



通通AI社交
TONGTONG AI SOC

通通AI社交集團有限公司
Tong Tong AI Social Group Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 628)



INTERIM REPORT
2025

CONTENTS

2	Corporate Information
3	Management Discussion and Analysis
24	Report on Review of Condensed Consolidated Financial Statements
26	Unaudited Condensed Consolidated Statement of Profit or Loss
27	Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
28	Unaudited Condensed Consolidated Statement of Financial Position
30	Unaudited Condensed Consolidated Statement of Changes in Equity
31	Unaudited Condensed Consolidated Statement of Cash Flows
32	Notes to the Unaudited Condensed Consolidated Financial Statements
56	Other Information



CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Zhou Yafei (*Chairman*)
Mr. Song Chenxi

Non-executive Directors

Ms. Wei Ting
Ms. Wu Qian

Independent Non-executive Directors

Mr. Mak Yau Kee Adrian
Professor Japhet Sebastian Law
Professor Huang Song

COMPANY SECRETARY

Mr. Chor Ngai

AUDIT COMMITTEE

Mr. Mak Yau Kee Adrian (*Chairman*)
Professor Japhet Sebastian Law
Professor Huang Song
Ms. Wu Qian (*appointed on 30 June 2025*)
Ms. Wei Ting
(*ceased to be a member on 30 June 2025*)

REMUNERATION COMMITTEE

Professor Japhet Sebastian Law (*Chairman*)
Ms. Wei Ting
Professor Huang Song

NOMINATION COMMITTEE

Mr. Mak Yau Kee Adrian (*Chairman*)
Professor Huang Song
Ms. Wei Ting (*appointed on 30 June 2025*)
Mr. Zhou Yafei
(*ceased to be a member on 30 June 2025*)

STRATEGY COMMITTEE

Mr. Zhou Yafei (*Chairman*)
Mr. Song Chenxi
Professor Japhet Sebastian Law
Ms. Wu Qian

AUDITOR

Baker Tilly Hong Kong Limited
Certified Public Accountants
Registered Public Interest Entity Auditor
Level 8, K11 ATELIER King's Road
728 King's Road Quarry
Quarry Bay
Hong Kong

BANKERS

CMB Wing Lung Bank Limited
Industrial Bank Co., Ltd.

LEGAL ADVISERS

As to Hong Kong Law
Sidley Austin

As to Bermuda Law

Conyers Dill & Pearman

REGISTERED OFFICE

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2 Church Street
Hamilton HM 11
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suite 2912, 29th Floor
Two International Finance Centre
8 Finance Street, Central
Hong Kong

SHARE REGISTRARS

Principal Share Registrar and Transfer Office

Appleby Global Corporate Services (Bermuda) Limited
Canon's Court
22 Victoria Street
PO Box HM 1179
Hamilton HM EX
Bermuda

Hong Kong Branch Share Registrar and Transfer Office

Union Registrars Limited
Suites 3301-04, 33/F.
Two Chinachem Exchange Square
338 King's Road
North Point
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STOCK CODE

628

INVESTOR RELATIONS

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MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

Tong Tong AI Social Group Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”) are principally engaged in (i) digital Internet platform business, which includes social commerce platform and business ecosystem collaboration platform, (ii) digital content ecosystem business, which encompasses game development and distribution, film and television production, as well as digital marketing, and (iii) financial technology services business, which involves providing commercial factoring and other financing services.

During the six months ended 30 June 2025 (the “**Interim Period**”), the global economy experienced stable growth, but it lacked momentum due to increasing trade tensions and fluctuations in financial markets. In this complex environment, the Group achieved steady development by deepening its comprehensive Internet strategy of “Technology + Finance”, accelerating its digital transformation, and diversifying its business. The Group successfully completed its expansion into the Internet social and digital content sectors through the acquisition of the Beijing Yiheng Group (as defined below) and the Beijing Jiayu Group (as defined below) during the Interim Period. Meanwhile, by leveraging the synergy between financial technology and Internet businesses, the Group has further achieved revenue growth, with core drivers including enhanced conversion efficiency of digital content traffic (such as games and short dramas), expanded scale of financial services, and new volume contributions from digital Internet platforms.

