**MAOYE INTERNATIONAL HOLDINGS LIMITED**
**茂 業 國 際 控 股 有 限 公 司**
*(Incorporated in the Cayman Islands with limited liability)*
**(Stock Code: 848)**

# ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

## HIGHLIGHTS

- Total retail sales of stores (including rental merchants) reached RMB6,382.4 million
- Total sales proceeds and rental income were RMB5,294.8 million
- Loss before income tax for the year was RMB429.4 million, net loss for the year was RMB243.9 million
- Basic loss per share for the year was RMB9.87 cents, and the Board did not recommend to declare any final dividend for the year ended 31 December 2025

## ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

The Board of Directors (the "**Board**") of Maoye International Holdings Limited (the "**Company**") announces the consolidated annual results of the Company and its subsidiaries (the "**Group**") for the year ended 31 December 2025 with comparative figures for the year of 2024 as follows:

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

| | | Year ended 31 December | |
|---|---|---|---|
| | | **2025** | 2024 |
| | *Note* | ***RMB'000*** | *RMB'000* |
| Revenue | *3* | **3,034,636** | 4,018,447 |
| Other income | *4* | **956,874** | 980,683 |
| **Total operating income** | | **3,991,510** | 4,999,130 |
| Cost of goods and properties sold | *5* | **(1,173,568)** | (1,765,841) |
| Employee expenses | *6* | **(333,439)** | (394,844) |
| Depreciation and amortisation | | **(962,638)** | (996,137) |
| Expense relating to short-term leases and leases of low-value assets | | **(5,668)** | (8,856) |
| Other operating expenses | | **(877,992)** | (941,418) |
| Other gains and losses | | **(495,722)** | 5,252 |
| **Operating profit** | | **142,483** | 897,286 |
| Finance costs | *7* | **(571,872)** | (690,243) |
| Share of loss and impairment of investment in an associate | | **(20)** | (48,663) |
| (Loss)/profit before income tax | | **(429,409)** | 158,380 |
| Income tax credit/(expense) | *8* | **185,533** | (258,301) |
| **Loss for the year** | | **(243,876)** | (99,921) |
| Attributable to: | | | |
| Ordinary shareholders of the Company | | **(507,140)** | (97,178) |
| Holders of perpetual capital instruments | | **322,536** | – |
| Non-controlling interests | | **(59,272)** | (2,743) |
| **Equity holders of perpetual bonds** | | **(243,876)** | (99,921) |
| **Loss per share attributable to ordinary shareholders of the Company** | *10* | | |
| – Basic and diluted | | **RMB(9.87) cents** | RMB(1.89) cents |

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | Year ended 31 December | |
|---|---|---|
| | **2025** | 2024 |
| | ***RMB'000*** | *RMB'000* |
| **Loss for the year** | **(243,876)** | (99,921) |
| **Other comprehensive loss** | | |
| Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods: | | |
| Exchange differences on translation of foreign operations | **34,539** | (25,491) |
| Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods: | | |
| Changes in fair value on equity investments designated at fair value through other comprehensive income | **67,534** | (371,687) |
| Exchange difference on translation from functional currency to presentation currency | **(28,730)** | 9,871 |
| Remeasurements of defined benefit retirement plans | **219** | (460) |
| Income tax effect | **(102,724)** | 92,922 |
| **Other comprehensive loss, net of tax** | **(29,162)** | (294,845) |
| **Total comprehensive loss** | **(273,038)** | (394,766) |
| Attributable to: | | |
| Ordinary shareholders of the Company | **(536,974)** | (394,993) |
| Holders of perpetual capital instruments | **322,536** | – |
| Non-controlling interests | **(58,600)** | 227 |
| | **(273,038)** | (394,766) |

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | As at 31 December | |
|---|---|---|
| | **2025** | 2024 |
| | ***RMB'000*** | *RMB'000* |
| **ASSETS** | | |
| **Non-current assets** | | |
| Property, plant and equipment | **7,319,274** | 7,742,657 |
| Investment properties | **21,428,798** | 21,815,147 |
| Right-of-use assets | **4,113,471** | 4,618,190 |
| Goodwill | **1,205,022** | 1,248,743 |
| Other intangible assets | **12,707** | 19,415 |
| Investment in associates | **–** | 20 |
| Equity investments designated at fair value through other comprehensive income | **185,021** | 327,832 |
| Financial assets at fair value through profit or loss | **14,134** | 10,287 |
| Prepayments | **53,087** | 107,766 |
| Pledged deposits | **–** | 21,060 |
| Deferred tax assets | **799,957** | 855,739 |
| | **35,131,471** | 36,766,856 |
| **Current assets** | | |
| Inventories | **174,721** | 228,929 |
| Completed properties held for sale | **2,457,342** | 2,323,879 |
| Properties under development | **3,628,908** | 4,206,788 |
| Financial assets at fair value through profit or loss | **43** | 7,713 |
| Trade and notes receivables | **24,783** | 29,162 |
| Prepayments and other receivables | **2,632,709** | 2,352,879 |
| Pledged deposits | **107,797** | 106,292 |
| Cash and cash equivalents | **409,988** | 439,993 |
| | **9,436,291** | 9,695,635 |
| **Total assets** | **44,567,762** | 46,462,491 |

| | As at 31 December | |
|---|---|---|
| | **2025** | 2024 |
| | ***RMB'000*** | *RMB'000* |
| **LIABILITIES** | | |
| **Current liabilities** | | |
| Contract liabilities | **893,628** | 1,060,791 |
| Trade and notes payables | **1,137,257** | 1,263,464 |
| Deposits received, accruals and other payables | **3,815,376** | 3,724,890 |
| Interest-bearing bank and other borrowings | **5,187,109** | 4,422,287 |
| Payables for properties development | **1,406,029** | 1,584,579 |
| Lease liabilities | **203,450** | 311,582 |
| Income tax payable | **372,969** | 435,192 |
| Dividend payable | **1,563** | 1,283 |
| | **13,017,381** | 12,804,068 |
| **Net current liabilities** | **(3,581,090)** | (3,108,433) |
| **Total assets less current liabilities** | **31,550,381** | 33,658,423 |
| **Non-current liabilities** | | |
| Interest-bearing bank and other borrowings | **5,290,485** | 6,114,082 |
| Lease liabilities | **740,723** | 1,099,510 |
| Deferred tax liabilities | **4,039,545** | 4,206,139 |
| Provision for retirement benefits | **3,694** | 4,188 |
| | **10,074,447** | 11,423,919 |
| **Total liabilities** | **23,091,828** | 24,227,987 |

| | As at 31 December | |
|---|---|---|
| | **2025** | 2024 |
| | ***RMB'000*** | *RMB'000* |
| **EQUITY** | | |
| **Equity attributable to ordinary shareholders of the Company** | | |
| Share capital | **460,153** | 460,153 |
| Reserves | **11,984,830** | 12,470,145 |
| | **12,444,983** | 12,930,298 |
| Perpetual bonds | **6,499,665** | 6,866,123 |
| Non-controlling interests | **2,531,286** | 2,438,083 |
| **Total equity** | **21,475,934** | 22,234,504 |
| **Total liabilities and equities** | **44,567,762** | 46,462,491 |

# NOTES TO FINANCIAL STATEMENTS

## 1. CORPORATE AND GROUP INFORMATION

Maoye International Holdings Limited (the "**Company**") was incorporated in the Cayman Islands on 8 August 2007 as an exempted company with limited liability in the Cayman Islands under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised). The Company's registered office address has been changed to P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205 Cayman Islands with effect from 1 October 2016 and the head office and principal place of business of the Company is located at 38/F Tower A, World Finance Centre, 4003 Shennan East Road, Shenzhen, the People's Republic of China (the "**PRC**"). The Company and its subsidiaries (collectively referred to as the "**Group**") are principally engaged in the operation and management of department stores and property development in Chinese Mainland.

In the opinion of the directors, the immediate holding company and the ultimate holding company of the Company are Maoye Department Store Investment Limited and MOY International Holdings Limited, respectively, which were incorporated in the British Virgin Islands. The ultimate controlling shareholder of the Company is Mr. Huang Mao Ru (the "**Ultimate Controlling Shareholder**").

## 2.1 BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("**IASB**") and the requirements of the Hong Kong Companies Ordinance Cap.622.

IFRS Accounting Standards comprise the following authoritative literature:

- International Financial Reporting Standards;
- International Accounting Standards; and
- Interpretations developed by the IFRS Interpretations Committee or its predecessor body, the Standing Interpretations Committee.

The consolidated financial statements have been prepared under the historical cost convention, except for investment properties, financial assets at fair value through profit or loss ("**FVPL**"), and equity investments designated at fair value through other comprehensive income ("**FVOCI**") which have been measured at fair value.

These financial statements are presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand except when otherwise indicated.

