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X.J. ELECTRICS (HU BEI) GROUP CO., LTD

湖北香江電器集團股份有限公司

(formerly known as X.J. Electrics (Hu Bei) Co., Ltd湖北香江電器股份有限公司)

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock code: 2619)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

FINANCIAL HIGHLIGHTS

	For the year ended 31 December	
	2025	2024
Revenue	1,289,801	1,501,510
Gross profit (<i>RMB'000</i>)	253,255	328,524
Gross profit margin	19.64%	21.88%
Profit for the year (<i>RMB'000</i>)	50,723	140,425
Basic and diluted earnings per Share (<i>RMB</i>)	0.21	0.69

The Board has recommended the payment of a final dividend of RMB0.03483 (before tax) per Share for the year ended 31 December 2025 (2024: nil).

The board (the “**Board**”) of directors (the “**Directors**”) of X.J. Electrics (Hu Bei) Group Co., Ltd (the “**Company**”, together with its subsidiaries, the “**Group**” or “**we**”) is pleased to announce the consolidated annual results of the Group for the year ended 31 December 2025 (the “**Reporting Period**”), together with the comparative figures for the previous financial year.

In this announcement, certain amounts and percentage figures have been subject to rounding adjustments. Any discrepancies in any tables, charts or elsewhere between total and sums of amounts set out therein are due to rounding.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**
FOR THE YEAR ENDED 31 DECEMBER 2025

		Year ended 31 December	
		2025	2024
		RMB'000	RMB'000
	<i>Notes</i>		
Revenue	3	1,289,801	1,501,510
Cost of sales		(1,036,546)	(1,172,986)
		<hr/>	<hr/>
Gross profit		253,255	328,524
Other income		23,251	19,382
Impairment loss (including reversals of impairment losses) on financial assets		(3,062)	(865)
Other gains and losses, net		(7,630)	10,646
Selling expenses		(26,916)	(34,560)
Administrative expenses		(127,042)	(111,184)
Research and development expenses		(30,317)	(36,426)
Other expenses		(620)	(1,839)
Listing expenses		(1,881)	(370)
Finance costs		(15,922)	(11,993)
		<hr/>	<hr/>
Profit before tax		63,116	161,315
Income tax expense	4	(12,393)	(20,890)
		<hr/>	<hr/>
Profit for the year attributable to owners of the Company		50,723	140,425
		<hr/>	<hr/>
Other comprehensive income (expense):			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		384	871
Fair value gain (loss), net of impairment loss and reclassification adjustments upon derecognition, of trade receivables at fair value through other comprehensive income (“FVTOCI”)		8	(20)
		<hr/>	<hr/>
Other comprehensive income (“OCI”) for the year		392	851
		<hr/>	<hr/>
Total comprehensive income for the year attributable to owners of the Company		51,115	141,276
		<hr/> <hr/>	<hr/> <hr/>
Earnings per share			
– Basic and diluted (RMB)	6	0.21	0.69
		<hr/> <hr/>	<hr/> <hr/>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025

		As at 31 December	
		2025	2024
	<i>Notes</i>	RMB'000	RMB'000
Non-current assets			
Property, plant and equipment		613,175	503,725
Right-of-use assets		101,125	100,004
Investment properties		12,348	13,166
Intangible assets		100	125
Deferred tax assets		12,227	14,482
Trade receivables	7(a)	34,370	–
Prepayments for non-current assets		585	17,682
Other receivables		6,667	4,194
Pledged and restricted bank deposits		35,000	35,000
		815,597	688,378
Current assets			
Inventories		201,209	207,357
Income tax recoverable		1,621	2,491
Trade receivables	7(a)	280,315	235,640
Trade receivables at FVTOCI	7(b)	7,755	2,145
Prepayments and other receivables		86,313	96,669
Pledged and restricted bank deposits		71,286	145
Bank balances and cash		490,975	474,154
		1,139,474	1,018,601
Current liabilities			
Trade and bills payables	8	259,488	292,474
Other payables and accruals		58,597	58,906
Income tax payable		1,833	8,082
Borrowings	9	347,719	207,055
Lease liabilities		20,457	19,806
Contract liabilities		12,872	43,508
Deferred income		163	163
		701,129	629,994
Net current assets		438,345	388,607
Total assets less current liabilities		1,253,942	1,076,985

		As at 31 December	
		2025	2024
	<i>Notes</i>	RMB'000	RMB'000
Non-current liabilities			
Borrowings	9	94,673	116,036
Lease liabilities		34,335	32,693
Deferred income		1,882	2,045
		<u>130,890</u>	<u>150,774</u>
Net assets		<u>1,123,052</u>	<u>926,211</u>
Capital and reserves			
Share capital	10	272,880	204,660
Reserves		849,192	721,551
Equity attributable to owners of the Company		1,122,072	926,211
Non-controlling interests		980	–
Total equity		<u>1,123,052</u>	<u>926,211</u>

NOTES

1. GENERAL INFORMATION AND BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

X.J. Electrics (Hu Bei) Group Co., Ltd湖北香江電器集團股份有限公司 (formerly known as X.J. Electrics (Hu Bei) Co., Ltd湖北香江電器股份有限公司) (the “**Company**”) was incorporated in the People’s Republic of China (the “**PRC**”) as a joint stock company with limited liability. The Company changed its name on 6 January 2026, with the alteration registered in Hong Kong on 23 January 2026 under the Companies Ordinance (Cap. 622). The controlling shareholders of the Company are Mr. Pan Yun and Mr. Guangshe Pan, son of Mr. Pan Yun (collectively the “**Controlling shareholders**”). The shares of the Company had been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 25 June 2025.

The Company and its subsidiaries (collectively referred to as the “**Group**”) is principally engaged in the businesses of research and development, design, manufacturing and sales of electric home appliances and non-electric household goods.

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (the “**IASB**”). For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. The consolidated financial statements are presented in RMB, which is also the functional currency of the Company.

