to the Condensed Consolidated Financial Statements

**5 FINANCIAL RISK MANAGEMENT** (cont'd)**5.2 Capital management**

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents and restricted cash. Total capital represents total equity as shown in the consolidated balance sheet.

The gearing ratios at 30 June 2025 and 31 December 2024 are as follows:

	As at	
	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Borrowings (Note 23)	836,024	813,424
Less: cash and cash equivalents (Note 17)	(654,536)	(582,501)
Restricted cash	(36)	(36)
Net debt	181,452	230,887
Equity	1,144,074	1,173,204
Total capital	1,144,074	1,173,204
<b>Gearing ratio</b>	<b>16%</b>	20%

## Notes to the Condensed Consolidated Financial Statements

**5 FINANCIAL RISK MANAGEMENT** (cont'd)**5.3 Fair value estimation***(a) Financial assets carried at fair value*

The Group's financial assets carried at fair value include financial assets at fair value through profit or loss. The different levels of the financial instruments carried at fair value, by valuation method, have been defined as follows:

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

Specific valuation techniques used to value contingent consideration include:

The table below analyses the Group's financial instruments carried at fair value as at 30 June 2025 and 31 December 2024, by level of the inputs to valuation techniques used to measure fair value.

	Level 3 as at	
	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Contingent consideration	481	5,522

The Group manages the valuation of level 3 instruments for financial reporting purpose on a case by case basis. At least once every reporting year, the Group would assess the fair value of the Group's level 3 instruments by using valuation techniques.

The valuation of level 3 instruments mainly included contingent consideration. As these instruments are not traded in an active market, their fair values have been determined by using applicable valuation techniques, which mainly include discounted cash flows.

If the fair values of the financial assets at fair value through profit or loss held by the Group had been 10% higher/lower, the loss before income tax for the six months ended 30 June 2025 would have been approximately RMB48,100 lower/higher (six months ended 30 June 2024: RMB44,300 lower/higher).



## Notes to the Condensed Consolidated Financial Statements

**5 FINANCIAL RISK MANAGEMENT** (cont'd)**5.3 Fair value estimation** (cont'd)*(b) Investment properties**(i) Fair value hierarchy*

This note explains the judgements and estimates made in determining the fair values of the investment properties that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its investment properties into the three levels prescribed under the accounting standards.

	Level 3 as at	
	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Investment properties (Note 14)	<b>1,897,520</b>	1,971,588

There were no transfers between levels 1, 2 and 3 for recurring fair value measurements during the six months ended 30 June 2025 (six months ended 30 June 2024: same).

*(ii) Valuation techniques used to determine fair values*

Fair values of completed investment properties are generally derived using the income capitalisation method and comparison method. The income capitalisation method is based on the capitalisation of the net income and reversionary income potential by adopting appropriate capitalisation rates, which are derived from analysis of sale transactions and valuer' interpretation of prevailing investor requirements or expectations. The prevailing market rents adopted in the valuation have reference to recent lettings, within the subject properties and other comparable properties. The comparison method is adopted assuming sale of each of these properties in its existing state with the benefit of vacant possession. By making reference to sales transactions as available in the relevant market, comparable properties in close proximity have been selected and adjustments have been made to account for the difference in factors such as location and property size.

As at 30 June 2025, all investment properties are included in level 3 fair value hierarchy (31 December 2024: same).

## Notes to the Condensed Consolidated Financial Statements

### 5 FINANCIAL RISK MANAGEMENT *(cont'd)*

#### 5.3 Fair value estimation *(cont'd)*

##### *(b) Investment properties (cont'd)*

##### *(iii) Valuation processes*

The Group measures its investment properties at fair value. The investment properties were valued by an independent and professionally qualified valuer at 30 June 2025 and 31 December 2024. For all investment properties, their current use equates to the highest and best use.

The Group's finance department includes a team that reviews the valuations performed by the independent valuer for financial reporting purposes. This team reports directly to the senior management. Discussions of valuation processes and results are held between the management, the valuation team and valuer at least once every year.

At each financial period end, the finance department:

- Verifies all major inputs to the independent valuation report;
- Assesses property valuation movements when compared to the prior year valuation report; and
- Holds discussions with the independent valuer.