As at 31 December 2025, the Group had net current liabilities of approximately RMB3,581,090,000 and had current bank and other borrowings of RMB5,187,109,000 that will fall due in the next 12 months. The Group's ability to repay its debts when they fall due relies heavily on its future operating cash flows and its ability to renew the bank borrowings and continuous financial support of the Ultimate Controlling Shareholder.

The directors have carefully assessed the Group's liquidity position having taken into account:

(1) the Group is expected to continue to generate cash inflows from operating activities in the next 12 months;

(2) the directors of the Company are confident that the bank borrowings that will expire during the next 12 months could be renewed upon expiration based on the Group's past experience and credit standing; and

(3) the Ultimate Controlling Shareholder and the fellow subsidiaries, to provide financial support for the continuing operations of the Group to enable it to meet its liabilities as they fall due and carry on its business without a significant curtailment of operations in the next 12 months from 31 December 2025.

The directors of the Company believe that the Group has adequate resources to continue operation for the foreseeable future of not less than 12 months from the end of the reporting period. The directors of the Company therefore are of the opinion that it is appropriate to adopt the going concern basis in preparing the consolidated financial statements.

## 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised IFRS Accounting Standards for the first time for the current year's financial statements.

| | |
|---|---|
| Amendments to IAS 21 | Lack of Exchangeability |

The adoption of these new and revised standards does not have any significant impact on the consolidated financial statements of the Group.

## 2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Group has not applied the following new or revised IFRS Accounting Standards, that have been issued but are not yet effective in these financial statements. The Group intends to apply these new or revised IFRS Accounting Standards, if applicable, when they become effective.

| | | **Effective for annual periods beginning on or after** |
|---|---|---|
| Amendment to IFRS 9 and IFRS 7 | Amendments to the Classification and Measurement of Financial Instruments | 1 January 2026 |
| Amendment to IFRS 9 and IFRS 7 | Contracts Referencing Nature-dependent Electricity | 1 January 2026 |
| Annual Improvements to IFRS Accounting Standards – Volume 11 | Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 | 1 January 2026 |
| IFRS 18 | Presentation and Disclosure in Financial Statements | 1 January 2027 |

Management is currently assessing the detailed implications of applying these new or revised standards on the Group's consolidated financial statements, and it is not expected to have material impact to the Group other than the application of IFRS 18.

IFRS 18 will replace IAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the income statement and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the group's consolidated financial statements. From the high-level preliminary assessment performed the following potential impacts have been identified:

- Although the adoption of IFRS 18 will have no impact on the Group's net profit, the Group expects that grouping items of income and expenses in the statement of profit or loss into the new categories will impact how operating profit is calculated and reported.

- The line items presented on the primary financial statements might change as a result of the application of the concept of 'useful structured summary and the enhanced principles on aggregation and disaggregation.

- The Group does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:

  – management-defined performance measures; and

  – for the first annual period of application of IFRS 18, a reconciliation for each line item in the statement of profit or loss between the restated amounts presented by applying IFRS 18 and the amounts previously presented applying IAS 1.

- From a cash flow statement perspective, there will be changes to how interest received and interest paid are presented. Interest paid will be presented as financing cash flows and interest received as investing cash flows, which is a change from current presentation as part of operating cash flows.

The Group will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with IFRS 18.

## 2. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on the nature of their operations and their products and services and has three reportable operating segments as follows:

(a) the operation of department stores segment comprises concessionaire sales, direct sales of merchandise and the leasing out of commercial properties for the operation of department stores by third parties;

(b) the property development segment is principally engaged in the development and sale of commercial and residential properties as well as the leasing out of commercial properties other than for the operation of department stores; and

(c) the "others" segment comprises, principally, operations of hotels, and the provision of ancillary services.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss attributable to ordinary shareholders of the Company.

Intersegment revenue and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

| | Operation of department stores *RMB'000* | Property development *RMB'000* | Others *RMB'000* | Total *RMB'000* |
|---|---|---|---|---|
| **Year ended 31 December 2025** | | | | |
| **Segment revenue:** | | | | |
| Revenue | 2,445,928 | 250,636 | 338,072 | 3,034,636 |
| Other incomes | 897,219 | 54,041 | 5,614 | 956,874 |
| **Total segment revenue** | 3,343,147 | 304,677 | 343,686 | 3,991,510 |
| Cost of goods and properties sold | (1,009,593) | (116,309) | (47,666) | (1,173,568) |
| Employee expenses | (233,097) | (14,676) | (85,666) | (333,439) |
| Depreciation and amortisation | (788,608) | (66,622) | (107,408) | (962,638) |
| Expense relating to short-term leases and leases of low-value assets | (5,567) | – | (101) | (5,668) |
| Other operating expenses | (684,149) | (83,462) | (110,381) | (877,992) |
| Other gains and losses | (291,441) | (204,479) | 198 | (495,722) |
| Operating profit/(loss) | 330,692 | (180,871) | (7,338) | 142,483 |
| Finance costs | (313,313) | (258,559) | – | (571,872) |
| Share of loss of investment in associates | (20) | – | – | (20) |
| Profit/(loss) before income tax | 17,359 | (439,430) | (7,338) | (429,409) |
| Income tax credit | 80,803 | 98,323 | 6,407 | 185,533 |
| Profit/(loss) for the year | 98,162 | (341,107) | (931) | (243,876) |
| Attributable to: | | | | |
| Ordinary shareholders of the Company | (190,809) | (315,832) | (499) | (507,140) |
| Non-controlling interests | (33,565) | (25,275) | (432) | (59,272) |
| Perpetual bondholders | 322,536 | – | – | 322,536 |
| | 98,162 | (341,107) | (931) | (243,876) |
| **Other segment information:** | | | | |
| Expected credit losses recognised in the consolidated statement of profit or loss | (24,423) | – | – | (24,423) |
| Write-down of properties under development and completed properties held for sale | – | (353,011) | – | (353,011) |
| Impairment of investment in associates | (20) | – | – | (20) |
| Impairment of goodwill | (43,721) | – | – | (43,721) |
| Capital expenditure* | 15,633 | 197,034 | 3,963 | 216,630 |

* *Capital expenditure consists of additions to property, plant and equipment, investment properties, properties under development, other intangible assets and completed properties held for sale including assets from the acquisition of a subsidiary.*

| | Operation of department stores RMB'000 | Property development RMB'000 | Others RMB'000 | Total RMB'000 |
|---|---|---|---|---|
| **Year ended 31 December 2024** | | | | |
| **Segment income:** | | | | |
| Revenue | 2,818,319 | 889,556 | 310,572 | 4,018,447 |
| Other income | 918,363 | 55,405 | 6,915 | 980,683 |
| Total segment income | 3,736,682 | 944,961 | 317,487 | 4,999,130 |
| Cost of goods and properties sold | (1,121,897) | (591,431) | (52,513) | (1,765,841) |
| Employee expenses | (273,172) | (27,183) | (94,489) | (394,844) |
| Depreciation and amortisation | (845,566) | (65,051) | (85,520) | (996,137) |
| Expense relating to short-term leases and leases of low-value assets | (7,826) | (787) | (243) | (8,856) |
| Other operating expenses | (738,395) | (88,669) | (114,354) | (941,418) |
| Other gains and losses | 104,113 | (99,127) | 266 | 5,252 |
| Operating profit/(loss) | 853,939 | 72,713 | (29,366) | 897,286 |
| Finance costs | (358,236) | (332,007) | – | (690,243) |
| Share of loss and impairment of investment in associates | (48,663) | – | – | (48,663) |
| Profit/(loss) before income tax | 447,040 | (259,294) | (29,366) | 158,380 |
| Income tax (expense)/credit | (108,067) | (155,607) | 5,373 | (258,301) |
| Profit/(loss) for the year | 338,973 | (414,901) | (23,993) | (99,921) |
| Attributable to: | | | | |
| Ordinary shareholders of the Company | 315,703 | (389,126) | (23,755) | (97,178) |
| Non-controlling interests | 23,270 | (25,775) | (238) | (2,743) |
| | 338,973 | (414,901) | (23,993) | (99,921) |
| **Other segment information:** | | | | |
| Expected credit losses recognised in the consolidated statement of profit or loss | (43,149) | – | – | (43,149) |
| Write-down of properties under development and completed properties held for sale | – | (52,736) | – | (52,736) |
| Impairment of investment in associates | (41,991) | – | – | (41,991) |
| Impairment of goodwill | (11,788) | – | – | (11,788) |
| Investment in associates as at the year end | 20 | – | – | 20 |
| Capital expenditure* | 16,628 | 337,902 | 7,967 | 362,497 |

* *Capital expenditure consists of additions to property, plant and equipment, investment properties, properties under development, other intangible assets and completed properties held for sale including assets from the acquisition of a subsidiary.*

The Group's entire revenue is attributable to the market in Chinese Mainland. No analysis of geographical information is therefore presented.