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

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

In the current year, the Group has applied the following amendments to an IFRS Accounting Standard as issued by the IASB for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to IAS 21	Lack of Exchangeability
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The application of the amendments to an IFRS Accounting Standard in the current year has had no material impact on the Group’s financial position and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to IFRS Accounting Standards in issue but not yet effective

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

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

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

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

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

IFRS 18 sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 “Presentation of Financial Statements”. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” (the title of which will be changed to Basis of Preparation of Financial Statements upon effective of HKFRS 18) and IFRS 7 “Financial Instruments: Disclosures”. Minor amendments to IAS 7 “Statement of Cash Flows” and IAS 33 “Earnings per Share” are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements, but the directors of the Company (the “**Directors**”) do not expect it to have a significant impact on the Group’s financial performance or financial position in terms of recognition and measurement.

Except as described above, the Directors anticipate that the application of the amendments to IFRS Accounting Standards will have no material impact on the Group’s financial position and performance in the foreseeable future.

3. REVENUE AND SEGMENT INFORMATION

Types of goods

	Year ended 31 December	
	2025 RMB’000	2024 RMB’000
Electric home appliances		
– Electro-thermic appliances	750,122	757,883
– Motor-driven appliances	247,210	315,560
– Electronic appliances	103,170	115,066
	<u>1,100,502</u>	<u>1,188,509</u>
Non-electric household goods		
– Garden hose	175,689	285,118
– Others (<i>note</i>)	13,610	27,883
	<u>189,299</u>	<u>313,001</u>
	<u><u>1,289,801</u></u>	<u><u>1,501,510</u></u>

Note: Others include cookware, cleaning tools and other household goods etc.

(iv) Segment information

Information reported to the executive directors of the Company, being the chief operating decision makers, for the purposes of resource allocation and performance assessment focuses on revenue analysis by products. No other discrete financial information is provided other than the Group’s results and financial position as a whole. Accordingly, only entity-wide disclosures, major customers and geographic information are presented.

4. INCOME TAX EXPENSE

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Current tax:		
– PRC Enterprise Income Tax	9,129	27,522
– Hong Kong	1,717	–
– U.S.	–	66
	<u>10,846</u>	<u>27,588</u>
Over provision in prior years:		
– PRC Enterprise Income Tax	(708)	(6,319)
	<u>10,138</u>	<u>21,269</u>
Deferred tax	<u>2,255</u>	<u>(379)</u>
	<u><u>12,393</u></u>	<u><u>20,890</u></u>

PRC Enterprise Income Tax

Under the Law of the PRC on Enterprise Income Tax (the “**EIT Law**”) and Implementation Regulation of the EIT Law, the tax rate of the Group’s PRC subsidiaries is 25%.

The Company is accredited as the High New Tech Enterprises and is subject to preferential tax rate of 15% during the accredited period.

Hong Kong

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million.

U.S.

Pursuant to the applicable U.S. federal and state income tax laws, the U.S. subsidiaries have provided income taxes on their federal and state taxable income at the 21% U.S. federal statutory corporate income tax rate and states statutory corporate tax rates of up to 8.84% for both years.

5. DIVIDENDS

No dividend was paid or proposed during the year ended 31 December 2025.

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 December 2025 of RMB0.03483 (2024:Nil) per ordinary share, in an aggregate amount of RMB9,504,000 (2024: Nil), has been proposed by the directors and is subject to approval by the shareholders in the forthcoming general meeting.

6. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

Earnings figures are calculated as follows:

	Year ended 31 December	
	2025	2024
Profit for the year attributable to owners of the Company for basic and diluted earnings per share (<i>RMB'000</i>)	<u>50,723</u>	<u>140,425</u>
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share (<i>'000</i>)	<u>240,171</u>	<u>204,660</u>

The computation of diluted earnings per share for the year ended 31 December 2025 does not assume the exercise of over-allotment options as the exercise price of those options was higher than the average market price of the shares over the over-allotment period. There were no other potential dilutive ordinary shares in issue during the year ended 31 December 2025 and 2024.

7. TRADE RECEIVABLES/TRADE RECEIVABLES AT FVTOCI

(a) Trade receivables

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Trade receivables	323,783	241,286
Less: allowance for ECL	(9,098)	(5,646)
	<u>314,685</u>	<u>235,640</u>
Analysed for reporting purposes as:		
Current assets	280,315	235,640
Non-current assets	34,370	–
	<u>314,685</u>	<u>235,640</u>

As at 1 January 2024, the carrying amount of trade receivables net of allowance for ECL from contracts with customers of the Group amounted to RMB146,093,000.

Ageing of trade receivables is prepared based on the dates of delivery of goods, which approximated the respective revenue recognition dates, as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Within 1 year	317,083	236,440
1–2 years	2,227	776
2–3 years	640	840
Over 3 years	3,833	3,230
	<u>323,783</u>	<u>241,286</u>

The normal credit term to the customers ranged between 22 to 215 days.

(b) Trade receivables at FVTOCI

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Trade receivables at FVTOCI	<u>7,755</u>	<u>2,145</u>

The amounts represent the trade receivables that were held under the “hold to collect and sell” business model, whose objective is achieved by both collecting contractual cash flows and factoring trade receivables to banks without recourse. Hence these trade receivables are measured at FVTOCI. In the opinion of the Directors, when the trade receivables are factored to banks, the Group transfers substantially all the risks and rewards of ownership to banks, and accordingly the related trade receivables are derecognised. All of the Group’s trade receivables at FVTOCI are aged within 1 year.

8. TRADE AND BILLS PAYABLES

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Trade payables	243,423	264,457
Bills payables	<u>16,065</u>	<u>28,017</u>
	<u>259,488</u>	<u>292,474</u>

The following is the ageing analysis of trade payables based on the date of goods and services received at the end of the reporting period:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Within 1 year	240,588	262,081
1–2 years	474	104
2–3 years	89	251
Over 3 years	<u>2,272</u>	<u>2,021</u>
	<u>243,423</u>	<u>264,457</u>

The credit period on purchases of goods and services of the Group is within 180 days. All the bills payable with maturity within one year.