### 6 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 segments, 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.

## Notes to the Condensed Consolidated Financial Statements

**6 SEGMENT INFORMATION** (cont'd)**(a) Segment revenue and results**

The following is an analysis of the Group's revenue and results by reportable segments.

	Six months ended 30 June 2025		
	Property leasing RMB'000	Property management services RMB'000	Total RMB'000
<b>Reportable segment revenue</b>			
Revenue from contracts with customers			
– at a point in time	4,422	–	4,422
– over time	–	29,094	29,094
Revenue from rental income	91,873	–	91,873
Inter-segment revenue	(8,278)	(518)	(8,796)
	<b>88,017</b>	<b>28,576</b>	<b>116,593</b>
Segment (loss)/profit	<b>(14,504)</b>	<b>5,920</b>	<b>(8,584)</b>
Finance expenses – net			<b>(24,557)</b>
Loss before income tax			<b>(33,141)</b>

	Six months ended 30 June 2024		
	Property leasing RMB'000	Property management services RMB'000	Total RMB'000
<b>Reportable segment revenue</b>			
Revenue from contracts with customers			
– at a point in time	4,518	–	4,518
– over time	–	29,812	29,812
Revenue from rental income	103,812	–	103,812
Inter-segment revenue	(8,216)	(521)	(8,737)
	<b>100,114</b>	<b>29,291</b>	<b>129,405</b>
Segment (loss)/profit	<b>(101,211)</b>	<b>11,569</b>	<b>(89,642)</b>
Finance expenses – net			<b>(26,849)</b>
Loss before income tax			<b>(116,491)</b>

## Notes to the Condensed Consolidated Financial Statements

**6 SEGMENT INFORMATION** (cont'd)**(b) Segment assets and liabilities**

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

	As at 30 June 2025			
	Property leasing RMB'000	Property management services RMB'000	Elimination RMB'000	Total RMB'000
Segment assets	2,663,050	34,019	(52,848)	2,644,221
Unallocated:				
– Deferred income tax assets				5,195
Consolidated total assets				2,649,416
Segment liabilities	443,316	71,070	(52,848)	461,538
Unallocated:				
– Deferred income tax liabilities				172,371
– Current income tax liabilities				35,409
– Borrowings				836,024
Consolidated total liabilities				1,505,342

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

## Notes to the Condensed Consolidated Financial Statements

**6 SEGMENT INFORMATION** (cont'd)**(b) Segment assets and liabilities** (cont'd)

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

**7 REVENUE**

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
<b>Revenue from contracts with customers:</b>		
– Property management services (Note (a) and (c))	28,576	29,291
– Sales of goods (Note (b))	4,418	4,518
– Others	4	–
	32,998	33,809
<b>Rental income:</b>		
– Property lease income	83,595	95,596
Total revenue recognised	116,593	129,405

- (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.



## Notes to the Condensed Consolidated Financial Statements

## 7 REVENUE (cont'd)

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

	As at	
	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
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 30 June and 31 December:		
Expected to be recognised over one year	228,171	268,436
Expected to be recognised within one year	39,072	45,967
	267,243	314,403

The amount disclosed above does not include any variable consideration.

- (d) As at 30 June 2025, no assets recognised from incremental costs to obtain a contract.

## Notes to the Condensed Consolidated Financial Statements

## 8 EXPENSES BY NATURE

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Employee benefit expenses	18,411	18,658
Cost of sales of goods	2,955	3,065
Marketing and advertising costs	901	1,199
Legal and professional expenses	578	481
Tax and other levies	2,586	2,548
Property maintenance expenses	4,923	4,208
Electricity and water cost	3,441	3,871
Technical service charge	382	534
Entertainment expenses	2,489	2,316
Depreciation of property and equipment	2,429	2,791
Office and travelling expenses	60	61
Amortisation of intangible assets	221	227
Short-term lease expenses	44	58
Donation	1,000	77
Other expenses	2,350	1,808
<b>Total cost of sales, selling and marketing expenses and administrative expenses</b>	<b>42,770</b>	<b>41,902</b>
Analysed for reporting purposes:		
Cost of sales	21,615	21,517
Selling and marketing expenses	3,707	4,393
Administrative expenses	17,448	15,992
	<b>42,770</b>	<b>41,902</b>