More than 99.9% of the carrying value of the Group's non-current assets, excluding financial instruments and deferred tax assets, are situated in Mainland China.

The Group has a large number of customers. However, no sales to a single customer amounted to 5% or more of the Group's total revenue.

## 3. REVENUE

| | Year ended 31 December | |
|---|---|---|
| | **2025** | 2024 |
| | ***RMB'000*** | *RMB'000* |
| **Revenue from contracts with customers:** | | |
| Commissions from concessionaire sales | **367,478** | 533,831 |
| Direct sales | **1,071,088** | 1,193,403 |
| Sale of properties | **151,264** | 772,430 |
| Hotel accommodation and ancillary services | **334,138** | 308,112 |
| Others | **–** | 3,342 |
| **Revenue from other sources:** | | |
| Rental income from investment properties | **576,920** | 640,054 |
| Rental income from the leasing of shop premises | **533,748** | 567,275 |
| | **3,034,636** | 4,018,447 |

**Revenue from contracts with customers**

***(i) Disaggregated revenue information***

The following table shows the amount of revenue recognised in related to sales of properties in the current reporting period that was included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

| | Year ended 31 December | |
|---|---|---|
| | **2025** | 2024 |
| | ***RMB'000*** | *RMB'000* |
| Revenue recognised that was included in contract liabilities at the beginning of the reporting period: | **36,759** | 579,000 |

***(ii) Performance obligations***

Information about the Group's performance obligations is recognised below:

Direct sales and commissions from concessionaire sales

The performance obligation is satisfied at the point in time when control of the asset is transferred to the customers.

*Sale of properties*

For contracts entered into with customers on the sale of properties, the Group does not have an enforceable right to payment prior to transfer of the relevant properties to customers. Revenue from the sale of properties is therefore recognised at the point in time when the completed property is transferred to customers, being at the point that the customer obtains the control of the completed property and the Group has the present right to payment and collection of the consideration is probable.

*Hotel accommodation and ancillary services*

The hotel accommodation and ancillary services are for periods of one year or less. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

## 4. OTHER INCOME

| | **Year ended 31 December** | |
|---|---|---|
| | **2025** | 2024 |
| | ***RMB'000*** | *RMB'000* |
| Income from suppliers and concessionaires | | |
| – Administration and management fee income | **777,707** | 741,798 |
| – Promotion income | **119,645** | 157,746 |
| – Credit card handling fees | **51,897** | 71,546 |
| Interest income | **6,262** | 8,104 |
| Others | **1,363** | 1,489 |
| | **956,874** | 980,683 |

## 5. COST OF GOODS AND PROPERTIES SOLD

| | Year ended 31 December | |
|---|---|---|
| | **2025** | 2024 |
| | ***RMB'000*** | *RMB'000* |
| Cost of merchandise sold | **1,009,593** | 1,121,897 |
| Cost of properties sold | **116,309** | 592,327 |
| Others | **47,666** | 51,617 |
| | **1,173,568** | 1,765,841 |

## 6. EMPLOYEE EXPENSES

| | Year ended 31 December | |
|---|---|---|
| | **2025** | 2024 |
| | ***RMB'000*** | *RMB'000* |
| Wages and salaries | **283,010** | 337,739 |
| Retirement benefits | **34,390** | 43,376 |
| Other employee benefits | **16,039** | 13,729 |
| | **333,439** | 394,844 |

## 7. FINANCE COSTS

| | Year ended 31 December | |
|---|---|---|
| | **2025** | 2024 |
| | ***RMB'000*** | *RMB'000* |
| Interest on bank and other borrowings and other payables | **543,190** | 660,024 |
| Interest on lease liabilities | **81,447** | 104,694 |
| Total interest expense incurred | **624,637** | 764,718 |
| *Less:* Interest capitalised | **(52,765)** | (74,475) |
| | **571,872** | 690,243 |

## 8. INCOME TAX (CREDIT)/EXPENSE

| | Year ended 31 December | |
|---|---|---|
| | **2025** | 2024 |
| | ***RMB'000*** | *RMB'000* |
| Current income tax: | | |
| – Corporate income tax | **3,150** | 118,666 |
| – Land appreciation tax | **24,853** | 134,103 |
| Deferred income tax | **(213,536)** | 5,532 |
| Total tax (credit)/charge for the year | **(185,533)** | 258,301 |

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

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

Pursuant to the rules and regulations of the British Virgin Islands, the Group is not subject to any tax in the British Virgin Islands.

The provision for Hong Kong profits tax was calculated at 16.5% (2024: 16.5%) of the estimated assessable profits for the year ended 31 December 2025.

Under the relevant income tax law, the PRC subsidiaries are subject to corporate income tax ("**CIT**") at a statutory rate of 25% (2024: 25%) of their respective taxable income, except for certain group entities which are entitled to various concessionary tax rates or tax exemptions and reliefs.

PRC Land Appreciation Tax is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sales of properties less deductible expenditures including land use rights, borrowing costs and all property development expenditures. Land appreciation tax of RMB24,853,000 (2024: RMB134,103,000) was charged to the consolidated statement of profit or loss for the year ended 31 December 2025.

## 9. DIVIDENDS

No dividend was paid or proposed for ordinary shareholder of the Company during the years ended 31 December 2025 and 2024, nor has any dividend been proposed since 31 December 2025.

## 10. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY SHAREHOLDERS OF THE COMPANY

The calculation of the basic loss per share amounts is based on the loss for the year attributable to ordinary shareholders of the Company of RMB507,140,000 (2024: RMB97,178,000) and the weighted average number of ordinary shares of 5,140,326,000 (2024: 5,140,326,000) in issue during the year.

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2025 and 2024.

## 11. TRADE AND NOTES PAYABLES

An ageing analysis of the trade and notes payables as at the end of the reporting period, based on the invoice date, is as follows:

| | **Year ended 31 December** | |
|---|---|---|
| | **2025** | 2024 |
| | ***RMB'000*** | *RMB'000* |
| Within 90 days | **916,095** | 920,158 |
| 91 to 180 days | **66,045** | 59,857 |
| 181 to 360 days | **56,830** | 98,605 |
| Over 360 days | **98,287** | 184,844 |
| | **1,137,257** | 1,263,464 |

The trade payables are non-interest-bearing and are normally settled within 90 days.

## 12. PERPETUAL BONDS

In December 2024, the Company's immediate holding company ("**the Immediate Holding Company**"), certain fellow subsidiaries and certain entities within the Group (including the Company and two of its subsidiaries) entered into several debt restructure agreements, pursuant to which the loans from the Immediate Holding Company amounted to RMB1,121,682,000 and the loans from the fellow subsidiaries amounted to RMB5,744,441,000 were restructured as perpetual bonds issued by the Group with aggregate principal amount of RMB6,866,123,000.

The relevant parties have negotiated and agreed on the interest rate for these perpetual bonds at one-year loan prime rate plus 195.4 basis point, accruing from 31 December 2024.

During the year ended 31 December 2025, the Group has redeemed certain portions of perpetual bonds, with accrued interests, at approximately RMB2,966,188,000 and entered into further similar debt restructuring agreements with the fellow subsidiaries to issue additional perpetual bonds with aggregate principal amount of approximately RMB2,277,194,000.

These perpetual bonds have no maturity date and were redeemable only at the Group's discretion, and the payments of interest of such perpetual bonds can be deferred at the discretion of the Group. The Group has the obligation to repay the principals and deferred interests only upon the liquidation of the respective group entities of the Group.

As the Group has an unconditional right to avoid delivering cash or other financial asset to settle these perpetual bonds, the perpetual bonds were classified as equity instruments and presented as "Perpetual bonds" in equity, as a separate item from "Equity attributable to ordinary shareholders of the Company" and "Non-controlling interests", in the consolidated statement of financial position.

## 13. CONTINGENT LIABILITIES

The Group, in the ordinary course of its business, is involved in some legal proceedings from some of its creditors for the settlement of payables. The Directors have assessed the impact of these litigations on the consolidated financial statements for the year ended 31 December 2025, after taking into considerations of opinions from professional advisors, and concluded that reasonable provisions has been made in the Group's consolidated financial statements, and the settlement of these litigations will not adversely affect the Group's operating results or cash flows.