9. BORROWINGS

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Bank loans:		
Secured	310,333	229,981
Unsecured	132,059	93,110
	<u>442,392</u>	<u>323,091</u>
The carrying amounts of the above borrowings are repayable*:		
– Within one year	347,719	207,055
– Within a period of more than one year but not exceeding two years	47,336	38,679
– Within a period of more than two years but not exceeding five years	47,337	77,357
	<u>442,392</u>	<u>323,091</u>
Less: amounts due within one year shown under current liabilities	<u>(347,719)</u>	<u>(207,055)</u>
Amounts shown under non-current liabilities	<u><u>94,673</u></u>	<u><u>116,036</u></u>

* The amounts due are based on scheduled repayment dates set out in the loan agreements.

10. SHARE CAPITAL

	Number of shares	Share capital <i>RMB'000</i>
Ordinary shares of RMB1 each		
Registered, issued and fully paid		
At 1 January 2024, 31 December 2024, and 1 January 2025	204,659,509	204,660
Issue of shares upon listing (<i>note</i>)	68,220,000	68,220
	<u>272,879,509</u>	<u>272,880</u>
At 31 December 2025	<u><u>272,879,509</u></u>	<u><u>272,880</u></u>

Note: On 25 June 2025, upon listing on the Hong Kong Stock Exchange, the Company issued 68,220,000 H shares with par value of RMB1 each at HK\$2.86 (equivalent to approximately RMB2.61) each with gross proceeds of approximately HK\$195,109,000 (equivalent to approximately RMB178,092,000).

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

The Group is a manufacturer of lifestyle household goods in the People's Republic of China (the "PRC" or "China"). The Group focuses on research and development, design, manufacturing and sales of electric home appliances and non-electric household goods. The Group's electric home appliances consist of three categories, namely (i) electro-thermic appliances, such as electric griddle, air fryer and kettle; (ii) motor-driven appliances, such as blender, mixer and electric can opener; and (iii) electronic appliances such as digital scale, humidifier and laser projector light. The Group also offers non-electric household goods such as garden hose and cookware.

Industry and Market Review

In 2025, the global home appliance industry demonstrated remarkable resilience amid a complex and volatile macroeconomic environment, while also undergoing profound structural transformation. As an export manufacturer of household goods in China, particularly in the small kitchen appliance sector, we present the following review and analysis of the industry landscape:

1. Macroeconomic Environment: Global Trade Challenges and the Cornerstone Status of "Made in China"

Despite increased uncertainties in the global trade environment in 2025 and pressure from a high baseline in the previous year, China's position as the core of the global home appliance supply chain remained solid. According to data from the General Administration of Customs of the PRC, total exports of home appliances for the year amounted to RMB688.85 billion, a slight year-on-year decrease of 3.3%. However, traditional markets such as Europe and the United States remain the primary export destinations, while demand in emerging markets such as Southeast Asia, the Middle East, and Africa is also growing rapidly, providing the industry with diversified development opportunities. Leveraging their comprehensive advantages in cost, technology, and industrial support, home appliance companies in China continue to provide high-quality design and manufacturing services to the global market, particularly in developed countries.

2. *Industry Landscape: A Strategic Upgrade from “Product Export” to “Capacity Export”*

Faced with uncertainties in trade policies, leading companies in the industry have taken the initiative to hedge against geopolitical risks through global capacity deployment and localized supply chain operations. The establishment of overseas production bases, led by Southeast Asia, signifies that the industry is accelerating its transition from a simple “contract manufacturing and export” model to a deeper “capacity export” and even “brand export” model. This trend places higher demands on companies’ global management capabilities and resource integration capabilities, and those with forward-looking and diversified strategies will gain a competitive edge in the new cycle of competition.

3. *Competitive Trends: Accelerated Industry Consolidation and Resource Concentration Among Leading Companies*

Against the backdrop of slowing market growth and increasing external risks, international buyers have become more risk-averse and prefer to partner with industry leaders that possess stable supply chains, robust technical capabilities, and a strong reputation. Industry polarization is set to intensify: Small and medium-sized enterprises (SMEs) lacking core technologies, with weak R&D capabilities, single-channel distribution, and tight cash flow are facing severe challenges, with their market space gradually being squeezed. Meanwhile, leading enterprises with strong brand power, technological barriers, economies of scale, and global distribution advantages are expected to further increase their market share, driving continued consolidation in the industry.

4. *Product Trends: Consumption Upgrading Drives Product Innovation and Niche Market Development*

The consumer-oriented nature of small household appliances dictates their rapid iteration. Smart features, health-conscious design, scenario-based applications, and personalization have become the core directions for the industry’s future development. Consumer demand for kitchen appliances is shifting from basic cooking functions toward a higher-quality culinary experience, driving products toward health-focused, integrated, and diversified directions. Amid this trend, new product categories continue to emerge, injecting new growth momentum into the market. For manufacturers, sustained product innovation capabilities and an accurate grasp of market trends will be key to capturing leading positions in niche markets. Leveraging robust Chinese manufacturing and R&D capabilities, leading ODM/OEM enterprises are expected to achieve sustained growth in market share in overseas markets, particularly in OBM and ODM businesses.

Business Review

In 2025, the global macroeconomic environment remained complex and volatile, with home appliance exports continuing to face pressure. In the face of external pressures, the Group maintained its strategic determination, consolidating its core business while accelerating the global expansion of its production capacity to lay the foundation for long-term development. During the year, the Group achieved operating revenue of RMB1,290 million, a year-on-year decrease of 14.10%. Among which, revenue from overseas markets amounted to RMB1,282 million, a year-on-year decrease of 14.25%; while the domestic market defied the trend and grew, generating revenue of RMB7.695 million, a year-on-year increase of 21.74%. Affected by both the external environment and strategic investments, the Group recorded a profit of RMB50.723 million for the period, a decrease of 63.88% compared to the same period in 2024.

To build long-term competitiveness, two key strategic initiatives were implemented for the current year:

1. **Accelerating the global expansion of production capacity:** Overseas production bases in Indonesia and Thailand commenced operations successively during the year, marking a substantial step forward in the Group's strategic transition from "product export" to "capacity export". This initiative aims to enhance supply chain resilience and effectively hedge against geopolitical risks. Although the initial phase of production at the new facilities faced challenges such as capacity ramp-up and an underdeveloped local supply chain, leading to the increase in short-term, large-scale production at overseas bases will significantly enhance the Group's supply chain stability and lay a solid foundation for global operations in the long term.
2. **Optimizing market and product structure:** While consolidating the foundation of its overseas ODM/OEM businesses, the Group endeavored to expand into domestic and emerging markets. During the Reporting Period, revenue of the domestic business achieved counter-cyclical growth, demonstrating the potential of the domestic market. At the product level, the Group continued to focus on core electrical home appliances, with revenue from these products further increasing to 85.32% of total revenue, highlighting the resilience of its core business.

