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## **LIFESTYLE CHINA GROUP LIMITED**

### **利福中國集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2136)**

## **INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025**

### **HIGHLIGHTS**

- Revenue decreased 4.2% to RMB617.8 million
- Loss attributable to owners of the Company amounted to RMB3.7 million  
(2024: profit of RMB41.7 million)
- Losses per share amounted to RMB0.003  
(2024: earnings per share of RMB0.028)
- No interim dividend has been declared by the Board

### **INTERIM RESULTS**

The board of directors (“Board”) of Lifestyle China Group Limited (“Company”) announces the unaudited consolidated interim results of the Company and its subsidiaries (collectively, “Group”) for the six months ended 30 June 2025, together with comparative figures for the corresponding period in 2024, as follows:

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME  
FOR THE SIX MONTHS ENDED 30 JUNE 2025**

		<b>Six months ended 30 June</b>	
		<b>2025</b>	<b>2024</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
		<b>RMB'000</b>	<b>RMB'000</b>
	<i>Notes</i>		
Revenue	3	<b>617,766</b>	644,603
Cost of sales		<b>(289,981)</b>	(282,537)
Gross profit		<b>327,785</b>	362,066
Other income, gains and losses		<b>88,632</b>	101,569
Selling and distribution costs		<b>(268,587)</b>	(289,501)
Administrative expenses		<b>(128,900)</b>	(118,946)
Interest and investment income	4	<b>26,638</b>	25,336
Share of profit of a joint venture		<b>18,508</b>	16,651
Share of profits of associates		<b>135,195</b>	160,557
Finance costs	5	<b>(82,240)</b>	(93,505)
Profit before taxation		<b>117,031</b>	164,227
Taxation	6	<b>(44,955)</b>	(33,311)
Profit for the period	7	<b>72,076</b>	130,916
Other comprehensive (loss)/income			
Item that may be subsequently reclassified to profit or loss:			
Exchange differences arising on translation of foreign operation		<b>(41)</b>	3
Other comprehensive (loss)/income for the period, net of tax		<b>(41)</b>	3
Total comprehensive income for the period		<b>72,035</b>	130,919
(Loss)/profit for the period attributable to:			
Owners of the Company		<b>(3,730)</b>	41,668
Non-controlling interests		<b>75,806</b>	89,248
		<b>72,076</b>	130,916
Total comprehensive (loss)/income attributable to:			
Owners of the Company		<b>(3,771)</b>	41,671
Non-controlling interests		<b>75,806</b>	89,248
		<b>72,035</b>	130,919
		<b>RMB</b>	<b>RMB</b>
(Losses)/earnings per share attributable to owners of the Company			
- Basic and diluted	9	<b>(0.003)</b>	0.028

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AT 30 JUNE 2025**

		<b>30 June 2025</b>	31 December 2024
		<b>(Unaudited)</b>	<b>(Audited)</b>
	<i>Notes</i>	<b>RMB'000</b>	<b>RMB'000</b>
Non-current assets			
Property, plant and equipment		<b>4,770,282</b>	4,884,676
Right-of-use assets		<b>3,354,320</b>	3,426,205
Investment property		<b>1,184,690</b>	1,200,081
Investments in associates		<b>3,836,971</b>	3,701,776
Investment in a joint venture		<b>385,129</b>	366,621
Deferred tax assets		<b>32,586</b>	32,586
Other receivables	<i>10</i>	<b>17,117</b>	19,930
Bank deposits		<b>518,600</b>	618,600
		<b>14,099,695</b>	14,250,475
Current assets			
Inventories		<b>89,544</b>	97,177
Trade and other receivables	<i>10</i>	<b>141,052</b>	164,876
Amounts due from associates		<b>50,133</b>	146,692
Structured bank deposits		<b>510,700</b>	509,510
Cash and bank balances		<b>1,916,126</b>	1,825,205
		<b>2,707,555</b>	2,743,460
Current liabilities			
Trade and other payables	<i>11</i>	<b>769,042</b>	955,314
Amount due to a joint venture		<b>14,735</b>	32,617
Amount due to a non-controlling shareholder of subsidiaries		<b>26,142</b>	26,142
Tax payable		<b>12,404</b>	19,937
Bank borrowings – due within one year		<b>70,000</b>	60,000
Lease liabilities		<b>53,023</b>	51,949
Contract liabilities		<b>11,857</b>	9,821
		<b>957,203</b>	1,155,780
Net current assets		<b>1,750,352</b>	1,587,680