# MANAGEMENT DISCUSSION AND ANALYSIS

## I. MACROECONOMIC OVERVIEW

From a macroeconomic perspective, 2025 was characterized by a complex and rapidly evolving international environment. Geopolitical tensions intensified, external conditions shifted abruptly, and pressures on the domestic economy became more pronounced. Notwithstanding these challenges, China's economy demonstrated notable resilience, maintaining overall stability while continuing its transition towards higher-quality, innovation-driven growth and achieving measured progress. During the year, a significant breakthrough was achieved in the transition from traditional to emerging growth drivers, highlighting the economy's capacity to withstand external shocks and foster new sources of momentum. In 2025, a dual-pronged policy approach was adopted, with proactive fiscal measures and accommodative monetary policies further strengthened to stimulate domestic demand and unlock consumption potential. Initiatives such as the "Two Major" and "Two New" programs were introduced to support economic transformation and the effective release of domestic demand, while "anti-involution" policies were implemented to guide the real economy towards healthy and orderly development. In parallel, efforts to advance institutional opening-up continued, reinforcing China's position in international trade and strengthening its role within global industrial and supply chains. Despite a volatile external environment and mounting domestic pressures, full-year gross domestic product for 2025 reached a new milestone, exceeding RMB140 trillion for the first time and recording a year-on-year increase of 5 per cent. Amid ongoing uncertainties, the foundations of the economy were not only preserved but further consolidated, as the pursuit of high-quality development progressed in a steady and determined manner.

In 2025, China's consumer market was supported by proactive macroeconomic policies and moderately accommodative monetary conditions. Total retail sales of consumer goods reached approximately RMB50.12 trillion, representing a year-on-year increase of 3.7 per cent. By consumption category, retail sales of goods amounted to approximately RMB44.32 trillion, up 3.8 per cent year on year, while catering revenue reached approximately RMB5.8 trillion, reflecting an increase of 3.2 per cent. By retail format, among enterprises above the designated size, convenience stores recorded a 5.5 per cent increase in retail sales, supermarkets grew by 4.3 per cent, department stores by 0.1 per cent, and specialty stores by 2.6 per cent, while brand-specific specialty stores recorded a decline of 0.6 per cent. Nationwide online retail sales totaled approximately RMB15.97 trillion, representing a year-on-year increase of 8.6 per cent. Of this total, online retail sales of physical goods increased by 5.2 per cent and accounted for 26.1 per cent of overall retail sales. By product category, online sales of food, apparel and daily necessities increased by 14.5 per cent, 1.9 per cent and 4.1 per cent, respectively. Overall, the consumer market continued to face headwinds. Macroeconomic growth moderated at the margin, while structural imbalances between supply and demand persisted. Consumer spending momentum remained relatively subdued, competition within the retail sector intensified, and divergence among offline retail formats became increasingly pronounced. Revenue pressures were widespread, and profit margins continued to narrow. Notwithstanding these challenges, service-oriented consumption demonstrated notable resilience. Categories including cultural and sports leisure services, communication and information services, tourism and rental consultancy, as well as transportation and travel services, all recorded growth in retail sales and were resilient.

Taken as a whole, China's economy continued to operate with overall stability in 2025, achieving measured progress while demonstrating notable resilience and vitality amid a turbulent external environment. As 2026 marks the commencement of the 15th Five-Year Plan period, the nation is expected to further strengthen, refine and extend the implementation of proactive macroeconomic policies. These measures are intended to stimulate diversified domestic consumption demand, support economic transformation and upgrading, accelerate the cultivation and development of new-quality productive forces, and continue to build and consolidate a new paradigm of high-quality development.

## II. OPERATIONAL REVIEW

For the year ended 31 December 2025, the Group operated and managed a total of 49 stores in 21 cities nationwide with a gross floor area of approximately 3.1 million sq.m., of which operating area attributable to self-owned properties accounted for 77.99% (including the gross floor area leased from related parties, 84.39%). Coverage of key cities included Shenzhen and Zhuhai in Guangdong; Chengdu, Nanchong and Mianyang in Sichuan; Chongqing; Wuxi, Yangzhou, Taizhou, Nanjing and Huai'an in Jiangsu; Zibo, Jinan and Heze in Shandong; Qinhuangdao and Baoding in Hebei; Shenyang and Jinzhou in Liaoning; Taiyuan in Shanxi; Hohhot and Baotou in Inner Mongolia. As at 31 December 2025, the distribution of stores of the Group was as follows:

| | **Southern China** | **Southwestern China** | **Eastern China** | **Northern China** | **Total** |
|---|---|---|---|---|---|
| Number of Stores *(stores)* | 7 | 8 | 15 | 19 | 49 |
| Gross Floor Area *(sq.m.)* | 269,409 | 324,502 | 1,043,668 | 1,495,289 | 3,132,868 |

*Notes:*

1. Southern China region includes: Shenzhen and Zhuhai.

2. Southwestern China region includes: Chengdu, Nanchong, Mianyang and Chongqing.

3. Eastern China region includes: Zibo, Jinan, Heze, Wuxi, Yangzhou, Taizhou, Nanjing and Huai'an.

4. Northern China region includes: Hohhot, Baotou, Qinhuangdao, Baoding, Shenyang, Jinzhou and Taiyuan.

As one of the leading mid-to-high-end physical retailers in China, the Group has been committed to building a good reputation through diversified product mix and continuously improving consumer experience, so as to continue to attract new and old customers. During the reporting period, the Group laid foundation for its principal businesses and made intensive and penetrative efforts, consolidated its own resilience and strength in a complicated and ever-growing market environment, continuously improved the quality of operation and management, fully dug into the growth potential of high-quality commodity resources and continued to grow through brand adjustment and creative marketing. The business situation has gradually recovered and sustainable and healthy development has been realized.

***MAJOR OPERATIONAL HIGHLIGHTS:***

1. ***Continuous Innovation in Business Formats, Optimisation of Existing Assets, and Synergistic Empowerment***

During the reporting period, the department store retail sector remained in a phase of structural adjustment. Industry competition further intensified, characterised by a clear survival-of-the-fittest dynamic, with different retail formats experiencing alternating phases of growth and contraction. The competitive focus has gradually shifted from scale-driven expansion to the intensification and optimisation of existing assets, with deep value creation emerging as the core determinant of competitiveness. Against this backdrop, the Group remained closely attuned to market developments and continued to advance along two principal strategic directions: the upgrading of new consumption models and the promotion of new lifestyle concepts. The Group progressively optimised and refined its nationwide store network, steadily renewing business formats, enhancing operational quality and cultivating deeper value across its asset portfolio. Guided by the core principles of "cultivating first stores, renewing business formats, creating immersive scenarios and deepening regional focus", the Group actively advanced store upgrade initiatives across the country during the period. The structure of business formats was optimised through the expansion and reconfiguration of space dedicated to experiential and lifestyle-oriented categories. High-potential brands were selectively introduced to elevate the overall quality and differentiation of the Group's offerings, while merchandise management was continuously refined to achieve a higher degree of integration and resonance among consumers, products and retail spaces. These initiatives were directed towards enhancing operational value and facilitating the Group's transformation from traditional department stores into shopping-mall-oriented and intelligent retail commercial complexes. Through sustained execution of these strategies, the Group further reinforced its ability to adapt to evolving market dynamics, demonstrating resilience and determination in pursuing high-quality development.

In 2025, the Group’s overall performance remained under pressure, reflecting the continued imbalance between supply and demand in the domestic market, the deepening of structural adjustments across the industry, and the ongoing transformation of the Group’s business formats. Notwithstanding these challenges, stores located in South China, Inner Mongolia, Qinhuangdao and the Southwest region continued to serve as key performance contributors, demonstrating sustained vitality and resilience. From a category perspective, core department store segments – including daily necessities, high-quality value-for-money products, women’s fashion and domestic beauty brands – remained the mainstay of retail consumption. At the same time, service-oriented and lifestyle-related categories recorded notable growth. These included experiential offerings such as pet interaction stores, anime and comic-themed zones, IP character shops and collectibles communities, as well as sports and leisure facilities, wellness services, children’s playgrounds and tutoring services. Consumption patterns among younger and middle-aged consumer groups continued to evolve, with increasing emphasis placed on emotional value and immersive experiences. Categories such as themed restaurants, tea and coffee spaces, bistro-style dining, contemporary Chinese tea beverages, 5D cinemas and family entertainment centres all recorded sustained growth. This gradual shift reflects an emerging consumption paradigm in which “space itself becomes the product”.

In optimising its business formats, the Group implemented differentiated and location-specific adjustments in response to the distinct consumption patterns and multi-layered needs of customers across its portfolio. During the period, the Chengdu Chunxi Store leveraged its position within a leading "first-store economy" commercial precinct. Guided by the principles of cultivating first stores, renewing business formats and upgrading experiential scenarios, the store successfully introduced anchor tenants including the Anta Arena Southwest flagship store and the Home Inn brand. These initiatives enhanced brand concentration and further strengthened the store's positioning as a premier destination within the relevant commercial district. Chengdu Shuangliu Maoye Complex, strategically located within the airport economy zone's established "million-population catchment area", served a diversified customer base comprising family households, airport travellers, university communities and employees of nearby industrial parks. During the period, the store introduced a range of daily consumption and family-oriented leisure offerings, including the Jimao Dian restaurant, the Wangyu internet café and a children's playground. These additions enabled the provision of an integrated one-stop destination for shopping, dining and entertainment, tailored to the needs of family consumers. Jinan Maoye Complex focused on the introduction of regional first-to-market brands such as Xiao Jiangxi, Yin Zhenzhu and Beneunder. In parallel, a diversified mix of new retail formats was introduced, including MINISO, large-scale collectibles and gaming communities combining arcade entertainment with children's indoor play facilities, the GOMETAL internet cafés and other business formats. These initiatives were aimed at establishing a new local landmark integrating family leisure, retail, entertainment and dining functions, addressing gaps in Jinan's family-oriented consumption landscape, capturing spillover demand from the urban core, and achieving a differentiated and locally responsive business format configuration.