## Notes to the Condensed Consolidated Financial Statements

## 9 FINANCE EXPENSES – NET

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
<b>Finance income:</b>		
– Interest income	(294)	(519)
– Interest income from finance lease receivables	(769)	(1,366)
	(1,063)	(1,885)
<b>Finance expenses:</b>		
– Interest on lease liabilities	4,339	4,819
– Interest expenses on borrowings	21,281	23,915
	25,620	28,734
<b>Finance expenses – net</b>	<b>24,557</b>	<b>26,849</b>

## 10 INCOME TAX CREDIT

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Current income tax		
– PRC corporate income tax	9,377	8,224
Deferred income tax credit	(13,388)	(33,422)
	(4,011)	(25,198)

## Notes to the Condensed Consolidated Financial Statements

**10 INCOME TAX CREDIT** (cont'd)**(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 six months ended 30 June 2025 and 2024.

**(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 the Cayman Islands as an exempted company with limited liability under the Companies Law of the 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 did not have any assessable profits during the six months ended 30 June 2025 and 2024.

## Notes to the Condensed Consolidated Financial Statements

**11 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 interim reporting period.

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

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Loss for the period attributable to owners of the Company for the purposes of basic and diluted loss per share	<b>(29,086)</b>	(91,484)

	Number of shares Six months ended 30 June	
	2025 '000 (Unaudited)	2024 '000 (Unaudited)
Weighted average number of shares for the purposes of basic and diluted loss per share	<b>1,492,944</b>	1,496,800

The Company did not have any potential dilutive ordinary shares outstanding during the six months ended 30 June 2025 and 2024. Diluted loss per share is the same as the basic loss per share.



## Notes to the Condensed Consolidated Financial Statements

**12 DIVIDEND**

No interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: nil) has been proposed by the Board.

**13 PROPERTY AND EQUIPMENT**

	Leased office buildings RMB'000	Vehicles RMB'000	Furniture, fittings and equipment RMB'000	Total RMB'000
<b>At 31 December 2024 (Audited)</b>				
Cost	8,477	8,112	3,994	20,583
Accumulated depreciation	(4,176)	(7,144)	(3,766)	(15,086)
Net book amount	4,301	968	228	5,497
<b>Period ended 30 June 2025 (Unaudited)</b>				
Opening net book amount	4,301	968	228	5,497
Additions	–	–	784	784
Depreciation charges	(2,151)	(188)	(90)	(2,429)
Closing net book amount	2,150	780	922	3,852
<b>At 30 June 2025 (Unaudited)</b>				
Cost	8,477	8,112	4,778	21,367
Accumulated depreciation	(6,327)	(7,332)	(3,856)	(17,515)
Net book amount	2,150	780	922	3,852

## Notes to the Condensed Consolidated Financial Statements

## 14 INVESTMENT PROPERTIES

	Six months ended 30 June 2025 RMB'000 (Unaudited)	Year ended 31 December 2024 RMB'000 (Audited)
Opening net book amount	1,971,588	2,284,851
Lease modification	–	(3,424)
Additions	32	73
Disposal	(5,370)	–
Transfer from finance lease receivables	7,860	4,620
Loss on change in fair value recognised in profit and loss	(76,590)	(314,532)
Closing net book amount	1,897,520	1,971,588
Analysis of investment properties:		
– properties on land use right certificates owned by the Group	882,330	888,200
– properties on right-of-use assets	1,015,190	1,083,388
	1,897,520	1,971,588

Investment properties were revalued at 30 June 2025 on income capitalisation method and comparison method by an independent valuer, Masterpiece Valuation Advisory Limited.

A loss on change in fair value of investment properties amounted to approximately RMB76,590,000 was recognised in the condensed consolidated income statement for the six months ended 30 June 2025 (six months ended 30 June 2024: a loss on change in fair value amounted to approximately RMB184,360,000).

As at 30 June 2025, investment properties of RMB853,830,000 (31 December 2024: RMB859,600,000) were pledged as collateral for the Group's borrowings (Note 23).