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)**  
**AT 30 JUNE 2025**

	<b>30 June 2025 (Unaudited) RMB'000</b>	31 December 2024 (Audited) RMB'000
Non-current liabilities		
Bank borrowings – due after one year	<b>3,138,000</b>	3,178,000
Lease liabilities	<b>1,487,533</b>	1,514,581
Deferred tax liabilities	<b>82,802</b>	75,897
	<b>4,708,335</b>	4,768,478
	<b>11,141,712</b>	11,069,677
Capital and reserves		
Share capital	<b>6,291</b>	6,291
Reserves	<b>9,368,420</b>	9,372,191
Equity attributable to owners of the Company	<b>9,374,711</b>	9,378,482
Non-controlling interests	<b>1,767,001</b>	1,691,195
	<b>11,141,712</b>	11,069,677

## **NOTES TO THE INTERIM FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2025**

### **1. BASIS OF PREPARATION**

The interim financial information for the six months ended 30 June 2025 (“interim financial information”) has been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”) and Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting”.

### **2. PRINCIPAL ACCOUNTING POLICIES**

The interim financial information have been prepared on a historical cost basis. The preparation of financial statements in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates.

The accounting policies and methods of computation used in the preparation of the interim financial information are consistent with those used in the annual consolidated financial statements for the year ended 31 December 2024, except for the amendments to HKFRS Accounting Standards that are mandatorily effective for the current period as disclosed below.

The Group has applied the following amendments to HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time in the current period:

<u>Standards</u>	<u>Key requirements</u>
HKAS 21 (amendments)	Lack of Exchangeability

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

### 3. REVENUE AND SEGMENT INFORMATION

Revenue represents the amount received and receivable for goods sold by the Group to customers, net of discounts and sales related taxes, income from concessionaire sales, service income and rental income during the period, and is analysed as follows:

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Recognised at a point in time:</b>		
Sales of goods - direct sales	<b>262,183</b>	262,424
<b>Recognised over time:</b>		
Income from concessionaire sales	<b>186,699</b>	202,619
Service income	<b>20,198</b>	17,949
Revenue from contracts with customers	<b>469,080</b>	482,992
Rental income	<b>148,686</b>	161,611
Total revenue	<b>617,766</b>	644,603

All the above revenue is derived in the People's Republic of China (the "PRC").

#### Segment information

The Group's operating activities are attributable to a single operating segment under HKFRS 8 "Operating Segments" focusing on operation of department stores, retailing and related business as well as property investment in the PRC. This operating segment has been identified on the basis of internal management reports prepared in accordance with accounting policies conform to HKFRSs, that are regularly reviewed by the chief operating decision maker ("CODM") (i.e. the chief executive of the Company). The CODM regularly reviews revenue analysis and profit for the period of the Group as a whole to make decisions about resource allocation. Accordingly, no separate segment information other than entity-wide information is presented.

The Group's operations and non-current assets are located in the PRC. The Group has no customers that contributed over 10% of the total revenue of the Group for both periods.

#### 4. INTEREST AND INVESTMENT INCOME

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Interest income on bank deposits	20,466	15,587
Investment income from structured bank deposits	6,172	9,749
	<u>26,638</u>	<u>25,336</u>

#### 5. FINANCE COSTS

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Interests expenses on:		
- Bank borrowings	48,581	60,302
- Lease liabilities	33,659	33,203
	<u>82,240</u>	<u>93,505</u>

#### 6. TAXATION

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
The tax charge comprises:		
Current tax:		
PRC Enterprise Income Tax	24,044	32,331
Withholding tax	14,006	3,087
Deferred tax charge/(credit)	6,905	(2,107)
	<u>44,955</u>	<u>33,311</u>

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rates of the PRC subsidiaries are 25% for both periods.

## 7. PROFIT FOR THE PERIOD

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Profit for the period has been arrived at after charging/(crediting):		
Staff costs	<b>98,721</b>	106,760
Depreciation of property, plant and equipment	<b>116,525</b>	112,340
Depreciation of investment property	<b>15,391</b>	15,391
Depreciation of right-of-use assets	<b>71,885</b>	71,884
(Reversal of)/provision for loss allowance on expected credit losses for trade receivables and lease receivables	<b>(719)</b>	822
Expenses related to variable lease payments	<b>14,905</b>	15,680
Cost of inventories recognised as expense	<b>230,196</b>	226,330

## 8. DIVIDEND

No dividend was paid or declared by the Company for the six months ended 30 June 2025 (2024: nil).

## 9. (LOSSES)/EARNINGS PER SHARE

The calculation of the basic (losses)/earnings per share attributable to owners of the Company is based on the following data:

	<b>Six month ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>(Losses)/earnings</b>		
(Loss)/profit for the period attributable to owners of the Company	<b>(3,730)</b>	41,668
<b>Number of shares</b>		
	<b>2025</b>	<b>2024</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>'000</b>	<b>'000</b>
Weighted average number of ordinary shares	<b>1,464,449</b>	1,464,449

The diluted (losses)/earnings per share for the six months period ended 30 June 2025 equals to the basic (losses)/earnings per share as there were no potential dilutive ordinary shares to issue during the period (2024: Same).