For the Interim Period, the Group’s revenue increased substantially by RMB141.9 million or 233.4% from RMB60.8 million for the six months ended 30 June 2024 (the “**Corresponding Period**”) to RMB202.7 million for the Interim Period. However, profit before tax of the Group decreased substantially by RMB26.6 million or 79.2% from RMB33.6 million for the Corresponding Period to RMB7.0 million for the Interim Period.

The substantial increase in revenue was attributable to several factors including i) the consolidation of revenue from CashBox Group Technology (Hong Kong) Limited (“**CashBox**”), which amounted to RMB129.9 million following its acquisition by the Group on 21 June 2024 (the “**CashBox Acquisition**”); ii) the consolidation of revenue from external customers of RMB11.9 million from the Beijing Liheng Group (as defined below) acquired by the Group in August 2024 through specific contractual arrangements; and iii) the steady growth in the Group’s commercial factoring and other financing services businesses. Conversely, the notable decrease in profit before tax for the Interim Period was primarily due to i) the significant increase in staff costs by RMB43.5 million or 580% as a result of the business expansion of the Beijing Liheng Group and ii) the increase in amortisation of intangible assets, amounting to RMB14.5 million, incurred as a result of the CashBox Acquisition and the acquisition of Beijing Liheng Group, which was partially offset by the increase in foreign exchange gain of RMB23.7 million due to the appreciation of Renminbi against Hong Kong dollar.

Although the Company’s profit before tax decreased significantly during the Interim Period, profit attributable to the owners of the Company increased from RMB25.3 million in the Corresponding Period to RMB31.9 million in the Interim Period. The increase in profit attributable to the owners of the Company was primarily due to the significant losses incurred at the initial development stage of the Beijing Liheng Group, in which the Company indirectly holds a 26.01% shareholding interest. As such, the majority of these losses were borne by the non-controlling interests. Concurrently, the Company’s other major businesses reported growth. For more details, please refer to the “Financial Review” section of this interim report.

MANAGEMENT DISCUSSION AND ANALYSIS

CashBox is principally engaged in game development and publishing businesses. Upon the completion of the CashBox Acquisition, the financial results of CashBox have been consolidated in the Group's financial statements.

On 28 August 2024, the Group acquired 北京立衡企業管理有限公司 (Beijing Liheng Enterprise Management Co., Ltd.*) ("**Beijing Liheng**", and together with its subsidiaries, the "**Beijing Liheng Group**") through 賦勤 (寧波) 科技有限公司 (Fuqin (Ningbo) Technology Co., Ltd.*) ("**Fuqin (Ningbo)**", which is an indirectly non-wholly owned subsidiary of the Company, by entering into certain agreements (the "**Beijing Liheng VIE Contracts**"), pursuant to which Fuqin (Ningbo) will have effective control over the finance and operation of Beijing Liheng and will enjoy the entire economic interests and benefits generated by Beijing Liheng (the "**Beijing Liheng Contractual Arrangements**"). Upon entering into the Beijing Liheng Contractual Arrangements, the financial results of Beijing Liheng have been consolidated in the results of the Group as if Beijing Liheng is a subsidiary of the Company.

The Beijing Liheng Group is principally engaged in social networking, artificial intelligence ("**AI**") and blockchain services, digital asset auction, e-commerce, information and short drama publishing, information technology services, and research and development of technology businesses in the People's Republic of China (the "**PRC**" or "**China**"). The subsidiaries of Beijing Liheng hold various licenses for the operation of the Beijing Liheng Group's businesses, including EDI license (在線數據處理與交易業務經營許可證), ICP license (電信與信息服務業務經營許可證) and ICB license (網絡文化經營許可證).