## 15 INTANGIBLE ASSETS

	Computer software RMB'000
<b>At 31 December 2024 (Audited)</b>	
Cost	5,454
Accumulated amortisation	(3,215)
Net book amount	2,239
<b>Period ended 30 June 2025 (Unaudited)</b>	
Opening net book amount	2,239
Amortisation charges	(221)
Closing net book amount	2,018
<b>At 30 June 2025 (Unaudited)</b>	
Cost	5,454
Accumulated amortisation	(3,436)
Net book amount	2,018

## Notes to the Condensed Consolidated Financial Statements

## 16 LEASE AND TRADE RECEIVABLES AND OTHER RECEIVABLES

	As at	
	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Operating lease receivables (Note (a))	60,217	56,978
Less: allowance for impairment of operating lease receivables	(17,468)	(14,692)
Operating lease receivables – net	42,749	42,286
Finance lease receivables (Note (b))	13,637	27,785
Less: allowance for impairment of finance lease receivables	(1,364)	(2,286)
Finance lease receivables – net	12,273	25,499
Trade receivables (Note (c))	13,961	8,534
Less: allowance for impairment of trade receivables	(3,236)	(2,937)
Trade receivables – net	10,725	5,597
Other receivables (Note (d))	21,764	21,646
Less: allowance for impairment of other receivables	(7,151)	(7,339)
Other receivables – net	14,613	14,307
Prepaid tax and other levies	62	44
Prepayment for lease	179	1,042
Other prepayments	2,737	2,048
Input VAT available for future deduction	2,432	3,144
	85,770	93,967
Less: non-current portion Finance lease receivables	–	(25,276)
Current portion	85,770	68,691

## (a) Operating lease receivables

The gross operating lease receivables at the end of the respective reporting periods are analysed as follows:

	As at	
	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Less than 1 year	60,217	56,978

## Notes to the Condensed Consolidated Financial Statements

**16 LEASE AND TRADE RECEIVABLES AND OTHER RECEIVABLES** (cont'd)**(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 the end of the respective reporting periods are analysed as follows:

	Minimum lease payment		Present value	
	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Not later than 1 year	20,895	647	13,637	223
Later than 1 year but not later than 5 years	–	31,393	–	27,562
	20,895	32,040	13,637	27,785
Less: unearned finance income	(7,258)	(4,255)	–	–
Present value of minimum lease payments	13,637	27,785	13,637	27,785

**(c) Trade receivables**

The aging analysis of the gross trade receivables based on recognition date at the end of the respective reporting periods is as follows:

	As at	
	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Less than 1 year	13,961	8,534

## Notes to the Condensed Consolidated Financial Statements

**16 LEASE AND TRADE RECEIVABLES AND OTHER RECEIVABLES** (cont'd)**(d) Other receivables**

The gross other receivables at the end of the respective reporting periods are analysed as follows:

	As at	
	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Deposits paid (Note (i))	5,337	5,256
Refundable payments (Note (ii))	9,234	9,984
Advance payment for acquisition of subsidiaries (Note (iii))	5,283	5,283
Sundry receivables (Note (iv))	1,910	1,123
	<b>21,764</b>	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. As at 30 June 2025, an impairment loss of RMB1,465,000 (31 December 2024: RMB1,465,000) was recognised for the rental deposits paid.
- (ii) Included in the refundable payments is a payment for purchasing the goods. As at 30 June 2025, an impairment loss of RMB249,000 (31 December 2024: RMB249,000) was recognised for the refundable deposits.
- (iii) It represents as an advance payment paid for acquisition of subsidiaries in prior years. As at 30 June 2025, an impairment loss of RMB5,283,000 (31 December 2024: RMB5,283,000) was fully impaired.
- (iv) As at 30 June 2025, an impairment loss of RMB154,000 (31 December 2024: RMB342,000) was recognised on sundry receivables.

As at 30 June 2025, lease and trade receivables and other receivables were denominated in RMB and their fair values approximated their carrying amounts.