## 10. TRADE AND OTHER RECEIVABLES

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Trade receivables	10,160	19,356
Lease receivables	58,070	63,415
	<u>68,230</u>	<u>82,771</u>
Less: Loss allowance on expected credit losses	(7,914)	(8,633)
	<u>60,316</u>	<u>74,138</u>
Prepayments	231	305
Deposits paid	4,339	4,353
Value Added Tax ("VAT") receivable	48,278	67,900
Others	67,258	60,363
	<u>120,106</u>	<u>132,921</u>
Less: Loss allowance on expected credit losses	(22,253)	(22,253)
	<u>97,853</u>	<u>110,668</u>
	<u>158,169</u>	<u>184,806</u>
Less: Non-current portion	(17,117)	(19,930)
	<u>141,052</u>	<u>164,876</u>

The Group's retail sales to customers are mainly made in cash and through debit card or third-party payment platform. Its major trade receivables arising from third-party payment platform sales are normally settled in one to two business days and lease receivables are normally settled 30 days in arrears. The following is an aged analysis of trade and lease receivables net of allowance for expected credit losses, if any, at the end of the reporting period presented based on invoice date:

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
0 – 30 days	44,061	53,832
31 – 60 days	5,177	6,313
61 – 90 days	2,212	4,114
Over 90 days	8,866	9,879
	<u>60,316</u>	<u>74,138</u>

## 11. TRADE AND OTHER PAYABLES

	<b>30 June 2025 (Unaudited) RMB'000</b>	<b>31 December 2024 (Audited) RMB'000</b>
Trade payables	<b>33,358</b>	52,000
Construction payables	<b>8,356</b>	13,232
Concessionaire sales payables	<b>305,585</b>	390,152
Refundable prepaid card deposits	<b>109,108</b>	114,102
Rental deposits received	<b>232,667</b>	232,344
Accrued expenses	<b>36,087</b>	63,863
VAT payable	<b>16</b>	5,553
Interest payables	<b>541</b>	3,215
Others	<b>43,324</b>	80,853
	<b><u>769,042</u></b>	<b><u>955,314</u></b>

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

	<b>30 June 2025 (Unaudited) RMB'000</b>	<b>31 December 2024 (Audited) RMB'000</b>
0 – 30 days	<b>29,257</b>	48,080
31 – 60 days	<b>1,193</b>	370
61 – 90 days	<b>406</b>	1,052
Over 90 days	<b>2,502</b>	2,498
	<b><u>33,358</u></b>	<b><u>52,000</u></b>

The average credit period of trade payables and concessionaire sales payables is within 45 days from invoice date. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Market Overview

In the first half of 2025, affected by multiple factors including international trade disputes and geopolitical uncertainties, the pace of global economic growth has been slowing. Despite the challenging overall environment, China's economy maintained steady growth, with its Gross Domestic Product (GDP) expanding by approximately 5.3% year on year in the first half of 2025, demonstrating both resilience and stability.

Fueled by a series of stimulus measures initiated by the Chinese government, including issuance of special treasury bonds, successive interest rate cuts, reductions in the reserve requirement ratio, the promotion of trade-in programs, and the distribution of consumption vouchers, China's total retail sales of consumer goods reached RMB24.55 trillion in the first half of 2025, a year-on-year increase of approximately 5%. To further invigorate the market, Shanghai launched the "New Year Celebration Shopping Festival" at the beginning of 2025 and held the "Shanghai & Shanghai International Cosmetic Festival" and the "5 • 5 Shopping Festival" in April and May. These events provided consumers with innovative and diverse shopping experiences that further stimulated market demand. The Group actively capitalized on these favorable policies and consumption-boosting opportunities and launched timely and innovative marketing campaigns to enhance its competitiveness in the market.

In recent years, consumer preferences have grown increasingly diverse and segmented, with heightened emphasis on product quality, brand influence, and give environmental protection and sustainability considerations when making purchasing decisions. In response to the emerging consumption trends and the overall slowdown in the consumer market, the Group proactively adopted a multi-pronged strategy, which includes adjusting and optimizing product mix, introducing high-quality tenants, enhancing the seamless online-to-offline consumer experience, promoting green consumption concepts and sustainability initiatives, enhancing the membership system, accelerating the pace of digital transformation, and improving the shopping environment and service standards. These efforts were all aimed at adapting to market changes and fostering stable business development.