On 18 March 2025, 北京恒美卓盛科技有限公司 (Beijing Hengmei Zhuosheng Technology Co., Ltd.*) ("**Beijing Hengmei**", which is an indirectly non-wholly owned subsidiary of the Company, 北京熠珩企業管理有限公司 (Beijing Yiheng Enterprise Management Co., Ltd.*) ("**Beijing Yiheng**", and together with its subsidiary, the "**Beijing Yiheng Group**", which is owned as to 90% by Mr. Zhou Yafei ("**Mr. Zhou**") and 10% by Mr. Song Chenxi ("**Mr. Song**") (both being executive directors of the Company) (the "**Beijing Yiheng PRC Registered Shareholders**") and the Beijing Yiheng PRC Registered Shareholders entered into certain agreements (the "**Beijing Yiheng VIE Contracts**"), pursuant to which Beijing Hengmei will have effective control over the finance and operation of Beijing Yiheng and will enjoy the entire economic interests and benefits generated by Beijing Yiheng (the "**Beijing Yiheng Contractual Arrangements**"). Upon entering into the Beijing Yiheng Contractual Arrangements, the financial results of the Beijing Yiheng Group have been consolidated into the results of the Group as if Beijing Yiheng is a subsidiary of the Company.

Beijing Yiheng's only subsidiary, 北京爆款連連文化科技有限公司 is principally engaged in the production, promotion and publication of film and television as well as online content development in the PRC. As at the date of this interim report, Beijing Yiheng's subsidiary holds the Radio and Television Program Production and Operation License (廣播電視節目製作經營許可證) and Value-added Telecommunications Service Operating License (增值電信業務經營許可證).

MANAGEMENT DISCUSSION AND ANALYSIS

On 18 March 2025, 北京崇達智行科技有限公司 (Beijing Chongda Zhixing Technology Co., Ltd.*) (“**Beijing Chongda Zhixing**”), which is an indirectly non-wholly owned subsidiary of the Company, 北京嘉域企業管理有限公司 (Beijing Jiayu Enterprise Management Co., Ltd.*) (“**Beijing Jiayu**”, and together with its subsidiaries, the “**Beijing Jiayu Group**”), which is owned as to 50% by Beijing Chongda Zhixing and 50% by Mr. Song (the “**Beijing Jiayu PRC Registered Shareholder**”) and the Beijing Jiayu PRC Registered Shareholder entered into certain agreements (the “**Beijing Jiayu VIE Contracts**”), pursuant to which Beijing Chongda Zhixing will have effective control over the finance and operation of Beijing Jiayu and will enjoy the entire economic interests and benefits generated by Beijing Jiayu (the “**Beijing Jiayu Contractual Arrangements**”). Upon entering into the Beijing Jiayu Contractual Arrangements, the financial results of the Beijing Jiayu Group have been consolidated into the results of the Group as if Beijing Jiayu is a subsidiary of the Company.

Beijing Jiayu has two wholly owned subsidiaries, namely (i) 共域通兌(海南) 科技有限公司, which is principally engaged in cross-merchant asset interoperability such as cross-merchant membership points redemption and sharing membership operational services, which involves the provision of Internet information services, data processing services and transaction processing services under the Value-added Telecommunications Service Operating License (增值電信業務經營許可證), including B21 online data processing and transaction processing business (e-commerce) and B25 information service business (Internet information service); and (ii) 共域通對(北京) 科技有限公司 with an authorised scope of business of the provision of technical, development, consulting, corporate management, and socio-economic consulting services.

For details of the Beijing Yiheng Contractual Arrangements and the Beijing Jiayu Contractual Arrangements, please refer to the announcement of the Company dated 18 March 2025.

In addition to the newly acquired businesses, the Group’s revenue from financial technology services business, including commercial factoring and other financing services, remained stable and increased by RMB4.8 million during the Interim Period.