## Notes to the Condensed Consolidated Financial Statements

## 17 CASH AND CASH EQUIVALENTS

	As at	
	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Cash on hand – RMB	200	283
Cash at banks – RMB	654,134	581,323
– HK\$	202	895
	654,336	582,218
	654,536	582,501

The conversion of RMB denominated balances into foreign currencies and the remittance of such foreign currencies out of the PRC are subject to relevant rules and regulation of foreign exchange control promulgated by the PRC government.

## 18 SHARE CAPITAL AND PREMIUM

	Number of ordinary shares	Nominal value of ordinary shares HK\$	Equivalent nominal value of ordinary shares RMB	Share premium RMB	Total RMB
Ordinary shares of HK\$100 per share issued and fully paid:					
As at 30 June 2025 (Unaudited)	1,492,944,000	14,929,440	13,347,150	271,768,208	285,115,358
As at 31 December 2024 (Audited)	1,492,944,000	14,929,440	13,347,150	271,768,208	285,115,358

## Notes to the Condensed Consolidated Financial Statements

## 19 OTHER RESERVES

	Merger and other reserves RMB'000	Statutory reserves RMB'000 (Note (a))	Total RMB'000
<b>At 1 January 2024</b>	57,042	60,783	117,825
Repurchase and cancellation of Shares	(346)	–	(346)
Appropriation to statutory reserves (Note (a))	–	901	901
<b>At 30 June 2024</b>	56,696	61,684	118,380
<b>At 1 January 2025</b>	<b>56,696</b>	<b>63,716</b>	<b>120,412</b>
Appropriation to statutory reserves (Note (a))	–	<b>782</b>	<b>782</b>
<b>At 30 June 2025</b>	<b>56,696</b>	<b>64,498</b>	<b>121,194</b>

- (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.

## Notes to the Condensed Consolidated Financial Statements

## 20 TRADE AND OTHER PAYABLES AND LEASE LIABILITIES

## (a) Trade and other payables

	As at	
	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Trade payables	15,227	17,502
Construction contract payables	20,894	22,179
Salary payables	21,718	20,907
Other tax liabilities	1,151	877
Deposits from tenants	59,953	59,199
Deposits from Property Developer (Note (a))	50,000	50,000
Accrued expenses	2,167	3,179
Other deposits received	827	3,736
Other payables	1,761	1,069
	<b>173,698</b>	178,648
Less: non-current portion Deposits from tenants	<b>(14,201)</b>	(15,853)
Current portion	<b>159,497</b>	162,795

The aging analysis of the trade and construction contract payables based on invoice date is as follows:

	As at	
	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Less than 1 year	25,589	25,706
Over 1 year	10,532	13,975
	<b>36,121</b>	39,681

As at 30 June 2025, trade and other payables were denominated in RMB and their fair values approximated their carrying amounts.

## Notes to the Condensed Consolidated Financial Statements

**20 TRADE AND OTHER PAYABLES AND LEASE LIABILITIES** (cont'd)**(a) Trade and other payables** (cont'd)

Note:

- (a) 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 the landlord. The Proposed Compensation Agreement will be effective upon the Shaxi Village Redevelopment Plan having been approved by the landowners of Shaxi Village. As at 30 June 2025, the Shaxi Village Redevelopment Plan has not been approved.

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

**(b) Lease liabilities**

	As at	
	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
<b>Lease liabilities payable:</b>		
Within 1 year	<b>26,817</b>	27,675
Within a period of more than 1 year but not exceeding 2 years	<b>20,152</b>	23,506
Within a period of more than 2 years but not exceeding 5 years	<b>57,291</b>	59,494
Within a period of more than 5 years	<b>73,263</b>	83,184
	<b>177,523</b>	193,859
Less: non-current portion	<b>(150,706)</b>	(166,184)
Current portion	<b>26,817</b>	27,675

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 investment properties (Note 14) and property and equipment (Note 13).

## Notes to the Condensed Consolidated Financial Statements

**21 CONTRACT LIABILITIES**

	As at	
	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Shopping mall business management service	5,725	5,465
Property management service	12,755	9,683
Sales of goods	6,321	7,272
	24,801	22,420

**22 ADVANCE FROM CUSTOMERS**

The Group recognised the following advance from customers related to operating lease business:

	As at	
	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Advance from customers	83,145	64,807

The Group receives payments from leases based on billing schedules as established in the leasing contracts.