### Financial Review

Amid weakening consumer spending and fierce market competition, the Group leveraged the strong brand recognition of “Jiuguang” and executed a series of innovative marketing campaigns, carried out comprehensive upgrading of the shopping environment, refined its loyalty program, and continued to enrich product lines and bring in high-quality partner merchants. Furthermore, by integrating online and offline channels, the Group aims to create a seamless shopping experience to attract more customers and building a resilient foundation to support sales growth.

### **Revenue and Sales Proceeds**

During the period, the Group's revenue decreased by 4.2% to RMB617.8 million (2024: RMB644.6 million), whereas the Group's whole store sales proceeds slightly decreased by 0.4% to RMB2,745.2 million (2024: RMB2,757.1 million). The revenue decline was primarily due to decline in commission income from concessionaire sales and rental income from the shopping malls. The decline in whole store sales proceeds was primarily attributable to an approximately 13.5% drop of whole store sales proceeds at Suzhou Jiuguang, as well as closure of the Group's Standalone Freshmart operation since March last year. Nevertheless, growth in whole store sales proceeds at Shanghai Jiuguang Center ("JGC") and Shanghai Jiuguang helped easing the overall decrease to only 0.4%.

### **Gross Profit and Concessionaire Rate**

During the period, the Group's gross profit fell by 9.5% to RMB327.8 million (2024: RMB362.1 million). Gross profit margin as a percentage of revenue decreased by 3.1 percent points to approximately 53.1%, while it decreased to 23.4% from 25.0% same period last year as a percentage of total sales proceeds. On the other hand, as a result of higher discount being offered to customers, the average concessionaire rate decreased to 18.8% from 19.3% in the first half of 2024.

### **Net Loss Attributable to Shareholders**

During the period, net loss attributable to shareholders of the Company amounted to RMB3.7 million (2024: profit of RMB41.7 million). The reverse from profit to loss was primarily attributable to (i) decrease in the Group's sales and gross profit, and (ii) the 15.7% or RMB15.2 million year-on-year decrease in the Group's share of profit in its associate, the Beiren Group. During the period, the Group's operating loss before tax and share of profits from associates and a joint venture amounted to RMB36.7 million (2024: loss of RMB13.0 million).

### **Selling and Distribution Costs**

The Group's selling and distribution costs for the period fell by 7.2% to RMB268.6 million from the RMB289.5 million in the same period last year, primarily as a result of the one-off staff employee compensation and property reinstatement costs being incurred for closing the Standalone Freshmart operation last year. The Group's total selling and distribution costs as a percentage of total sales proceeds during the period eased to 19.2% from 20.0% in the same period of 2024.

### **Administrative Expenses**

The Group's general administrative expenses increased by 8.4% year-on-year to RMB128.9 million from RMB118.9 million in the first half of 2024. The increase was primarily due to a one-off payment of compensation of RMB9.6 million relating to disturbance caused by construction work of a previous project. Meanwhile, other general administrative expenses remained stable.

### **Staff Costs**

Staff costs for the period, excluding directors' remuneration, decreased by 7.5% year-on-year to RMB98.7 million from RMB106.8 million in the first half of 2024, primarily due to the absence of one-off redundancy payment incurred last year in respect of closure of the Standalone Freshmart operation. As of 30 June 2025, the Group employed a total of 1,056 full-time staff, compared to 1,104 as of 30 June 2024.

### Other Income, Gains and Losses

Other income, gains and losses, which primarily comprise management fees from concessionaire counters and tenants, fees from third-party payment platforms and other miscellaneous income, and exchange gains/losses, amounted to RMB88.6 million, a year-on-year decrease of 12.7%. The decrease was primarily attributable to an exchange loss of approximately RMB 12.3 million (2024: exchange gain of approximately RMB0.4 million) being recorded, resulting from translating Hong Kong Dollars (“HKD”) denominated bank balances and bank deposits amid weakening of the HKD against the Renminbi (“RMB”).

### Interest and Investment Income

During the period, the Group’s interest and investment income rose by 5.1% year-on-year to RMB26.6 million, primarily attributable to increase in the Group’s HKD bank deposits which commands higher deposit rates as compared to RMB deposits.

### Finance Costs

The Group’s finance costs comprise primarily interest on bank borrowings and lease liabilities. Total finance costs for the period decreased by 12.0% to RMB82.2 million (2024: RMB93.5 million), of which RMB48.6 million (2024: RMB60.3 million) was bank loan interest and RMB33.6 million (2024: RMB33.2 million) was interest on lease liabilities. The decrease in bank loan interest was primarily due to reduction in the Loan Prime Rate.