Under the combined influence of the aforementioned internal and external factors, the primary reasons for the Group's performance changes during the period are as follows:

- (1) **Weakening demand in traditional markets:** In 2025, driven by factors such as increased uncertainties in the global trade environment and the escalation of U.S. tariff policies, overall demand for small household appliances in the traditional European and American markets weakened. As a result, the Group's revenue from the North American and European markets was RMB1,081 million and RMB109 million, respectively, representing year-over-year declines of 13.96% and 21.98%, which were the primary factors contributing to the overall revenue decline;

- (2) **The increase in short-term costs due to the launch of new overseas production bases:** Production bases in Indonesia and Thailand commenced operations successively during the year. As production capacity is still in the ramp-up phase and local supply chains require further refinement, this has led to a temporary rise in overall costs. During the Reporting Period, the Group’s administrative expenses amounted to RMB127 million, a year-on-year increase of 14.26%, which had a certain impact on net profit for the period;
- (3) **Changes in product mix impacted gross margin:** During the Reporting Period, shifts in product mix exerted downward pressure on the overall gross margin. Non-electric household goods (primarily garden hose), being products with higher gross margin, were more significantly affected by macroeconomic conditions; and the revenue amounted to RMB189 million, representing a decrease from 20.85% in 2024 to 14.68% of the total revenue. The decline in the revenue of high-margin products dragged down the overall gross margin. The Group’s gross margin decreased from 21.88% in 2024 to 19.64%; and
- (4) **Exchange losses resulting from currency fluctuations:** Affected by fluctuations in the RMB exchange rate, the Group recorded exchange losses in 2025. Compared to the exchange gains in 2024, this difference resulted in a reduction in profit of approximately RMB20.418 million.

In summary, 2025 was a year of “strategic investment and short-term pressure” for the Group. Despite the operating results experiencing a temporary decline, the substantive implementation of overseas production capacity and the continuous optimization of market structure have provided a solid foundation for the Group to navigate the business cycle and achieve high-quality and sustainable development.

Business Prospects

In 2026, the Group will focus on its core business of lifestyle household goods, deepen product portfolio restructuring, enhance technological added value, and strive to expand into international markets. The specific business development plans are as follows:

(I) Exploring small home appliance sub-categories, and driving product upgrades and market expansion

The Group will continue to increase R&D investment in small home appliances, focusing on new product development for high-growth-potential categories such as rice cookers, multi-cookers, and electric kettles:

1. Rice cooker business: The Group has established a deep partnership with a well-known U.S. home appliance brand. We have already completed the co-development of multiple rice cooker models and expect to launch more new products in the future. Leveraging this brand's leading position in the North American market, the Group aims to further expand its market penetration. It is anticipated that the rice cooker business will generate substantial revenue for the Group in 2026.
2. Multi-cooker business: The Group has developed several new multi-cooker models, which have entered mass production and are expected to contribute significant additional sales revenue for the Group. The Group will continue to expand its multi-cooker product portfolio to further enhance the scale and market position of the business.
3. Electric kettle business: The Group will continue to consolidate its market leadership in the electric kettle sector. Through product feature upgrades and design innovations, we will enhance the added values of the product and further expand its market share.

(II) Establishing overseas warehouses in North America to enhance supply chain competitiveness and online market share

The Group's small home appliances are primarily exported to the United States and sold under private labels via platforms such as Walmart and Amazon through ODM/OEM models. In order to consolidate and expand its competitive advantage in the North American market, the Group plans to establish overseas warehouses in North America. Establishing these warehouses will deliver multiple strategic benefits: first, it will shorten delivery cycles, enhancing service flexibility and customer loyalty for major clients; second, by optimizing the combination of bulk ocean freight and local distribution, it will reduce overall logistics costs and enhance price competitiveness; third, it will strengthen the competitiveness of ODM/OEM businesses: under equivalent quality and delivery conditions, localized warehousing capabilities will become a key differentiating advantage for the Group compared to other small home appliance suppliers, helping to secure a larger share of orders; fourth, it will strongly support the expansion of online business by improving logistics efficiency and consumer experience through localized fulfillment, thereby further increasing the Group's online market share on platforms such as Amazon.

(III) Facilitating the industrialization of the superconducting cable project to create new growth drivers

Leveraging its technical expertise in specialty cables, irradiation modification, and high-conductivity materials, the Group will officially launch the superconducting cable project in 2026, dedicated to the application and development of high-performance superconducting materials in the high-end cable sector. The project's products can be applied in national strategic sectors such as new energy vehicles, intelligent connectivity, high-end equipment, 5G/6G communications, and oil exploration, covering automotive high-voltage harnesses, high-speed data cables, explosion-proof cables for oil exploration, 5G/6G RF cables, high-speed interconnect cables for AI data centers, automotive-grade V2X communication cables, and high-end Hi-Fi audio/video cables. By facilitating the industrialization of the superconducting cable project, the Group will expand into this new business while consolidating its existing small home appliance business, establishing a dual-core business model of "small home appliances + superconducting cables" gradually to create new growth drivers for the Company.

Financial Review

1. Revenue and segment information

The Group's revenue decreased by 14.10% from RMB1,501.510 million for the year ended 31 December 2024 to RMB1,289.801 million for the Reporting Period, primarily attributable to the decrease in revenue resulting from the impact of tariffs in 2025.

Breakdown by product types

The following table sets out a breakdown of the total revenue of the Group by product types for the two years ended 31 December 2025:

	For the year ended	
	31 December	
	2025	2024
	RMB'000	RMB'000
Electric home appliances		
– Electro-thermic appliances	750,122	757,883
– Motor-driven appliances	247,210	315,560
– Electronic appliances	103,170	115,066
	<hr/>	<hr/>
Sub-total	1,100,502	1,188,509
	<hr/> <hr/>	<hr/> <hr/>
Non-electric household goods		
– Garden hose	175,689	285,118
– Others (<i>note</i>)	13,610	27,883
	<hr/>	<hr/>
Sub-total	189,299	313,001
	<hr/> <hr/>	<hr/> <hr/>
Total	1,289,801	1,501,510
	<hr/> <hr/>	<hr/> <hr/>

Note: Others include cookware, cleaning tools and other household goods.