The evolution of the Group's business formats naturally drove the upgrading and renewal of its merchandise portfolio. As an established operator with deep roots in traditional department store retail, the Group remained committed to providing high-quality, value-for-money products and services. At the same time, the Group proactively responded to emerging consumption trends by expanding into categories centred on emotional value, interest-driven retail, experiential offerings, immersive scenarios and lifestyle-oriented concepts, thereby supporting and reinforcing the broader transformation of its business formats. During the period, the Group's leasing and brand introduction initiatives focused on maximising the impact of the "first-store economy". Across its portfolio, more than 200 regional- and city-level first stores were introduced, including 47 first-to-market brands in Qinhuangdao, 40 in Shandong, more than 40 at the Taiyuan, Shanxi regional store, and over a dozen Jiangsu first stores in Nanjing. At Qinhuangdao Maoye Complex, nearly 180 brands were refreshed, including first-store introductions such as Sha Dan Biao, Shan Huan Huan and Mei Guo, among others. The total renovation area amounted to approximately 43,300 square metres. This comprehensive brand upgrade, emphasising both quality and diversity, resulted in an increase of nearly 10 per cent in customer footfall and delivered simultaneous growth in both sales revenue and gross profit during the year. In Taiyuan, Shanxi, the Maoye store successfully introduced regional first stores for Freshippo and Domino's Pizza. Nanjing Maoye Complex welcomed the world's largest super-flagship store of Mixue, alongside the BM women's wear multi-brand store. In the Southwest region, stores introduced a number of high-potential brands, including the Anta Arena Southwest flagship store, RITUALS (as a department-store first in South China), Tesla, a MINISO flagship store, Sisyphe Bookstore and KKV.

The evolution of consumption patterns has reshaped the Group's approach to brand acquisition. During the reporting period, the Group adopted "selective brand introduction over conventional leasing" as a core operating philosophy, redefining its role from that of a passive landlord to an active operator and value enabler. Through the establishment of a tiered brand hierarchy, the Group promoted the organic integration of merchandise and business formats, steadily advancing the transformation from traditional department stores into experiential commercial complexes and intelligent retail platforms. In formulating its annual leasing strategy, the Group continued to prioritise optimisation and upgrading, with a focus on business format iteration, brand renewal and deeper regional penetration. These initiatives resulted in a continued trend of structural optimisation across business formats, an overall uplift in brand quality and the steady expansion of the Group's project portfolio. In terms of format allocation, emphasis was placed on increasing the proportion of experiential and lifestyle-oriented products and services, while the share of traditional retail was adjusted in accordance with local consumption characteristics. Key formats introduced during the period included dining concepts, family-oriented offerings, collectibles communities, smart home appliance multi-brand stores and immersive entertainment, further enriching the Group's service-based and lifestyle-driven commercial ecosystem. By way of illustration, stores in the Shandong region introduced more than 20 new dining and experiential brands, with format adjustments covering over 7,700 square metres. Qinhuangdao Maoye Complex expanded its offerings across sports and outdoor categories, trend-driven brands and children's experiential formats. Nanjing Maoye Complex introduced an anime- and trend-focused retail zone, the Mixue super-flagship store, Grey Museum, a children's playground, Qidi Pet Hospital, a China-chic cultural and creative multi-brand store, and HiSing automated karaoke facilities, further strengthening its experiential and lifestyle portfolio. In terms of brand portfolio management, each region focused on the phased exit of underperforming brands while upgrading selected existing brands into flagship stores, image-enhanced stores and premium "black-label" formats. Concurrently, the Group accelerated the introduction of first-to-market brands, benchmark labels and high-profile emerging brands, with the objective of building sustainable footfall, strengthening consumer engagement and cultivating new sources of profit growth. This three-tier brand ecosystem further enhanced the overall competitiveness and resilience of the Group's projects. Representative examples include the introduction of Freshippo and Domino's Pizza at the Taiyuan, Shanxi regional store; the launch of the Mixue flagship store and the BM women's wear multi-brand store at the Jiangsu regional store in Nanjing; and the introduction of new brands and flagship formats across other regions, including RITUALS, Tesla, Kolon, UR, Hotwind, MINISO flagship stores, KOLON, Yeswood, Pang Yonghui, Yin Zhenzhu, Beneunder and KKV. Overall, the Group's approach reflects a timely evolution in operating logic: selective curation driving business format transformation, value-oriented leasing replacing traditional tenant recruitment, and a strategic shift from development-led expansion towards long-term stewardship and deep value creation.

### 2. *Format Iteration Driving the Transition from Concession to Leasing and the Deepening of the Shopping Mall Strategy*

During the reporting period, the Group continued to advance its strategic transition from concession-based operating models to leasing arrangements. Across its nationwide store network, the Group steadily promoted the shift from traditional department store operations towards shopping-mall-oriented formats. This transformation was underpinned by coordinated adjustments and upgrades across multiple dimensions, including business format configuration, brand portfolio optimisation, curated content enhancement and commercial space planning, thereby accelerating the pace of strategic implementation. During the period, in response to evolving consumption trends, the Group's leasing and operational strategies prioritised business format optimisation and differentiated value creation tailored to regional characteristics. Stores across various regions responded to local consumption patterns and core demand drivers by selectively increasing the proportion of dining, leisure, experiential and social-oriented formats, while correspondingly reducing reliance on traditional department store retail and concession counters. These initiatives effectively accelerated both the transition from concession to leasing models and the deepening of the Group's shopping-mall-oriented transformation. Several projects during the year illustrate the effectiveness of this strategy. In Shandong, Zibo Maoye Times Square converted a number of key traditional retail brands from concession arrangements to leasing models. This transition contributed to a significant year-on-year increase in overall profitability, establishing the project as a landmark commercial destination within its district. At Jinan Maoye Complex, substantial adjustments were implemented to expand the presence of new dining, leisure and experiential formats, resulting in a notable year-on-year increase in overall rental income. Similarly, Qinhuangdao Maoye Complex undertook a comprehensive refresh of its existing brand portfolio during the year, introducing a significant number of first-to-market brands and traffic-driving labels. These initiatives further accelerated the store's transition from concession-based operations to leasing, with rental income also recording year-on-year growth.

While the Group continued to advance the renewal and optimisation of its business formats and brand portfolio during the reporting period—placing greater emphasis on selective curation rather than conventional leasing—certain stores experienced periods of vacancy. Such vacancies should not be interpreted as an indication of operational weakness, but rather as the outcome of a deliberate and disciplined management decision. The principle of "preferring vacancy to compromise" reflects the Group's commitment to safeguarding asset quality and enhancing long-term competitiveness. As the Group transitions towards more experiential, lifestyle-oriented and emotionally engaging formats, its leasing strategy has evolved from simple tenant recruitment to precise and selective brand curation. This approach requires careful alignment between brand positioning, experiential value and consumer demand, while remaining consistent with the overall format proposition and long-term positioning of each project. During this transitional phase, certain stores may experience temporary increases in vacancy rates and cyclical pressure on operating performance. Such fluctuations represent an inherent and proactive recalibration process, undertaken to consolidate the foundations for sustainable long-term growth. The scenarisation and experiential upgrading of shopping spaces within core commercial districts represent an irreversible industry trend, with operational value increasingly driven towards greater refinement and differentiation. The Group's strategic shift from concession-based operating models to leasing arrangements, together with its broader transition towards shopping-mall-oriented operations, is fully aligned with industry-wide imperatives to revitalise existing assets and respond effectively to evolving consumption patterns. Over the long term, these initiatives are expected to enhance the vitality and resilience of the Group's asset portfolio and strengthen its core competitiveness, thereby laying a solid foundation for stable and enduring development.