### Liquidity and Financial Resources

The Group’s adjusted earnings before interest, taxes, depreciation, amortization, exchange gains/losses, interest and investment income, share of profit of a joint venture and share of profits of associates, and deducting fixed rental payments in respect of leases accounted for under HKFRS 16 (“Adjusted EBITDA”) for the period decreased by 11.0% to RMB175.4 million from RMB197.1 million in the first half of 2024. The decrease was primarily due to decline in sales and gross profit during the period.

*The calculation of Adjusted EBITDA is as follow:*

	For the six months ended	
	2025	2024
	RMB’000	RMB’000
Profit before taxation	117,031	164,227
Add/(less):		
Depreciation and amortization	203,801	199,615
Exchange losses/(gains)	12,282	(404)
Interest and investment income	(26,638)	(25,336)
Finance costs	82,240	93,505
Share of profits of associates	(135,195)	(160,557)
Share of profit of a joint venture	(18,508)	(16,651)
Fixed rental payments in respect of leases accounted for under HKFRS 16	(59,633)	(57,339)
Adjusted EBITDA	175,380	197,060

As of 30 June 2025, the Group's net debt (defined as cash and bank balances, bank deposits, structured bank deposits, and amounts due from associates, less total bank borrowings, amounts due to a non-controlling shareholder of a subsidiary, and amounts due to a joint venture) increased by 28.7% to approximately RMB253.3 million from approximately RMB196.8 million as of 31 December 2024, primarily due to a decrease in the Group's cash and bank balances following payments of other payables and withholding tax.

As of 30 June 2025, the Group's cash and bank balances, bank deposits and structured bank deposits amounted to approximately RMB2,945.4 million (31 December 2024: RMB2,953.3 million), of which RMB567.3 million were in HKD and RMB kept in Hong Kong. The remaining cash balance was kept in mainland China, of which approximately 98.9% was denominated in RMB and remaining 1.1% was denominated in US Dollars. At the end of the period, the Group's gearing ratio, defined as bank borrowings divided by equity attributable to owners of the Company, eased to 34.2% from 34.5% at the end of 2024.

### **Foreign Exchange Management**

The functional currency of the Company and its subsidiaries in China is RMB, in which majority of the Group's transactions are denominated. As described in the "Liquidity and Financial Resources" section above, a small portion of the Group's monetary assets are foreign currencies (HKD and United States dollars). Given that majority of the Group's revenue and expenses, as well as borrowings and capital expenditures are denominated in RMB, and the HKD cash balance held in Hong Kong is used to settle operating expenses incurred outside of mainland China, the Group currently does not require a comprehensive foreign currency hedging policy. Nevertheless, the management will monitor the Group's foreign currency exposure and, if necessary, will consider taking appropriate measures to mitigate any significant potential foreign currency risk.

### **Pledge of Assets**

As of 30 June 2025, the Group has pledged certain of its assets located in China, comprising (i) properties, plant, equipment with carrying amount of approximately RMB3,445 million (31 December 2024: RMB3,529 million); and (ii) right-of-use assets with carrying amount of approximately RMB1,493 million (31 December 2024: RMB1,518 million), for securing bank loan facility extended to the Group in the amount of RMB3,300 million (31 December 2024: RMB3,300 million). The outstanding loan amount of this facility as of 30 June 2025 was RMB3,208 million (31 December 2024: RMB3,238 million).

### **Contingent Liabilities**

As of 30 June 2025, the Group had no material contingent liabilities.

### **Significant Investment, Material Acquisitions and Disposals**

During the period, the Group did not make any significant investment, nor were there any material acquisitions and disposals of subsidiaries, associates and joint ventures.

## **Review of Operations**

Affected by the multifaceted factors including changes in socioeconomic, technology and demographic structure, consumers demonstrated heightened awareness of health, environmental consciousness, growing brand loyalty and increased demand for personalized and customized products. Concurrently, a rising number of consumers, especially young people, opted for online shopping channels for its convenience. To strengthen its market position, the Group proactively adjusted its business strategies by enriching merchandise categories and optimizing tenant mix while persistently promoting scenario-based consumption experience to deepen omnichannel integration and promote development of green and low-carbon concept. These efforts were dedicated to enhancing consumer shopping satisfaction and addressing evolving market needs.

During the period, the Group placed strong emphasis on enhancing the interactive experience for online members. The Group has recently developed and launched the Jiuguang AI Smart Service feature through its membership mini-program, utilizing intelligent Q&A to enhance dynamic interactions with members, and actively incentivized online members to shop at physical stores. The Group also optimized its online marketplace by providing click-and-collect services, thereby boosting offline sales growth. During the period, the Group leveraged the Douyin platform in hosting live-streaming events under diverse scenarios, driving traffic growth and expanding omnichannel sales, with remarkable results.