The Group is committed to becoming a market-leading “Technology + Finance” comprehensive Internet services provider, building on its existing business development. The management team will align closely with national policy guidance and take full advantage of the favourable opportunities presented by the widespread adoption of emerging technologies such as AI and blockchain. Additionally, the Group plans to actively develop businesses within the digital Internet ecosystem. This strategy aims to create a multi-sector, synergistic ecosystem that incorporates financial services, Internet social networking, and digital content. By driving traffic conversion and increasing user lifetime value, the management believes that promoting business diversification and digital transformation, while maintaining strong financial performance and optimising revenue structure, will lead to the Group’s steady development and generate fruitful and stable returns for the shareholders of the Company (the “**Shareholders**”).



MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY ENVIRONMENT

In the first half of 2025, Hong Kong's capital market demonstrated robust recovery momentum. Meanwhile, China's economy, supported by policy measures and its market resilience, maintained an “overall stable yet structurally divergent” trajectory amid multiple challenges. Also, at the policy level, China continued to advance inclusive finance and tech finance initiatives, and strengthened its targeted support for the private sector.

The financial services industry is undergoing steady transformation through regulatory reforms and technological integration. Policies focus on targeted support for technology finance. With the further accelerating digital transformation of the industry, blockchain technology enables full-process traceability in supply chain finance and inclusive financial services to reach the private sector. Amid the global trend of strengthening domestic regulation while maintaining international collaboration, financial institutions are urgently required to reshape compliance frameworks and balance innovation and resilience in a dynamic manner. Notably, global stablecoin regulatory frameworks have made breakthroughs, with Hong Kong passing the Stablecoins Bill in May 2025, which has established a licensing management system and reserve disclosure requirements and has laid the foundation for enhancing cross-border payment efficiency.

The Internet industry is accelerating its transformation toward “quality leapfrog”, with policies to advance the “AI+” initiative to promote the widespread application of AI large models and empower various industries. Meanwhile, the integration of Web 3.0 and AI fosters a decentralised ecosystem, with blockchain technology granting users data ownership, while AI optimises interaction experiences through intelligent analysis. In the digital content ecosystem, games and short dramas have become core growth drivers. Additionally, compliance and ethical governance have become key to the industry's sustainable development. Data security and content governance policies are becoming more stringent, compelling companies to build technical autonomy and compliance systems.

The restructuring of market competition landscape of the global mobile gaming industry is accelerating, with hybrid monetisation models reshaping the industry ecosystem. IAP (monetisation through the sale of virtual goods or value-added services) and IAA (monetisation through in-game ads) have synergistically driven a substantial growth. In terms of regional markets, the revenue of China's mobile gaming market has demonstrated significant growth compared to the same period last year. During the same period, the Southeast Asian mobile gaming market is showing increasing vitality. The region's mobile game downloads ranked second globally.

The short drama industry is experiencing an explosive growth. According to the 2025 H1 Micro-Short Drama Industry Data Package Report, the Chinese micro-short drama market is expected to reach RMB63.43 billion in 2025. In the overseas market, Chinese micro-short dramas are experiencing “explosive” growth. According to Data Eye statistics, by March 2025, the number of overseas short drama apps launched in China had surged nearly a fourfold increase compared to the same period last year. Currently, the global short drama market is shaping a dissemination pattern focused on North America and radiating to Europe, Japan, South Korea, the Middle East, Southeast Asia and other vast markets. Additionally, cross-industry integration models are gaining momentum with emerging trends, such as “short dramas + tourism” and “short dramas + brand customisation”, and shifting the industry from a single entertainment function to one that empowers social value.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Digital Content Ecosystem Business

The Group's digital content ecosystem business encompasses game development and distribution, film and television production, and digital marketing. To enhance the Group's resilience to risk and competitiveness in the Internet finance sector, a diversified transformation based on existing business activities is considered necessary. As such, between June 2024 and March 2025, the Group acquired CashBox and the Beijing Yiheng Group, respectively, with the objective to diversify the Group's business, expand its income stream and maximise returns for the Shareholders.