## Notes to the Condensed Consolidated Financial Statements

## 23 BORROWINGS

	As at	
	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Bank borrowings – Secured (Notes (a) and (b))	836,024	813,424
Total borrowings	836,024	813,424
<b>Less: non-current portion</b> – Bank borrowings – Secured	(573,320)	(574,420)
<b>Current portion</b>	262,704	239,004

Notes:

- (a) As at 30 June 2025, bank borrowings of RMB836,024,000 (31 December 2024: RMB813,424,000) bore interest ranging from 3.85% to 6.13% (31 December 2024: 4.43% to 6.06%) per annum and were secured by investment properties of RMB853,830,000 (31 December 2024: RMB859,600,000) of the Group (Note 14).
- (b) As at 30 June 2025, personal guarantees of RMB157,000,000 (31 December 2024: RMB133,000,000) were given to bank by Mr. Cheung Hon Chuen, Mr. Mei Zuoting and Mr. Zhang Weixin, directors of the Company, for bank borrowings obtained by the Group (Note 25 (e)).

## 24 COMMITMENTS

## (a) Operating lease commitments – The Group as lessor

The Group is a lessor when the Group leases out property under long-term leases arrangements, which is non-cancellable operating lease agreements. The lease terms are mainly from 1 to 10 years and the majority of lease agreements are renewable at the end of the lease period at market rate.

The future aggregate minimum operating lease receivables under non-cancellable operating leases are as follows:

	As at	
	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Less than 1 year	177,773	172,174
1–2 years	100,503	48,643
2–3 years	21,987	19,789
3–4 years	18,803	17,184
4–5 years	19,218	17,184
Over 5 years	49,592	35,747
	387,876	310,721



## Notes to the Condensed Consolidated Financial Statements

**25 SIGNIFICANT RELATED PARTY TRANSACTIONS****(a) Names and relationships with related parties**

Name	Relationship
Mr. Cheung Hon Chuen; Mr. Mei Zuoting; Mr. Zhang Weixin	Ultimate controlling shareholders
Guangzhou Xinji Real Estate Development Co., Ltd	A company controlled by the ultimate controlling shareholders
Guangzhou Panyu Xinji Real Estate Development Co., Ltd	A company controlled by the ultimate controlling shareholders
Foshan Xinji Plaza Management Co., Ltd	A company controlled by the ultimate controlling shareholders
Guangdong Xinji Honeycomb Technology Co., Ltd.	Associate of the Group's ultimate controlling shareholders
Guangdong Yingbin Investment Management Co., Ltd.	A company controlled by the ultimate controlling shareholders
Guangzhou Lupiao Commercial Development Co., Ltd.	A company controlled by the ultimate controlling shareholders
Guangzhou Kwairan Commercial Development Co., Ltd	A company controlled by the ultimate controlling shareholders

## Notes to the Condensed Consolidated Financial Statements

**25 SIGNIFICANT RELATED PARTY TRANSACTIONS** (cont'd)**(b) Transactions with related parties**

The following transactions occurred with related parties:

Rendering of services to related parties:

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Guangzhou Lupiao Commercial Development Co., Ltd.	316	996
Guangzhou Kwairan Commercial Development Co., Ltd	276	339
	592	1,335

Purchases of services from a related party:

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Guangzhou Xinji Real Estate Development Co., Ltd	125	—

Sales of goods to a related party:

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Guangzhou Xinji Real Estate Development Co., Ltd	39	109

## Notes to the Condensed Consolidated Financial Statements

**25 SIGNIFICANT RELATED PARTY TRANSACTIONS** (cont'd)

## (c) Key management personnel compensations

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Wages, salaries and bonuses	2,073	1,580
Pension costs – defined contribution plans	116	156
	2,189	1,736

## (d) Balances with related parties

## (i) Amounts due to related parties:

	As at	
	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
<b>Trade</b>		
Guangzhou Lupiao Commercial Development Co., Ltd.	1,604	1,777
Guangzhou Kwairan Commercial Development Co., Ltd	373	362
Guangzhou Xinji Real Estate Development Co., Ltd.	76	62
	2,053	2,201
<b>Non-trade</b>		
Mr. Zhang Weixin	318	363
	318	363
	2,371	2,564

The amounts due to related parties are trade in nature, unsecured, interest-free and repayable on demand.