## **Shanghai Jiuguang Center (“JGC”)**

JGC, the Group's landmark commercial complex in Daning, Jing'an District, harmoniously blends shopping, leisure, entertainment and business functions under one roof. With nearly 500 tenants' brands, the venue curates a diverse mix of lifestyle-oriented retail concepts, providing enhanced shopping experience with a dedicated children's play zone, an array of contemporary luxury boutiques, and seasonal thematic events. These events also created synergy with mega shopping festivals, thematic beauty carnivals, holiday promotion and immersive experiences held at the same time, which were strategically designed to boost customer traffic and spending vibe, while cultivating a premium and diversified shopping scenario.

In the first half of 2025, JGC actively participated in festive campaigns led by Shanghai city and Jing'an District to boost consumption and cultural engagement, curating a rich and diverse array of integrated commercial and cultural activities. During the Chinese New Year, under the theme "Dazzling Offers·Dreamlike Celebrations", JGC collaborated with over 400 brands to roll out bulk-purchase vouchers and Chinese New Year lucky bags, fostering a lively and festive shopping atmosphere. In the spring of 2025, the "Jing'an Flower Festival", held in Jing'an District where JGC is located, offered customers and tourists an integrated "park and mall" experience that blended natural ecology, cultural value, and commercial vibrancy. JGC also hosted themed campaigns during the Dragon Boat Festival and Children's Day under the banner "Zongzi Feasts & Childhood Delights", featuring multi-brand group shopping vouchers, beauty product promotions and kids gifts redemption campaigns to stimulate spending.

During the period, whole store sales proceeds of JGC increased approximately 8.6% to RMB911.2 million, while its total revenue decreased by approximately 2.0% year-on-year to RMB160.7 million, primarily due to higher sales discount costs offered and decrease in rental income from the mall operations. Notwithstanding the average daily footfall and average ticket size saw year-on-year decline of 1.3% to approximately 33,500 visitors and from RMB181 to RMB175 respectively, JGC's operations remained stable in the first half of 2025 as it was helped by the stay-and-buy ratio increasing 10.6 percentage points to 85.9%.

Notwithstanding China's slow economic recovery and a subdued commercial real estate market, the Group continued to prioritize its leasing efforts for JGC's twin office towers. By the end of the period, the East Tower and West Tower achieved occupancy rates of approximately 65% and 21% respectively, generating rental income of approximately RMB19.3 million for the period, with tenants spanning logistics, professional services, and e-commerce sectors.

### **Shanghai Jiuguang**

With the increasing popularity of shopping malls and diversified retail formats, the department store sector has confronted mounting competition. As the longest-established mid-to-high-end shopping destination in Jing'an Temple area, Shanghai Jiuguang has solidified its market position in the department store sector through its strong brand equity, an agile yet disciplined management system and meticulous service philosophy.

Amid changing consumer behaviors, volatile economic conditions, and declining per capita retail spending, Shanghai Jiuguang proactively fine-tuned its operational strategies by adjusting its tenant mix, bringing in regional and national debut stores while aligning merchandise offerings with evolving customer needs and preferences. This dynamic approach helped ensure shoppers benefiting from innovative and diversified retail experience, significantly enhancing customer engagement.

During the period, Shanghai Jiuguang hosted a series of meaningful events. In April, it presented the "2025 Inaugural Shanghai & Shanghai International Cosmetic Festival", a flagship initiative of the "5·5 Shopping Festival", at the atrium of Jiuguang Department Store's second floor. Under the theme "First Bloom in Jing'an, Beauty Shines Globally", the festival brought together international beauty brands and renowned domestic brands, featuring product debuts, trend forums, pop-up events, and livestreaming to create a signature spring consumption spectacle. At the same time, Shanghai Jiuguang served as the main venue for the Shanghai International Coffee Culture Festival, collaborating with district-wide coffee brands and commercial hubs to roll out joint promotional campaigns. The initiative featured exclusive festival consumption vouchers, sparking a coffee culture boom that stimulates customer's spending.

In the first half of 2025, Shanghai Jiuguang's average ticket size surged by 20.9% to RMB458, while average daily footfall declined 9.0% year-on-year to 42,600 visitors, and stay-and-buy ratio also dropped by 3.3 percentage points to 36.8%. As a result, whole store sales proceeds for the period edged up 1.0% to RMB1,300.3 million, with average concessionaire rate dipping marginally by 0.8 percentage point to approximately 21.6%.

## **Suzhou Jiuguang**

Amid a sluggish retail market and intensive competition within the department store sector, Suzhou Jiuguang continued to maintain its brand equity by organizing various promotion campaigns, reinforcing its market position in the first half of 2025.