### 3. *Strengthening Technological Empowerment and Advancing Digital Integration*

During the reporting period, the Group continued to strengthen its digital business platforms, steadily advancing technology-enabled empowerment and the integrated development of online and offline channels to build a unified, multi-touchpoint operating ecosystem. Guided by a performance-oriented approach and centred on customer needs, the Group leveraged a diversified portfolio of digital platforms to capture both public-domain traffic and proprietary (private-domain) traffic. These platforms included the Group's "Maolehui" mini online shopping application on WeChat, the Maoye Department Store official website, the Douyin "Maoye Department Store Flagship" channel, Xiaohongshu, Enterprise WeChat, as well as official WeChat accounts and video channels. Through the coordinated use of these channels, the Group capitalised on consumption opportunities via a range of integrated marketing initiatives, launching full-category online retail activities and related operational support programmes. This approach facilitated the development of a fully integrated omni-channel marketing ecosystem. In parallel, "Maoyuehui", the Group's one-stop membership management platform, continued to provide comprehensive consumer services and operational support for both online and offline members. The platform enabled continuous engagement throughout the customer consumption lifecycle, offering functionalities such as membership points accumulation and redemption, digital coupon distribution and parking services. These features not only supported sales growth but also enhanced the overall customer experience. Furthermore, the platform's data analytics capabilities, together with its intelligent recommendation and targeted push functions, enabled the Group to deliver products and services to customers with greater efficiency and precision.

In 2025, the Group's "Maolehui" online marketplace recorded sales of approximately RMB212 million, representing a decrease compared with the previous period. Beauty and cosmetics continued to be the primary contributor to the Group's online sales performance. From a supply-side perspective, the e-commerce sector remained characterised by intense competition within an increasingly saturated market. Industry dynamics became more polarised, with certain market participants pursuing deep specialisation and intensive development within niche segments, while others sought growth through iterative upgrades of large-scale artificial intelligence models and aggressive pricing strategies. On the demand side, consumers increasingly directed their spending towards experiential offerings, value-for-money propositions and emotionally resonant products, becoming more pragmatic and value-driven over the course of the year. Beauty products accounted for approximately 94 per cent of total sales on the Maolehui platform. Brands achieving online full-price sales exceeding RMB10 million included SK-II, Lancôme, La Mer, Clarins and Helena Rubinstein. Within the national beauty market, domestic brands continued to strengthen their competitive position, with their market share in China increasing to 57.37 per cent. In contrast, international brands faced mounting pressure as consumers increasingly prioritised functional efficacy and cost-effectiveness over brand prestige, resulting in reduced willingness to pay excessive price premiums. Consequently, certain international brands experienced a loss of market share amid heightened price sensitivity and intensified channel competition. Beyond beauty, apparel and gold jewellery emerged as notable growth categories. Women's wear ranked second in overall platform sales, while gold jewellery achieved annual sales exceeding RMB1 million. Home textile products recorded particularly strong momentum, with sales increasing to more than three times those of the previous year. Live-streaming initiatives delivered especially strong results during the period. A newly launched apparel store achieved transaction value exceeding RMB3 million within three months of its debut. A co-branded live-streaming session with Embry Form generated sales of more than RMB1 million in a single broadcast, while a Christmas-themed salon collaboration with COACH reached over 240,000 consumers, underscoring the effectiveness of targeted, event-driven digital engagement strategies.

In respect of online sales channels and strategy, the Group focused on further refining its live-streaming operations. The Group deepened its presence in the core beauty category, where it maintains a competitive advantage, while selectively expanding into other high-turnover product categories. By actively building in-house live-streaming teams, the Group reduced operating costs and enhanced efficiency, enabling the continued generation of incremental growth within a mature market environment. During the reporting period, across all online channels – including the Maolehui official website, WeChat official accounts, Enterprise WeChat, Douyin, Xiaohongshu and video channels – the Maolehui official website remained the primary sales channel, contributing approximately 70 per cent of total online sales. Significant optimisation was undertaken in respect of live-streaming operations. Investment in in-house live-streaming capabilities increased substantially, with more than 2,000 live-streaming sessions conducted during the year. Sales generated through self-operated live-streaming recorded year-on-year growth of 695 per cent. To mitigate rising traffic acquisition costs, the Group strengthened its "full-staff distribution" and viral referral strategy, mobilising employees, frontline sales personnel and key opinion consumers (KOCs) as decentralised growth touchpoints. These initiatives contributed to incremental performance growth during the period. In parallel, the Group continued to enhance the user experience by co-establishing platform-authorised dual-membership systems with brand partners and further refining the "Mixiang Box" new-member acquisition pathway. These measures enhanced customer benefits and privileges, resulting in a significant increase in the proportion of new customers. The most successful brand authorisation initiative achieved a conversion rate of 184 per cent. Against the backdrop of intensifying competition and escalating costs associated with influencer-led live-streaming collaborations, the Group adjusted its operational focus towards the development of in-house live-streaming capabilities. By reducing reliance on high-cost influencer partnerships, increasing the proportion of self-operated live-streaming hours and strengthening daily shelf-based sales, the Group achieved year-on-year improvements in operational efficiency. To unlock additional growth opportunities and broaden its transaction user base, Maolehui expanded its product offerings during 2025 to include home textiles, lingerie, apparel, footwear and bags. This multi-category expansion was designed to further capture the consumption potential of higher-spending customer segments. At the same time, emphasis was placed on deeper online-to-offline integration. During the year, Maolehui successfully directed more than 40,000 customers to a single store in Shenzhen Huaqiangbei for in-store counter visits. In addition to supporting online purchases with in-store fulfilment, the Group introduced an "online consumption with complimentary parking" initiative, which increased physical store footfall while enhancing customer convenience and stimulating ancillary spending in categories such as dining, footwear and apparel.

In 2025, the total number of “Maolehui” members exceeded 3.7 million, representing a year-on-year increase of 2.71 per cent. Total member consumption (inclusive of tax) amounted to approximately RMB212 million, reflecting a decrease compared with the previous period. Notwithstanding this decline, consumption by newly acquired members (inclusive of tax) reached approximately RMB73.5 million during the year, representing year-on-year growth of 16.73 per cent. This divergence objectively reflects the ongoing iteration and transition occurring on both the supply and demand sides, and serves as a microcosm of broader industry dynamics. Meanwhile, the “Maoyuehui” membership management system continued to serve as the Group’s primary customer communication and engagement platform, supporting sustained, full-cycle interaction with members. The system functions as the core infrastructure enabling the integration and seamless connectivity of the Group’s online-to-offline omni-channel marketing services and functionalities. During the reporting period, the “Maoyuehui” platform added approximately 637,800 new members, bringing total membership to around 19.29 million. Aggregate member consumption amounted to approximately RMB2.374 billion. During the year, the “Maoyuehui” system also underwent further optimisation, including enhancements to member data privacy protection and system maintenance. These improvements contributed to a more efficient, stable and secure shopping experience for customers across the Group’s retail ecosystem.

### 4. *Deepening the Core Business, Leveraging Intelligent Empowerment and Launching Commercial Management Services*

Throughout the year, the Group pursued a balanced development strategy addressing both tangible and intangible capabilities, while maintaining a dual focus on risk management and growth within its core operations. This approach encompassed not only the continued strengthening of the Group's physical asset base – its "hard power" – but also the initial deployment of its "soft power" through the externalisation and export of commercial management expertise. Within its core business, the Group remained committed to the stable operation of its traditional department store assets while advancing timely iteration and renewal. Emphasis was placed on enhancing quality and integrating local characteristics, ensuring that the pursuit of higher-end positioning was supported by clear differentiation. At the same time, the Group continued to advance the strategic transition from concession-based operating models to leasing arrangements and to accelerate its transformation towards shopping-mall-oriented operations. In parallel, the Group further strengthened the integration of online and offline merchandise sales and service offerings, steadily implementing its transformation from traditional department stores towards a business model centred on experiential commercial complexes combined with intelligent retail. From an overall operational strategy perspective, the Group maintained a dual focus within its core business. On the one hand, it concentrated on value enhancement and experiential upgrading in core first-tier markets and key flagship stores. On the other hand, it remained closely aligned with evolving demand in lower-tier markets, actively identifying opportunities to generate incremental revenue through integrated online-to-offline synergies. At the strategic level, the establishment and operational launch of Maoye Commercial Management marked a new phase of development for the Group. During the year, Maoye Commercial Management successfully undertook the commissioning of a large-scale commercial complex located in the core area of Shenzhen's Luohu district, providing support for its opening and subsequent operations. This inaugural engagement validated the Group's capability to professionalise and externalise its commercial management expertise. It also represents a significant strategic milestone, marking the Group's transition from operating solely as a property owner to pursuing a dual-track development model encompassing both asset ownership and the provision of commercial management services.

In summary, while the department store retail sector remains deeply embedded in a period marked by both challenge and transformation, the Group recognises that opportunity often emerges amid disruption, and that adaptation is essential for sustainable development. During the year, the Group took proactive steps to break new ground, advancing its transformation agenda while expanding into the new growth avenue of commercial management services. Overall operations remained stable with measured progress, and the Group is well positioned to navigate ongoing industry change and pursue long-term development with confidence.