2. *Gross profit and gross profit margin*

Our gross profit decreased by 22.91% from RMB328.524 million for the year ended 31 December 2024 to RMB253.255 million for the Reporting Period, primarily due to the decrease in total revenue in 2025.

Our gross margin decreased from 21.88% for the year ended 31 December 2024 to 19.64% for the Reporting Period, primarily due to the decrease in total revenue as well as the commencement of operations at overseas production bases of the Company in Indonesia and Thailand in 2025, where production capacity is still in the ramp-up phase, resulting in relatively high overall fix costs that have had a certain impact on the Company's gross margin in 2025; the decrease in the proportion of revenue from high-margin products in 2025; and exchange losses recorded by the Company due to exchange rate fluctuations, which had a certain negative impact on the gross margin.

3. *Cost of sales*

Our cost of sales decreased by 11.63% from RMB1,172.986 million for the year ended 31 December 2024 to RMB1,036.546 million for the Reporting Period, primarily due to the decrease in total revenue, which led to the decrease in cost of sales.

4. *Other income*

Our other income increased from RMB19.382 million for the year ended 31 December 2024 to RMB23.251 million for the Reporting Period, mainly due to the increase of government grant received from the PRC government authorities.

5. *Other gains and losses, net*

Our other gains and losses, net decreased from a net gain of RMB10.646 million for the year ended 31 December 2024 to a net loss of RMB7.630 million for the Reporting Period, which was attributable to a net foreign exchange loss recorded in 2025 as a result of exchange rate fluctuations in 2025 (compared to a net foreign exchange gain recorded in the same period of 2024).

6. *Selling expenses*

Our selling expenses decreased by 22.12% from RMB34.560 million for the year ended 31 December 2024 to RMB26.916 million for the Reporting Period, mainly due to the decrease in sales revenue, which has led to a reduction in wages in the sales department.

7. Administrative expenses

Our administrative expenses increased by 14.26% from RMB111.184 million for the year ended 31 December 2024 to RMB127.042 million for the Reporting Period, primarily due to the increase in administrative expenses resulting from the commissioning of the factories of X.J. Electrical Appliances Co., Ltd.* (惠州市香江智能電器有限公司), as well as the factories in Indonesia and Thailand, in 2025.

8. Research and development expenses

Our research and development expenses decreased by 16.77% from RMB36.426 million for the year ended 31 December 2024 to RMB30.317 million for the Reporting Period, primarily due to the decrease in R&D of new products.

9. Other expenses

The other expenses decreased from RMB1.839 million for the year ended 31 December 2024 to RMB0.620 million for the Reporting Period, primarily due to the decrease in donation expenses.

10. Financial costs

Our financial cost increased from RMB11.993 million for the year ended 31 December 2024 to RMB15.922 million for the Reporting Period, which was primarily due to higher interest expenses resulting from the increase in loans. Financial costs primarily comprised of interest expenses of borrowings.

11. Income tax expense

The income tax expense decreased from RMB20.890 million for the year ended 31 December 2024 to RMB12.393 million for the Reporting Period, mainly due to the decrease in profit.

12. Net profit

As a result of the foregoing, we recorded profit of RMB50.723 million for the Reporting Period, compared to profit of RMB140.425 million for the year ended 31 December 2024.

13. Capital expenditures

The capital expenditure of our Group primarily consists of expenditures on buildings and machinery and equipment. The Group's capital expenditures amounted to RMB165.512 million for the Reporting Period.

14. *Financial position*

Shareholders' equity increased from RMB926.211 million as at 31 December 2024 to RMB1,123.052 million as at 31 December 2025, mainly due to the increase in the issued share capital and reserves of new shares issued upon listing, as well as the increase in retained earnings resulting from the profit recorded during the Reporting Period.

15. *Liquidity and financial resources*

As at 31 December 2025, the Group had a total of RMB490.975 million in bank balances and cash, and a total of RMB106.286 million in pledged and restricted bank deposits.

As at 31 December 2025, we had bank borrowings of approximately RMB442.392 million (31 December 2024: approximately RMB323.091 million). The range of effective interest rates on the borrowings was 2.40% to 5.00% per annum in 2025 (2024: 2.80% to 5.99%).

As at 31 December 2025, the Group has not provided guarantees and pledges to related parties.

16. *Gearing ratio*

Our gearing ratio, being on total liabilities divided by total assets and multiplied by 100%, was 45.74% and 42.56% as at 31 December 2024 and 31 December 2025, respectively.

17. *Treasury policies*

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the period under review. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers debtors. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that sufficient financial resources are available in order to meet its funding requirements and commitment timely.

18. *Principal risks and market risks*

The Group is exposed to various types of market risks, including changes in interest rates and risk of change in industry policies.

(1) *Risk of change in industry policies*

An array of laws, regulations and rules on the global lifestyle household goods industry, global small home appliance industry and global garden hose industry constitute the external regulatory and legal environment for the Company's ordinary and continuous operation and have great influence on the Company's business development, production and operation, domestic and foreign trade, and capital investment etc. Changes in relevant industry policies may have corresponding effects on the Company's production and operation.

(2) *Interest rate risk*

The Group's exposure to interest rate risk relates primarily to the cash and bank deposits held by the Group, interest-bearing bank and other borrowings. The Group mainly controls its exposure to interest rate risks associated with certain cash holdings and bank deposits, interest-bearing bank and other borrowings by placing them in appropriate short-term deposits at fixed or floating interest rates and at the same time by borrowing loans at a mixture of fixed or floating interest rates.

The Group had not used any interest rate swaps to hedge its exposure to interest rate risk during the Reporting Period.