During the period, Suzhou Jiuguang executed multiple consumption-boosting campaigns, culminating in its 16th Anniversary Celebration during Chinese New Year. The festivities featured Super VIP Days, giant cake-sharing ceremony, spectacular firework displays, romantic balloon showers, and the sales of 10,000 limited-edition lucky bags at record-low prices, fostering shared celebratory experiences that enhanced member engagement and customer loyalty. During the Lantern Festival, Suzhou Jiuguang hosted the festive themed event, featuring over 100 brands. Supported by million Douyin group-buying voucher subsidy, the campaign included limited-edition Valentine's Day digital RMB red packet flash sales. The campaign also featured a lantern riddle challenge, DIY lantern workshops, a festive concert, sweet scratch-and-win games and an anniversary hand-painted art exhibition, all combining to create an immersive holiday atmosphere. Heeding the call of Suzhou government, Suzhou Jiuguang participated in the "5·5 Shopping Festival", aligning with Suzhou Commerce Bureau's 2025 New Year Shopping Season initiative that offered subsidies for new energy vehicle purchases. Consumers could use digital RMB red packets to shop at Jiuguang Department Store and other offline stores, effectively boosting consumption during the festive season.

Despite a 12.3% year-on-year increase in average daily footfall to approximately 16,100 visitors, affected by the prolonged economic downturns, consumption downgrades, and regional commercial disparities, Suzhou Jiuguang saw negative revenue growth, with whole store sales proceeds decreased by 13.5% year-on-year to RMB533.7 million. During the period, its stay-and-buy ratio fell by 15.5 percentage points to 33.7%, while its average ticket size rose by 12.3% to RMB542, with its average concessionaire rate edged up by 0.9 percentage point to 15.9%.

## **Dalian and Shenyang Property**

The Group's commercial properties in Dalian and Shenyang remained vacant during the first half of 2025, incurring total cash outflows of approximately RMB9.2 million for upkeeping and maintenance.

## **Investments in Associates**

The Group holds a strategic equity stake in Beiren Group, a leading retail conglomerate based in Shijiazhuang City, Hebei Province, China. During the period, Beiren Group achieved a 3.9% year-on-year increase in sales revenue, with the outlet and jewelry segments recording marked growth of 13.9% and 8.3% respectively. Meanwhile, Beiren Group's core business segments, department stores and supermarkets, recorded a growth of 2.8% and 2.2% respectively. However, Beiren Group's profit for the period decreased due to significant decrease in bank interest income as some of the funds were deployed to other businesses as well as the fact that depreciation and interest expenses from right of use assets and lease liabilities also increased. As a result, the Group's share of Beiren Group's net profit for the period (net of attributable non-controlling interests) decreased by 15.7% year-on-year to RMB81.0 million.

## Outlook and Plan

Amid a global economic slowdown and challenges persist from the new U.S. tariffs on commodities from China, coupled with pressures from domestic consumption stagnation, real estate vulnerabilities, and employment market, the Chinese government maintained a moderately accommodative monetary policy by leveraging targeted reserve requirement ratio and interest rate cuts, while launching trade-in incentives and subsidy programs to promote consumption upgrading as a driver for industrial upgrading. These measures aim to boost consumption, expand employment, and facilitate investment growth. The Group will work alongside these policy priorities to maximize Jiuguang's brand equity to further solidify and enhance its leadership position in department store sector.

The retail landscape is undergoing profound transformation amid changing consumer behavior, marked by a shift towards rational consumption trends, rise of service-oriented spending, and live-streaming e-commerce is redefining merchandise sales channels. These trends illustrate consumers' demand for diversified and personalized experiences. In the context of these trends, the Group will stay innovative, be open to technologies, prioritize strategic agility, and introduce immersive and experiential consumer scenarios. By deepening omnichannel integration and fostering a diversified and promising business model, we aim to provide enhanced and more diversified shopping experiences to customers.

### *Maximizing Jiuguang's brand equity*

The Group will capitalize on the Jiuguang brand's established presence in the retail market to enhance its competitiveness and solidify its leadership in department store sector within Shanghai and the Yangtze River Delta region. Recognizing the rapid changes of e-commerce and changing consumer shopping behaviors, we will exert digital transformation efforts by launching differentiated offerings and promotional campaigns to enlarge younger customer base and sustain competitive differentiation.

With the growing adoption of data-driven and artificial intelligence technologies, the Group will also leverage these advanced technologies to deepen personalized marketing and enhance customer experience, achieving seamless omnichannel integration in response to the increasingly diverse and sophisticated market demands. This strategy not only enhances consumer engagement but also reinforces our leadership position in the intensifying competitive retail landscape.