## III. FUTURE OUTLOOK

Looking ahead to 2026, the global macroeconomic environment is expected to remain volatile and uncertain, with geopolitical tensions continuing to ebb and flow. On the domestic front, structural challenges are likely to persist. Nevertheless, proactive policy measures aimed at expanding domestic demand and revitalising consumption momentum are expected to be further strengthened and to deliver incremental results. Having experienced a prolonged period of adjustment, the department store retail sector is entering a phase of gradual stabilisation and recovery. The year 2026 is expected to be characterised by intensifying competition within an existing market, alongside a decisive shift towards higher-value development. Competitive dynamics will increasingly move beyond brand proliferation and scale expansion, towards deep operational refinement, efficiency enhancement and sustainable value creation. Traditional department store models are expected to continue their transition towards integrated commercial platforms that emphasise immersive scenarios and experiential engagement. At the same time, the sector is likely to enter a new phase in which high-quality commercial capabilities and premium operational standards are progressively extended to broader markets, enabling deeper penetration and wider accessibility. Against this backdrop, leading market participants are expected to focus on the revitalisation and enhancement of existing commercial assets, while simultaneously empowering lower-tier catchment areas. Through disciplined execution and sustained investment, the industry will seek to build interconnected commercial ecosystems characterised by greater quality, depth and long-term value.

Looking ahead to 2026, the Group will pursue a development strategy driven by two core growth engines: its department store retail business and the emerging commercial management segment. The Group will continue to advance the experiential upgrading of its existing stores, while pursuing disciplined and targeted expansion into lower-tier markets. In parallel, it will accelerate the development of standardised operating systems for Maoye Commercial Management and promote the replication of successful projects across regions, actively seeking commercial management mandates and operational engagements in key cities. Through these initiatives, the Group aims to achieve meaningful performance breakthroughs across both its core retail operations and its commercial management business. Within the department store retail segment, the Group remains committed to overcoming structural challenges through innovation and continuous renewal. Greater emphasis will be placed on operational empowerment, driving the transformation of traditional department store spaces into experiential commercial complexes and intelligent retail destinations. In terms of business format planning, core department store locations will focus on upgrading towards next-generation shopping centres, prioritising scenario creation, value enhancement and deep experiential engagement in response to evolving consumption trends. At the same time, secondary stores will undergo progressive upgrading and transformation, with an increased emphasis on experiential, immersive and scenario-based formats. Operationally, while increasing the proportion of scenarised experiential offerings, the Group will continue to deepen its transition from concession-based models to leasing arrangements and to advance its shopping-mall-oriented strategy. Further initiatives will be implemented to strengthen the first-store economy, promote the integration of culture and tourism, and enhance alignment between brand positioning and local market characteristics. These efforts are intended to facilitate the penetration of the Group's core commercial capabilities and higher-quality experiential offerings into lower-tier markets, capturing new sources of consumption growth and absorbing regional spillover demand. From a customer perspective, the Group will continue to elevate operational quality to meet the increasingly sophisticated consumption and emotional needs of mature customer segments, while maintaining a strong focus on value-for-money propositions. At the same time, it will actively respond to the preferences of younger consumer groups, including Generation Z, by integrating local characteristics and consumer needs to create experiential and digital retail spaces that combine consumption, lifestyle and social interaction, thereby shaping next-generation retail destinations. In the commercial management segment, the Group will adhere to a strategic path defined by standardisation, asset-light operations and replicability. Leveraging high-quality commercial resources both within and outside the Group, it will accelerate the expansion of its commercial management services across premium commercial projects. This will support the scaled implementation of the asset-light model and advance the Group's dual-track development strategy encompassing both department store operations and commercial management services. Through the coordinated advancement of these two business engines, the Group aims to inject new momentum into its long-term sustainable development.

Times continue to evolve, and so does the Group. Remaining steadfast in its commitment to keeping pace with change, the Group has pursued breakthroughs amid transformation and forged new pathways through disciplined exploration. Driven by innovation, the Group has actively seized emerging opportunities as they arise. With its foundations firmly consolidated, the Group is advancing steadily towards long-term development, underpinned by resilience, endurance and a business model built to last.

## PERFORMANCE OF TOP 10 STORES[1]

| No. | Store Name | Total Sales Proceeds and Rental Income *(RMB'000)* | Operation Period[2] *(Year)* | Gross Floor Area *($m^2$)* |
|---|---|---|---|---|
| 1. | Shenzhen Huaqiangbei | 1,013,775 | 22.3 | 63,243 |
| 2. | Taiyuan Maoye Complex | 608,104 | 11.1 | 252,882 |
| 3. | Guanghua | 363,478 | 16.1 | 67,914 |
| 4. | Shenzhen Nanshan | 311,786 | 16.3 | 44,871 |
| 5. | Maoye Commercial Building | 289,326 | 22.7 | 48,187 |
| 6. | Taizhou First Department Store | 226,539 | 16.3 | 40,358 |
| 7. | Zibo Maoye Times Square | 209,404 | 10.7 | 86,677 |
| 8. | Maoye Mall City | 201,700 | 12.1 | 131,987 |
| 9. | Qinhuangdao Maoye Complex | 181,878 | 6.2 | 171,333 |
| 10. | Shenzhen Dongmen | 167,005 | 28.9 | 40,710 |

*Notes:*

1. Top 10 department stores are ranked by total sales proceeds and rental income during 2025.

2. Operation period was calculated until 31 December 2025.

## FINANCIAL REVIEW

### Total Sales Proceeds and Rental Income

For the year ended 31 December 2025, total sales proceeds and rental income of the Group were RMB5,294.8 million, representing a decrease of 28.4% as compared to 2024, mainly due to the lack of consumer confidence and the impact of the gradual transformation of the business model from department store direct sales and concessionaire store to the leasing of shopping centers.

| | For the year ended 31 December | |
|---|---|---|
| | **2025** | 2024 |
| | ***RMB'000*** | *RMB'000* |
| Total sales proceeds from concessionaire sales | **3,113,021** | 4,997,348 |
| Direct sales income | **1,071,088** | 1,193,403 |
| Rental income | **1,110,669** | 1,207,329 |
| Total sales proceeds and rental income | **5,294,778** | 7,398,080 |

During the year ended 31 December 2025, among the total sales proceeds and rental income of the Group, total sales proceeds from concessionaire sales accounted for 58.8%, those derived from direct sales income accounted for 20.2%, and those derived from rental income accounted for 21.0%. For the year ended 31 December 2025, the Group's total sales proceeds from concessionaire sales were RMB3,113.0 million, representing a decrease of 37.7% as compared to 2024; direct sales income was RMB1,071.1 million, representing an decrease of 10.2% as compare to 2024; rental income was RMB1,110.7 million, representing an decrease of 8.0% as compared to 2024.

The total sales proceeds and rental income of the Group in the four major regions are set out as follows:

| | Total sales proceeds and rental income For the year ended 31 December | | |
|---|---|---|---|
| | **2025** | 2024 | **Change** |
| | ***(RMB'000)*** | *(RMB'000)* | (%) |
| Eastern China | **731,825** | 1,157,331 | -36.8% |
| Southern China | **1,812,167** | 2,270,971 | -20.2% |
| Southwestern China | **620,144** | 804,617 | -22.9% |
| Northern China | **2,130,642** | 3,165,161 | -32.7% |
| Total | **5,294,778** | 7,398,080 | -28.4% |

For the Year Ended 31 December 2025, sales of apparels (including men's and ladies' apparels) accounted for 27.0% (2024: 29.5%), jewelries accounted for 15.9% (2024: 16.8%), leisure and sports goods accounted for 13.9% (2024: 13.3%), cosmetics accounted for 24.0% (2024: 18.7%), shoes and leather goods accounted for 6.1% (2024: 6.1%), and others (including branded merchandise, children's items, bedroom and household goods, home appliances, supermarket and others) accounted for 13.1% (2024: 15.6%)

For the year ended 31 December 2025, revenue of the Group's main business amounted to RMB3,034.6 million, representing a reduction of approximately RMB983.8 million as compared to RMB4,018.4 million in 2024.The main reason for the decline in revenue was the impact of variations in the delivery schedule of property projects, with revenue from property deliveries recognised for the period falling by RMB621.2 million.

## Other Income

For the year ended 31 December 2025, other income of the Group amounted to RMB956.9 million, representing a decrease of RMB23.8 million as compared to RMB980.7 million in 2024. Other income mainly includes administration and management fee income from franchised counters in stores, promotion income and credit card handling fee income. The amount of such income is generally linked to the sales level of the stores.

## Cost of goods and properties sold

For the year ended 31 December 2025, cost of goods and properties sold of the Group amounted to RMB1,173.6 million, representing an decrease of 33.5% as compared to RMB1,765.8 million in 2024. The cost of goods and properties sold mainly includes the cost of purchase of and changes in inventory in stores, the cost of properties sold.

## Employee Expenses

For the year ended 31 December 2025, employee expenses of the Group amounted to RMB333.4 million, representing a decrease of 15.6% as compared to RMB394.8 million in 2024, mainly due to the Group's continuous effort in reducing cost and improving human resources efficiency in 2025, which resulted in a year-on-year decrease in employee expenses.