(3) *Foreign exchange risk*

Based on the global development of our Group's business and the establishment of overseas branches, our revenue is measured in US dollars and RMB and the proceeds of initial public offering is measured in Hong Kong dollars. As at 31 December 2025, the Group has not formulated any foreign currency hedging policies for foreign currency transactions, assets, and liabilities. The Group will regularly review foreign exchange risks and use derivative financial instruments to hedge such risks as necessary.

19. *Contingent Liabilities*

The Group had no material contingent liabilities as at 31 December 2025 (as at 31 December 2024: Nil).

20. *Off-balance Sheet Arrangements or Commitments*

As at 31 December 2025, our Group did not have any off-balance sheet arrangements or commitments.

21. *Information on and Key Relationship with Employees*

As at 31 December 2025, the Group had 2,242 employees, including the executive Directors. Total staff costs (including Directors' emoluments) were approximately RMB215.169 million for the Reporting Period. Remuneration is determined with reference to market norms and individual employees' performance, qualification and experience.

The Group places high value on recruiting, training and retaining its employees. The Group maintains high recruitment standards and provides competitive compensation packages. Remuneration packages for the Group's employees mainly comprise base salary, performance salary and bonus. The Group also provides both in-house and external trainings for our employees to improve their skills and knowledge. As required under PRC regulations, the Group participates in various employee social security plans that are organised by applicable local municipal and provincial governments, including housing, pension, medical, work-related injury, maternity, and unemployment benefit plans.

The employees of the Group's subsidiaries in the PRC are members of a state-managed defined contribution retirement scheme operated by the PRC government. The Group is required to contribute a certain percentage of the employees' payroll to the retirement benefit scheme. The only obligation of the Group with respect to the retirement benefit scheme is to make the required contributions under the scheme. The Group's contributions to the statutory contribution retirement schemes are not reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in such contributions.

22. *Significant Investments Held*

As at 31 December 2025, the Group did not hold any significant investment in equity interest in any other company.

23. *Future Plans for Material Investments and Capital Assets*

Save as disclosed in the Prospectus, as at 31 December 2025, the Group did not have plan for material investments and capital assets.

24. *Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures*

The Group did not have any material acquisition or disposal of subsidiaries, associates and joint ventures for the year ended 31 December 2025.

25. *Charges on Group Assets*

As at 31 December 2025, secured bank loans were secured by pledged and restricted bank deposits, trade receivables, property, plant and equipment, investment properties, and leasehold land. As of 31 December 2025, the Group had RMB310.333 million in bank loans secured by the Group's assets.

CORPORATE GOVERNANCE AND OTHER INFORMATION

1. Corporate Governance

The Company aims to achieve high standards of corporate governance, which are crucial to the Company's development and safeguard the interests of the Shareholders.

The Company has applied the principles of good corporate governance and adopted the code provisions of the CG Code as its own code of corporate governance. The Company has complied with all applicable code provisions set out in Part 2 of the CG Code since the Listing Date to 31 December 2025, save as the below.

Pursuant to code provision C.2.1 of Appendix C1 to the Listing Rules, the roles of chairperson and chief executive should be separate and should not be performed by the same individual. However, in view of Mr. Pan Yun's extensive industry experience, personal profile and critical role in our Group's historical development, the Board is of the view that it would be in the best interests of our Group for Mr. Pan Yun to hold both positions. In addition, the current composition of the Board, including three independent non-executive Directors, will play an active role in ensuring a balance of power and authority.

The Group will continue to review and monitor the corporate governance structure and practices from time to time and shall make necessary arrangements when the Board considers appropriate.

2. Use of proceeds from the Global Offering

The Company was listed on the Stock Exchange on 25 June 2025 (the “**Listing Date**”). The net proceeds raised from Global Offering were approximately HK\$155.6 million.

As at 31 December 2025, the total net proceeds of approximately HK\$148.42 million from the Global Offering remained unutilised. There has been no change in the intended use of net proceeds as previously disclosed in the section headed “Future Plans and Use of Proceeds” of the Prospectus. As at the date of this announcement, the Company does not anticipate any change to its plan on the use of proceeds.

	Approximate Percentage of the total net proceeds from the Global Offering	Net proceeds from the Global Offering <i>(HKD million)</i>	Utilised amount from the Listing Date to 31 December 2025	Unutilised amount as at 31 December 2025	Expected time to utilise the remaining net proceeds in full
Set up our Thailand Factory to enhance our global presence					
– Acquisition of land	2.0%	3.11	3.11	0	By the end of the year ending 31 December 2026
– Construction and renovation of production space	16.8%	26.14	0.19	25.95	By the end of the year ending 31 December 2026
– Acquisition and installation of machines and equipment	23.1%	35.94	0.27	35.67	By the end of the year ending 31 December 2026
Increase the level of automation and digitalisation					
– Acquisition and installation of machines and equipment	15.8%	24.58	1.33	23.25	After 1 January 2027
Set up a new R&D Centre					
– Construction and renovation of the R&D centre	10.2%	15.87	0	15.87	After 1 January 2027
– Acquisition of equipment and software	10.9%	16.96	0	16.96	After 1 January 2027
– Procurement of materials and consumables for R&D	9.2%	14.32	0	14.32	After 1 January 2027
– Recruitment of staff	6.9%	10.74	0	10.74	After 1 January 2027
General working capital	5.0%	7.78	2.28	5.5	
Total	100%	155.6	7.18	148.42	

3. Purchase, Sale or Redemption of the Company's Listed Securities

During the Reporting Period, there was no purchase, sale or redemption of any listed securities (including sale of treasury shares (as defined under the Listing Rules)) of the Company by the Company or any of its subsidiaries. As at 31 December 2025, the Company did not hold any treasury shares.

4. Continuing Disclosure Obligations pursuant to the Listing Rules

Save as disclosed in this announcement, the Company is not aware of any circumstances that require disclosure pursuant to Rules 13.20, 13.21 and 13.22 of the Listing Rules.

5. Legal Proceedings and Compliance with Laws and Regulations

During the Reporting Period, the Group was not involved in any material litigation or arbitration. During the Reporting Period, as far as the Group is aware, the Group was not in any material breach of or non-compliance with the laws or regulations applicable to the Group which had a material impact on the business and operations of the Group.