### *Championing green consumption*

The Group is committed to adopting green consumption concept by expanding consideration on impact to the environmental of the products and attaching greater importance in promoting ecological improvement. The Group aims to promoting and emphasizing environmental sustainability and corporate social responsibility, and in June 2025, we collaborated with the government to hold the 13th event for "National Low-Carbon Day", actively achieving the goal of "zero-waste shopping malls" and creating an environmentally friendly and low-carbon green shopping environment.

### *Optimizing tenant and merchandise mix*

In response to rising consumer demand for high-quality, health-oriented, and personalized offerings, coupled with heightened value-for-money expectations, the Group will continue adjusting and refining its tenant and merchandise mix to cater to evolving consumer preferences. This includes introducing a greater variety of eco-conscious and distinctively stylish established brands and emerging labels that address the growing emphasis on green consumption and wellness-oriented lifestyles in the market.

### *Refining loyalty program*

Beyond continuous enhancements to the existing VIP membership program, the Group will focus on expanding membership coverage by attracting new members across diverse channels. Both new and existing members will receive exclusive benefits tailored to their status, as well as special member privileges, and exclusive rewards for new members. Furthermore, AI-driven analytics will be deployed to analyse customer preferences and behaviors, enabling personalized product recommendations and shopping experiences. These measures are designed to enhance members' satisfaction, thereby cultivating greater brand loyalty to Jiuguang.

### *Digital and intelligent transformation for business upgrading*

As a traditional department store, the Group will embrace the omnichannel integration by leveraging artificial intelligence technologies, such as the recently launched Jiuguang AI Smart Service function, to improve customer experience and operational efficiency. Artificial intelligence technologies will be used in visitors flow analysis, smart marketing, inventory management and supply chain optimization, helping addressing the structural challenges for retailers. The Group will continue to monitor the consumption trend, and strengthened Jiuguang's brand presence on online social media platforms such as Xiaohongshu and Douyin. Online marketing will serve as a strategic tool to boost and complement the offline sales, attracting more visitors to our physical stores and driving growth in both online and offline operations.

### *Enhancing the shopping environment*

The Group is dedicated to working with tenants to create exceptional shopping venue, integrating diverse interactive designs that promote customer interest and heighten customer engagement. Besides, learning from the advanced achievements in smart cities and smart commerce, we continued to improve quality of the environment through such measures as air purification to elevate consumer comfort. By refining the shopping ambience, the Group aims to amplify the holistic shopping experiences, thereby driving sales performance.

### *Prioritizing office leasing*

The Group will remain focused on the leasing works for JGC's twin office towers to increase the rental income for generating steady cash flow to the Group.

Looking ahead, amid the intensifying retail competition, the Group will strive to enhance the operational efficiency, strengthen the data-driven decision-making capabilities and enhance the online shopping experience through digital technologies, while actively integrating artificial intelligence technologies into retail scenarios. From innovative offerings and space design to brand strategy refining and improving member management and service quality, we aim to meet consumers' aspiration for better life and continue to advance our efforts and strive to maintain high-quality development in the highly competitive market.

## **EMPLOYEES**

As at 30 June 2025, the Group employed a total of 1,056 employees, with 1,050 stationed in the Chinese Mainland and 6 in Hong Kong. Staff costs (excluding directors' emoluments) amounted to RMB98.7 million (2024: RMB106.8 million) for the six months ended 30 June 2025. The Group ensures that the pay levels of its employees are competitive and in line with the market trend and its employees are rewarded on a performance related basis within the general framework of the Group's salary and bonus system.

## **INTERIM DIVIDEND**

The Board has resolved not to declare an interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

## **CORPORATE GOVERNANCE CODE**

The Company has complied with the code provisions in the Corporate Governance Code as set out in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited during the six months ended 30 June 2025, except the following deviation:

The roles of the Chairman and Chief Executive Officer are not segregated but such arrangement helps to facilitate development and execution of the Group's business strategies and enhances efficiency and effectiveness of its operations.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any listed securities of the Company during the six months ended 30 June 2025.

## **REVIEW OF INTERIM RESULTS**

The Group's unaudited interim results for the six months ended 30 June 2025 have been reviewed by the audit committee of the Company. The Group's interim financial information has been reviewed by the auditor of the Company in accordance with the Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as issued by the HKICPA. An unmodified review report is included in the interim report to be sent to shareholders.

On behalf of the Board  
**Lifestyle China Group Limited**  
**Lau Luen Hung, Thomas**  
*Chairman*

Hong Kong, 8 August 2025

*As at the date of this announcement, the Board comprises Mr. Lau Luen Hung, Thomas, Mr. Lau Kam Sen and Ms. Lau Kam Shim as executive directors; Ms. Chan Chor Ling, Amy as non-executive director; and Ms. Cheung Mei Han, Mr. Cheung Yuet Man, Raymond and Mr. Lam Kwong Wai as independent non-executive directors.*