## Notes to the Condensed Consolidated Financial Statements

**25 SIGNIFICANT RELATED PARTY TRANSACTIONS** (cont'd)**(d) Balances with related parties** (cont'd)*(ii) Lease Liabilities:*

	As at	
	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Guangzhou Panyu Xinji Real Estate Development Co., Ltd	<b>86,115</b>	92,891

**(e) Guarantees**

Guarantees provided to related party from the Group in respect of the related party's borrowings:

	As at	
	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Mr. Zhang Weixin	<b>318</b>	363

Guarantees provided by related parties to the Group in respect of the Group's borrowings:

	As at	
	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Mr. Cheung Hon Chuen; Mr. Mei Zuoting; Mr. Zhang Weixin (Note 23 (b))	<b>157,000</b>	133,000

## Definitions

"2024 Period"	the six months ended 30 June 2024
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Audit Committee"	the audit committee of the Board
"Board"	the board of Directors of the Company
"BVI"	the British Virgin Islands
"CG Code"	Corporate Governance Code set out in Appendix C1 to the Listing Rules
"Company"	Xinji Shaxi Group Co., Ltd (信基沙溪集团股份有限公司), a company incorporated on 27 July 2018 under the laws of the Cayman Islands as an exempted company with limited liability
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Controlling Shareholder(s)"	has the meaning ascribed to it under the Listing Rules and, in the context of the interim report, refers to the controlling shareholders of the Company
"COVID-19"	Coronavirus Disease 2019
"Director(s)"	the director(s) of our Company
"Group", "our Group", "we", "us" or "our"	the Company and its subsidiaries, or any of them or, where the context so required, in respect of the period before the Company became the holding company of its present subsidiaries, the companies which carried on the business of the present Group at the relevant time
"HK\$"	Hong Kong dollar(s), the lawful currency of Hong Kong

## Definitions

"Honchuen Investment"	HONCHUEN INVESTMENT LIMITED, a company incorporated under the laws of the BVI with limited liability on 31 May 2018, which is wholly-owned by Mr. Cheung
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"hospitality supplies"	a collection of products that meet the needs for the operation of hotels, restaurants and clubs
"hospitality supplies shopping mall"	a professional shopping mall selling hospitality supplies for the operation of hotels, restaurant and clubs or other industry customers
"Huiqun Investment Limited"	HUIQUN INVESTMENT LIMITED, a company incorporated under the laws of the BVI with limited liability on 6 June 2018
"Independent Third Party(ies)"	person(s) or entity(ies) that is or are not connected person(s) within the meaning of the Listing Rules
"Listing"	the listing of the Shares on the Main Board of the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
"Main Board"	the Main Board of the Stock Exchange
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules
"Mr. Cheung"	Mr. Cheung Hon Chuen (張漢泉), an executive Director, our Chairman and one of our founders and Controlling Shareholders
"Mr. Mei"	Mr. Mei Zuoting (梅佐挺), an executive Director and one of our founders and Controlling Shareholders
"Mr. Zhang"	Mr. Zhang Weixin (張偉新), an executive Director and one of our founders and Controlling Shareholders
"PRC" or "China"	the People's Republic of China, for the purpose of this report, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Prospectus"	the prospectus of the Company dated 25 October 2019
"Reporting Period"	the six months ended 30 June 2025



## Definitions

“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	the ordinary share(s) with par value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of issued Shares of the Company
“Share Option Scheme”	the share option scheme of the Company adopted by the written resolutions of the Shareholders passed on 3 October 2019
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Substantial Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Weixin Development”	WEIXIN DEVELOPMENT OVERSEAS LIMITED, a company incorporated under the laws of the BVI with limited liability on 31 May 2018, which is wholly-owned by Mr. Zhang
“Zuoting Investment”	ZUOTING INVESTMENT LIMITED, a company incorporated under the laws of the BVI with limited liability on 31 May 2018, which is wholly-owned by Mr. Mei

\* For identification purpose only