6. Model Code for Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix C3 to the Listing Rules as the code of conduct regarding securities transactions by the Directors.

Having made specific enquiries with all Directors, all Directors have fully complied with the standards required according to the Model Code set out in Appendix C3 to the Listing Rules during the period from the Listing Date to 31 December 2025.

7. Dividend Policy

As disclosed in the Prospectus, our dividend policy is as follows:

In order to return capital to our Shareholders in line with our growth, we have adopted in our general dividend policy a dividend payout ratio of no less than 30% of our annual distributable net profit of the immediately preceding year for each of the three financial years upon Listing (including the year of the Listing) (the “**Initial Period**”). After the Initial Period, pursuant to such general policy, we will determine the dividend payout ratio with reference to our results of operations, cash flows, financial condition, operating and capital expenditure requirements, distributable profits and other factors that our Directors may consider relevant. We may declare and pay dividends by way of cash or by other means that we consider appropriate. The dividend payout ratio will be decided by our Board at their discretion and distribution of dividends will be subject to Shareholders’ approval. In addition, our dividend policy will also be subject to our Articles of Association, the PRC Company Law and any other applicable law and regulations.

8. Dividend

The Board recommends the payment of a final dividend of RMB0.03483 per Share (before tax) for the year ended 31 December 2025 in cash, and the total dividend payment is expected to be approximately RMB9.5 million (based on the Company’s total number of shares in issue as at 31 December 2025 and as at the date of this announcement, i.e. 272,879,509 shares).

Subject to the approval by the Shareholders of the Company at the 2025 AGM, the proposed final dividend is expected to be paid on 24 July 2026. The proposed final dividend will be declared in RMB, and paid in RMB to holders of domestic unlisted shares and in HKD to holders of H shares.

As at 31 December 2025, there was no arrangement under which a Shareholder has waived or agreed to waive any dividend.

9. Dividend Tax

According to the Law on Enterprise Income Tax of the People's Republic of China (《中華人民共和國企業所得稅法》) which came into effect on January 1, 2008 and amended on February 24, 2017 and December 29, 2018, respectively, and its implementing rules, the Notice on the Issues Concerning Withholding and Paying Enterprise Income Tax on the Dividends Paid by PRC Resident Enterprises to H Shareholders which are Overseas Non-resident Enterprises (Guo Shui Han [2008] No. 897) (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》(國稅函[2008] 897號)), which was promulgated by the State Administration of Taxation and came into effect on November 6, 2008, etc., where a PRC domestic enterprise distributes dividends for 2008 and subsequent years for financial periods beginning from January 1, 2008 to non-resident enterprise shareholders, it is required to withhold and pay 10% enterprise income tax for such non-resident enterprise shareholders. Therefore, as a PRC domestic enterprise, the Company will, after withholding 10% of the annual dividend as enterprise income tax, distribute the annual dividend to non-resident enterprise Shareholders whose names appear on the Register of Members of H Shares, i.e. any Shareholders who hold H Shares in the name of non-individual Shareholders, including but not limited to HKSCC Nominees Limited, other nominees, trustees, or holders of H Shares registered in the name of other organisations and groups. After receiving dividends, the non-resident enterprises Shareholders may apply to the competent tax authorities for enjoying treatment of tax treaties (arrangement) in person or by proxy or by the Company, and provide information to prove that it is an actual beneficiary under the requirements of such tax treaties (arrangement). After having verified that there is no error, the competent tax authorities shall refund tax difference between the amount of tax levied and the amount of tax payable calculated at the tax rate under the requirements of the relevant tax treaties (arrangement).

Pursuant to the Notice on the Issues Regarding Levy of Individual Income Tax after the Abolishment of Guo Shui Fa [1993] No. 045 Document (Guo Shui han [2011] No. 348) (《關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》(國稅函[2011]348號)), the Company shall withhold and pay individual income tax for individual holders of H Shares. If the individual holders of H Shares are Hong Kong or Macau residents or residents of other countries or regions that have a tax rate of 10% under the tax treaties with the PRC, the Company will withhold and pay individual income tax at the rate of 10% on behalf of such Shareholders.

If the individual holders of H Shares are residents of countries or regions that have a tax rate lower than 10% under the tax treaties with the PRC, the Company will withhold and pay individual income tax at the rate of 10% on behalf of such Shareholders. If such Shareholders wish to claim refund of the amount in excess of the individual income tax payable under the relevant tax treaties, the Company may apply, on behalf of such Shareholders and according to the relevant tax treaties, for the relevant agreed preferential tax treatment, provided that the relevant Shareholders submit the relevant documents and information in a timely manner required by the Administrative Measures on Enjoying Treatment under Tax Treaties by Nonresident Taxpayers (State Administration of Taxation Announcement 2015, No. 60) (《非居民納稅人享受稅收協議待遇管理辦法》(國家稅務總局公告2015年第60號)) and the provisions of the relevant tax treaties. The Company will assist with the tax refund subject to the approval of the competent tax authorities.

If the individual holders of H Shares are residents of countries or regions that have a tax rate higher than 10% but lower than 20% under the tax treaties with the PRC, the Company will withhold and pay individual income tax at the applicable tax rates stated in such tax treaties on behalf of such Shareholders.

If the individual holders of H Shares are residents of countries or regions that have a tax rate of 20% under the tax treaties with the PRC, or that have not entered into any tax treaties with the PRC, or otherwise, the Company will withhold and pay individual income tax at the rate of 20% on behalf of such Shareholders. Shareholders are recommended to consult their tax advisors regarding the ownership and disposal of H Shares in the PRC and in Hong Kong and other tax effects.

10. 2025 Annual General Meeting

The 2025 AGM of the Company is currently scheduled to be held on Thursday, 18 June 2026. The notice of the 2025 AGM will be available at the websites of the Company (www.xjgroup.com) and the Stock Exchange (www.hkexnews.hk) and dispatched to the Shareholders in accordance with the requirements of the Listing Rules in due course.

