Securities Investors Association (Singapore)
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Tel: (65) 6227 2683 Email: admin@sias.org.sg
www.sias.org.sg
UEN No: S99SS0111B
GST Reg No: M90367530Y0Y

Issuer: Zhongmin Baihui Retail Group Ltd.

Stock code: 5SR

Meeting details:
Date: 30 October 2025
Time: 10.00 a.m.
Venue: Grand Mercure Singapore Roxy, 50 East Coast Road, Roxy Square Singapore 428769

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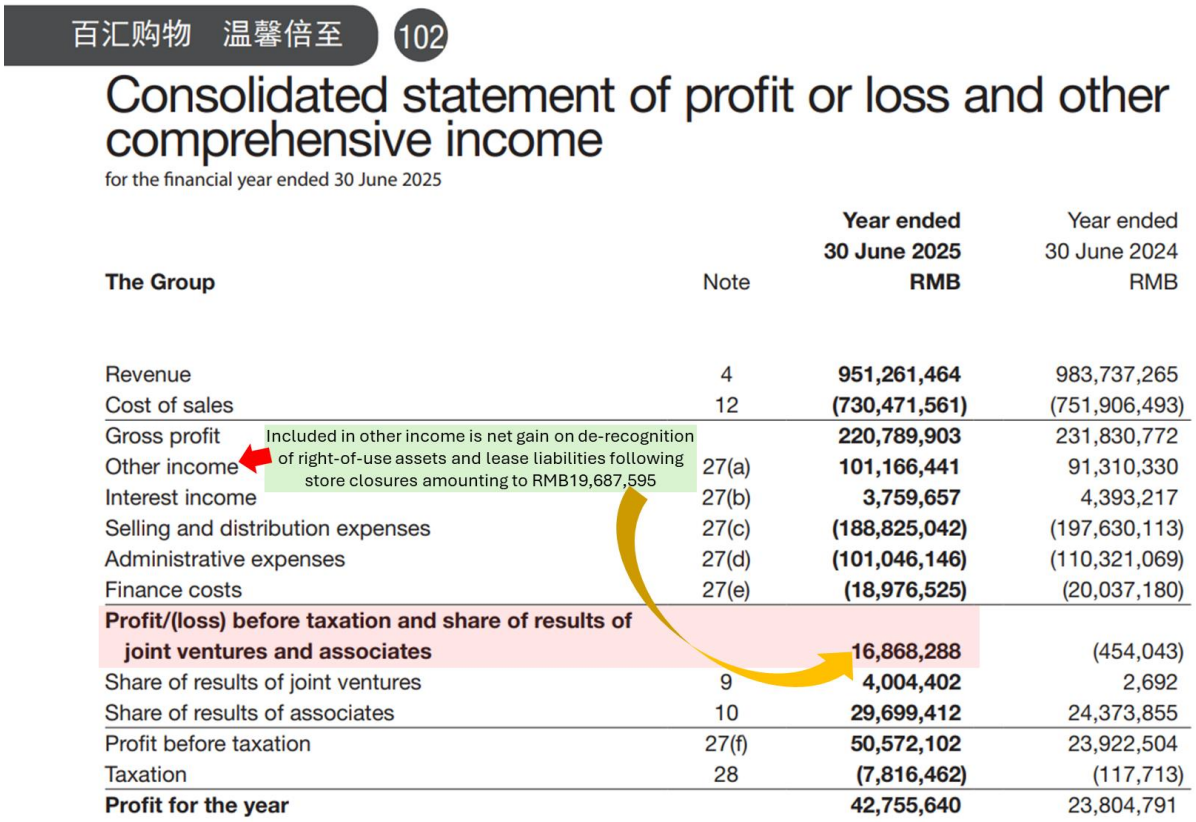
Q1. According to the National Bureau of Statistics of China, real GDP grew 5.3% in the first half of 2025, compared with 5.0% in the same period of 2024. Retail sales of consumer goods increased 5.0% in the first half of 2025, matching the pace of the previous year. In the statement to shareholders, the chairman and CEO noted the resilience of the Chinese economy.

However, the group's own Zhongmin Baihui stores in Fujian reported a 3.3% decline in revenue and a 4.8% drop in gross profit.

(i) Can management clarify why the group's core retail operations contracted by 3.3% when national retail sales continued to expand by 5%, and whether this reflects a structural issue specific to the group's business model or market positioning?