## Depreciation and Amortization

For the year ended 31 December 2025, depreciation and amortization of the Group amounted to RMB962.6 million, representing a decrease of 3.4% as compared to RMB996.1 million in 2024, mainly due to the completion of depreciation and amortization of the Group's certain store assets.

## Other Operating Expenses

For the year ended 31 December 2025, other operating expenses of the Group amounted to RMB878.0 million, representing a decrease of 6.7% as compared to RMB941.4 million in 2024. The decrease in other operating expenses was mainly attributable to the effective control of the Group's in various expenditure, such as expenditures in the respects of publicity and bank charges etc, which were decreasing year-on-year.

### Other Gains and Losses

For the year ended 31 December 2025, the Group recorded other losses of RMB495.8 million, resulting in an increase in losses of 501.0 million, as compared to other gains of RMB5.3 million in 2024, mainly attributable to the decrease of RMB394.3 million in gain on fair value changes of investment properties year-on-year and during the same period last year, the original shareholders of Mongolia Maoye Department Store (Group) Co., Ltd. (the "**Seller**") agreed to waiver certain amount of the unpaid consideration to compensate the Group's operating losses in certain deportment stores acquired from the Seller of RMB90.5 million.

### Operating Profit

Due to the combined effects of the above-mentioned factors, the Group recorded operating profit of RMB142.5 million for the year ended 31 December 2025, representing a decrease of 84.1% as compared to RMB897.3 million in 2024.

### Finance Costs

For the year ended 31 December 2025, finance costs of the Group amounted to RMB571.9 million, representing a decrease of 17.1% as compared to RMB690.2 million in 2024. This was primarily due to (i) a slight decrease in the interest rates of interest-bearing liabilities; and (ii) investment loans from Maoye Group and Maoye Department Store were converted into perpetual bonds at the end of last year, resulting in a corresponding decrease in interest compared with the same period last year.

The perpetual bonds transactions entered into by the Group for the years ended 31 December 2024 and 31 December 2025 were (a) conducted on normal commercial terms or better for the Group, and (b) not secured by the assets of the Group.

**Income Tax Expense**

For the year ended 31 December 2025, income tax credit of the Group amounted to RMB185.5 million, representing an decrease of 171.8% as compared to income tax expense RMB258.3 million in 2024. The decrease in income tax was mainly due to the year-on-year decline in total profit for the report period and a reduction in land appreciation tax paid for this year.

**Loss for the Year**

For the reasons set out above, for the year ended 31 December 2025, the loss before income tax for the year was RMB429.4 million, and the net loss for the year was RMB243.9 million, representing a year-on-year decrease of 144.1% compared with the same period in 2024.

**Liquidity and Financial Resources**

As at 31 December 2025, the Group's cash and cash equivalents amounted to RMB410.0 million, representing a decrease of RMB30.0 million as compared to the balance of RMB440.0 million as at 31 December 2024. The main cash inflow and cash outflow are set out as follows:

(1) Net cash inflow of RMB1,269.1 million from operating activities;

(2) Net cash inflow of RMB127.5 million from investment activities, mainly including:

    (i) the cash outflow of RMB93.7 million for the aggregate input into property, plant and equipment;

    (ii) the outflow of RMB50.0 million from purchase of financial assets at fair value through profit or loss;

    (iii) the inflow of RMB57.9 million from disposal of financial assets at fair value through profit or loss;

    (iv) the cash inflow of RMB213.6 million from disposal of equity investments designated at fair value through other comprehensive income; and

(3) Net cash outflow of RMB1,426.3 million from financing activities, mainly including:

   (i) the cash inflow of RMB4,719.5 million from the increase in bank loans;

   (ii) the cash outflow of RMB4,778.3 million for the repayment of bank loans;

   (iii) the cash outflow of approximately RMB522.4 million for the payment of interest;

   (iv) the cash outflow of approximately RMB388.6 million for the principal and interest elements of lease payments;

   (v) the cash inflow of RMB2,534.2 million from borrowings and perpetual bonds from fellow subsidiaries;

   (vi) the cash outflow of RMB3,194.8 million for the repayment of borrowings and perpetual bonds from fellow subsidiaries;

   (vii) Cash inflow of RMB204.4 million from the disposal of shares in certain subsidiaries.

**Interest-bearing Liabilities**

As at 31 December 2025, total bank borrowings of the Group were approximately RMB10,477.6 million (31 December 2024: RMB10,536.4 million). The interest-bearing gearing ratio[1] and net interest-bearing debt to equity ratio[2] were 23.5% and 46.9%, respectively (as at 31 December 2024: 22.7% and 45.4%, respectively).

1 Interest-bearing gearing ratio = total interest-bearing debt/total assets = (bank borrowings)/total assets

2 Net interest-bearing debt to equity ratio = net interest-bearing debt/total equity = (bank borrowings – cash and cash equivalents)/total equity

**Charge on Assets**

As at 31 December 2025, certain borrowings of the Group were secured by the Group's land and buildings, investment properties, and right-of-use assets with net carrying amounts of RMB2,077.8 million, RMB10,803.0 million and RMB204.5 million respectively.

### Foreign Currency Risks

During the reporting period, the Group recorded a net foreign exchange losses of approximately RMB547 thousand. Since the business of the Group was mainly focused in mainland China, its operation was not exposed to any foreign exchange fluctuation risk.

As of 31 December 2025, the Group had not entered into any arrangement to hedge its foreign currency risk. The Business of the Group is mainly concentrated in Mainland China, and the Group's operating cash flow was not exposed to foreign exchange fluctuation risks.

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

## CLOSURE OF REGISTER OF MEMBERS

### Determining the eligibility to attend and vote at the AGM

The Company's Register of Members will be closed from Thursday, 7 May 2026 to Tuesday, 12 May 2026 (both days inclusive), during which no transfer of shares of the Company will be registered . In order to be eligible to attend and vote at the 2026 Annual General Meeting of the Company to be held on Tuesday, 12 May 2026, unregistered holders of shares of the Company should ensure all share transfer forms accompanied by the relevant share certificates be lodged with the Company's share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Wednesday, 6 May 2026.

## CORPORATE GOVERNANCE

The Company is committed to maintaining a high standard of corporate governance with a view to safeguarding the interests of its shareholders and enhancing corporate value. Detailed corporate governance practices will be stated in the Company's annual report for the year ended 31 December 2025. Save for the below, the Board is of the view that the Company has complied with the code provisions set out in the Corporate Governance Code as contained in Appendix C1 of the Rules (the "**Listing Rules**") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") during the year ended 31 December 2025, except for the following deviation.

### Code Provision B.3.5

Code provision B.3.5 of the Corporate Governance Code requires that an issuer should appoint at least one director of a different gender to its nomination committee. The nomination committee of the Board ("**Nomination Committee**") is currently comprised of directors of a single gender. The Company is still considering either to redesignate an existing Director or appoint new Director(s) to the Nomination Committee to comply with code provision B.3.5.

### Code Provision C.2.1

Currently, Mr. Huang Mao Ru ("**Mr. Huang**") is both the Chairman and Chief Executive Officer of the Company. As Mr. Huang is the founder of the Group and has extensive experience in the department store industry and commercial real estate industry, the Board believes that it is in the best interest of the Group to have Mr. Huang taking up both roles for the continuous effective management and business development of the Group.

## AUDIT COMMITTEE

The Audit Committee, comprising all the independent non-executive directors of the Company, has reviewed the results of the Group for the year ended 31 December 2025 and has discussed with the management the accounting principles and practices adopted by the Group, and its risk management, internal control and financial reporting matters.

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in the preliminary announcement have been agreed by Baker Tilly Hong Kong, the Company's auditors to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by Baker Tilly Hong Kong, the Company's auditors in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Baker Tilly Hong Kong, the Company's auditors on the preliminary announcement.

## PUBLICATION OF ANNUAL RESULTS ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This announcement was published on the website of the Stock Exchange (www.hkexnews.hk) and on the website of the Company (www.maoye.cn). The annual report for the year ended 31 December 2025 containing information required by Appendix D2 of the Listing Rules will be dispatched to shareholders and published on the websites of the Stock Exchange and the Company in April 2026.

## APPRECIATION

The Board would like to express its sincere appreciation to the Company's shareholders, customers, suppliers and staff for their continued support to the Group.

By Order of the Board
**Maoye International Holdings Limited**
**Mr. Huang Mao Ru**
*Chairman*

Hong Kong, 27 March 2026

*As at the date of this announcement, the Board comprises three executive directors, namely, Mr. Huang Mao Ru, Ms. Lu Xiaojuan and Mr. Tang Haifeng; one non-executive director, namely Mr. Tony Huang; and three independent non-executive directors, namely, Mr. Rao Yong, Mr. Pao Ping Wing and Ms. Xu Jing.*