11. Closure of the Register of Members

(a) Eligibility for Attending and Voting at the 2025 AGM

For determining the Shareholders' entitlement to attend and vote at the 2025 AGM, the register of members of the Company will be closed from Monday, 15 June 2026 to Thursday, 18 June 2026, both days inclusive, during which period no transfer of H Shares of the Company will be registered. In order to be eligible to attend and vote at the 2025 AGM, all transfer of H Shares of the Company, accompanied by the relevant share certificates and other appropriate documents, must be lodged with the Company's H share registrar, Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Friday, 12 June 2026, being the business day before the first day of closure of the register of members. Shareholders whose names appear on the register of members of the Company at the close of business on 18 June 2026 are entitled to attend and vote at the 2025 AGM.

(b) Eligibility for Receiving the Proposed Final Dividend

Subject to the abovementioned proposed profit distribution plan of the Company for the year ended 31 December 2025 having been approved by the Shareholders at the 2025 AGM, for the purpose of ascertaining the Shareholders' entitlement to the proposed final dividend, the register of members of the Company will be closed from Monday, 6 July 2026 to Thursday, 9 July 2026, both days inclusive, during which period no transfer of H Shares of the Company will be registered. In order to establish entitlements to the proposed final dividend, which will be voted by the Shareholders at the 2025 AGM, all transfer of H Shares of the Company, accompanied by the relevant share certificates and other appropriate documents, must be lodged with the Company's H share registrar, Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Friday, 3 July 2026, being the business day before the first day of closure of the register of members. The record date for entitlement of the proposed final dividend is Thursday, 9 July 2026.

12. Amendments of Constitutional Documents during the Reporting Period

References are made to the announcements of the Company dated 19 November 2025 and 12 December 2025 and the circular of the Company dated 24 November 2025 in relation to, among others, the proposed abolition of the board of supervisors and the proposed amendments to the Articles of Association and the proposed amendments to the related corporate governance policies. Given the relevant special resolutions had been passed, the board of supervisors had been abolished with effect from the date of the relevant general meeting of the Company (i.e. 12 December 2025) and the relevant amendments to the Articles of Association and the related corporate governance policies had become effective.

13. Events after the Reporting Period

After the year ended 31 December 2025 and up to the date of this announcement, there has been no significant event relating to the business or financial performance of the Group that comes to the attention of the Directors.

14. Audit Committee

As at the date hereof, the Audit Committee has three members comprising Dr. Gu Zhaoyang (Chairman), Dr. Huang Hanxiong and Dr. Li Jiannan, who are all independent non-executive Directors.

The Audit Committee has reviewed, together with the management of the Company, the accounting principles and practices adopted by the Group and discussed the internal control and financial reporting matters including a review of the annual results of the Group for the Reporting Period.

The Audit Committee is of the opinion that the preparation of such financial information complied with the applicable accounting standards, the requirements under the Listing Rules and any other applicable legal requirements, and that adequate disclosures have been made.

15. Scope of Work of Independent Auditor

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other 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 the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board of Directors on 30 March 2026. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

16. Sufficiency of Public Float

Based on information publicly available to the Company and to the knowledge of the Directors, not less than 25% of the Shares in issue have been in public hands since the Listing Date and up to the date of this announcement as required by the Listing Rules.

17. Publication of Annual Results Announcement and Annual Report

This annual results announcement has been published on the website of the Stock Exchange at www.hkexnews.hk and on the website of the Company at www.xjgroup.com. The annual report of the Company for the Reporting Period containing all the information required by the Listing Rules will be published on the above websites in due course.

DEFINITIONS

In this announcement, unless otherwise defined or the context otherwise requires, the following terms or expressions shall have the following meanings:

“2025 AGM”	the forthcoming annual general meeting of the Company scheduled to be held on 18 June 2026
“Articles” or “Articles of Association”	Amended and restated articles of association of the Company, as amended, supplemented or otherwise modified from time to time
“Audit Committee”	the audit committee of the Board
“Auditor”	Deloitte Touche Tohmatsu, the external auditor of the Company
“Board” or “Board of Directors”	Board or Board of Directors
“CG Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
“Chairman”	chairman of the Board
“China” or “PRC”	the People’s Republic of China, for the purpose of this announcement and for geographical reference only, excluding Hong Kong Special Administrative Region of the People’s Republic of China, Macau Special Administrative Region of the People’s Republic of China and Taiwan Region
“Company”	X.J. Electrics (Hu Bei) Group Co., Ltd (湖北香江電器集團股份有限公司), formerly known as X.J. Electrics (Hu Bei) Co., Ltd (湖北香江電器股份有限公司), a joint stock company with limited liability established in the PRC on 23 July 2012
“Director(s)”	director(s) of the Company

“Global Offering”	an offering of 68,220,000 H Shares, comprising a final Hong Kong public offering of 6,822,000 H Shares and a final international public offering of 61,398,000 H Shares
“Group”, “our Group”, “the Group”, “we”, “us” or “our”	the Company and its subsidiaries
“H Share(s)”	ordinary share(s) in the share capital of our Company with nominal value of RMB1.00 each, which are to be subscribed for and traded in Hong Kong dollars and are to be listed on the Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong dollars”, “HK dollars”, “HK\$”, “HKD” or “HK cents”	Hong Kong dollars and cents, respectively, the lawful currency of Hong Kong
“IFRS”	International Financial Reporting Standards
“Listing”	listing of the Shares on the Main Board of the Stock Exchange
“Listing Date”	25 June 2025, the date on which the H Shares of the Company were listed on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Model Code”	the Model Code for Securities Transaction by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
“Prospectus”	the prospectus of the Company dated 17 June 2025
“Reporting Period”	the year ended 31 December 2025
“RMB”	the lawful currency of the PRC

“Share(s)”	ordinary share(s) in the share capital of our Company with a par value of RMB1.00 each, including domestic unlisted shares and H shares
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange” or “Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

By Order of the Board
X.J. Electrics (Hu Bei) Group Co., Ltd
Mr. Pan Yun
Chairman and Executive Director

Shenzhen, PRC, 30 March 2026

As at the date of this announcement, the executive Directors are Mr. Pan Yun, Ms. Ji Ying (employee representative Director), Ms. Li Youxiang, Ms. Hu Yan, Mr. Guangshe Pan and Mr. Xu Xiping; and the independent non-executive Directors are Dr. Huang Hanxiong, Dr. Li Jiannan and Dr. Gu Zhaoyang.