百汇购物 温馨倍至 102

Consolidated statement of profit or loss and other comprehensive income

for the financial year ended 30 June 2025

The Group	Note	Year ended 30 June 2025 RMB	Year ended 30 June 2024 RMB
Revenue	4	**951,261,464**	983,737,265
Cost of sales	12	**(730,471,561)**	(751,906,493)
Gross profit		**220,789,903**	231,830,772
Other income	27(a)	**101,166,441**	91,310,330
Interest income	27(b)	**3,759,657**	4,393,217
Selling and distribution expenses	27(c)	**(188,825,042)**	(197,630,113)
Administrative expenses	27(d)	**(101,046,146)**	(110,321,069)
Finance costs	27(e)	**(18,976,525)**	(20,037,180)
Profit/(loss) before taxation and share of results of joint ventures and associates		**16,868,288**	(454,043)
Share of results of joint ventures	9	**4,004,402**	2,692
Share of results of associates	10	**29,699,412**	24,373,855
Profit before taxation	27(f)	**50,572,102**	23,922,504
Taxation	28	**(7,816,462)**	(117,713)
Profit for the year		**42,755,640**	23,804,791

Included in other income is net gain on de-recognition of right-of-use assets and lease liabilities following store closures amounting to RMB19,687,595

(Source: company annual report; emphasis added)

(ii) Other income was boosted by RMB19.7 million from the derecognition of right-of-use assets and lease liabilities whereas profit before tax and share of results was RMB16.9 million. **Given the management's statement referencing a "return to profitability of [the group's] Zhongmin Baihui stores in Fujian" (page 15), can the company clarify whether the group's underlying retail operations were indeed profitable or remained loss-making in 2025 if the one-off adjustments in other income were excluded?**

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(iii) Does the board, particularly the independent directors, consider it timely to initiate a strategic review of the group's retail operations (particularly department stores) to reassess market positioning, cost structure, and consumer trends, and to identify potential avenues for restoring profitability?

Q2. Would management provide shareholders greater clarity on the following operational and financial matters?

(i) Gold inventory: The group's gold inventory balance stood at RMB90.7 million as at 30 June 2025, representing 13% of the group's total current assets. **How is the group managing its gold inventory exposure as gold prices continue to make new highs?**

(ii) Inventories: Inventories increased by RMB 20.8 million, mainly due to the delivery of Maotai liquor near the end of FY2025. Total inventories were RMB215.4 million in 2025, compared to just RMB100 million in 2018 when revenue levels were comparable (RMB967 million in 2018 vs RMB951 million in 2025). **Can management clarify whether there has been a structural shift in inventory policy or its business model, and whether this has increased the group's exposure to obsolescence and holding risk?**

(iii) Large-mall segment: Tenant sales at Changsha Sasseur Outlets declined 8% in the second half of FY2025 compared to the first half, while Wuxi Yueshang Outlets recorded a 6% drop. **Does management view this as an early sign of weakening consumer demand within the outlet segment, and what targeted strategies are be implemented to boost tenant sales?**

Q3. The board has proposed a dividend of 1 Singapore cent per share for FY2025, representing a payout ratio of approximately 25%.

According to the corporate governance report, the company does not have a fixed dividend policy. The form, frequency and quantum of dividends will depend on the company's earnings, general financial condition, results of operations, capital requirements, cash flow, general business condition, development plans and other factors as the directors may deem appropriate.

Earnings per share and net asset value per share over the past decade are shown below:

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Financial Ratios (RMB cents) 财务比率 (人民币-分)	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2022 (18 months)	FY2023 (Restated)	FY2024	FY2025
Earning/(loss) per share 每股盈利/(亏损)										
- Basic and diluted - 基本和稀释	26.82	49.89	28.16	21.09	27.21	28.80	(17.23)	11.08	12.42	**22.31**
Net asset value per share 每股净资产值	58.46	82.37	89.81	101.37	95.23	111.15	83.91	93.48	100.42	**116.77**

The company's dividend trends can be found here:
https://www.sgx.com/securities/corporate-actions?value=ZHONGMIN%20BAIHUI%20RETAIL%20GRP%20LTD

(i) What deliberations did the board have in determining the FY2025 dividend? Has the board reviewed the trend in payout ratios over the past decade, and if so, has the payout ratio been managed down in recent years? What were the key considerations behind that decision?

(ii) Has the board assessed the group's optimal capital structure, taking into account its growth plans, cash generation capacity and cost of capital? As at 30 June 2025, the group reported RMB91 million in cash and cash equivalents and RMB100 million in fixed deposits, and recognised RMB46 million in net cash generated from operating activities.

(iii) Given the strong balance sheet and consistent cash generation, does the board believe the company is well-positioned to formalise a long-term dividend policy? Would such a policy, aligned with Provision 11.6 of the Code of Corporate Governance, enhance investor confidence and demonstrate capital management discipline?

Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.

Check out the latest questions on the annual reports of listed companies on SIAS website

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