CashBox, a leading game developer in the industry, with top-notch management and research and development teams, invaluable industry insights, professional knowledge and abundant resources, provides advertising services primarily through the display of impressions or clicks of the advertisement or embedded hyperlinks on particular areas of its mobile games. The service fee from customers is charged primarily based on per number of clicks or per duration of display time. Besides, CashBox also engages in the development and operation of mobile games. All mobile games of CashBox are free to play, and it offers virtual items to players. Players can purchase online points and convert them into various in-game virtual items for a better in-game experience. In-game virtual items represent consumable items that can be consumed by player actions or expire over a predetermined expiration time. The service fee is paid directly by end players mainly via online payment channels or distributions.

Cashbox has developed a range of classic mini casual games, such as Solitaire Odyssey, Link Block Cleanup etc. During the Interim Period, a total of 59 games were launched, and as of 30 June 2025, Cashbox had developed and released over 500 games. CashBox has independently developed and upgraded to the latest BI 4.0 system, which supports the rapid development of business through a standardised and replicable platform model, enabling efficient and precise game promotion, fine-tuned game operations, and rapid revenue generation post-launch. Additionally, with the increasing number of product releases and strategic adjustments, user coverage now spans over 100 countries, while the average ARPPU (Average Revenue Per Paying User) for active users continues to rise. The user base of Cashbox is primarily concentrated in densely populated countries such as the United States, Brazil, India, and Indonesia. During the Interim Period, Cashbox recorded revenue of RMB129.9 million.

To enrich the digital content ecosystem business, the Group acquired the Beijing Yiheng Group in March 2025. The Beijing Yiheng Group is an innovative film and television production company that integrates film and television production, promotion, and brand marketing. The Beijing Yiheng Group specialises in creating and distributing high-quality, premium web series on new media platforms, building a youth-oriented film and television production chain in the online-native environment. It leverages content to drive traffic and opens up a commercialisation path for short dramas. By combining film and television production with e-commerce services, it helps clients achieve a win-win-win situation of attracting traffic to e-commerce platforms, generating profits from content platforms, and delivering content that users enjoy.



MANAGEMENT DISCUSSION AND ANALYSIS

During the Interim Period, the Beijing Yiheng Group focused on the premium short-drama track and has established deep collaborations with platform-native accounts such as 紅果短劇 (Hongguo Short Drama*), 愛奇藝微短劇 (iQIYI Mini Drama*), and Douyin. It has produced short dramas in various genres, including youth romance, male-oriented revenge, fantasy fairy tales, and Republican-era retro, which have attracted considerable market attention. Through paid promotions and advertising revenue, the platform-native revenue from the short drama segment recorded growth, while brand short dramas combined with celebrity promotions enhanced brand commercial value. During the Interim Period, the Beijing Yiheng Group recorded revenue of RMB1.2 million.

Digital Internet Platform Business

The Group's digital Internet platform business, which includes social commerce platform and business ecosystem collaboration platform.

In an attempt to further expand the Group's business of digital Internet, the Company acquired Beijing Liheng through the Beijing Liheng Contractual Arrangements in August 2024. The Beijing Liheng Group specialises in social networking, AI, e-commerce, information technology services, and technology research and development. The principal subsidiaries of the Beijing Liheng Group include 海南通通智能科技有限公司 ("**Hainan Tongtong**"), 樂活派(北京)科技有限公司 ("**Lehuopai Beijing**"), and 時光星球(北京)科技有限公司 ("**Shiguang Xingqiu**").

Hainan Tongtong has been engaged in data processing, online social networking and user value-added functions on the Internet business platform, targeting all age groups, since October 2023. It has built a base that comprises information technology services such as AI, blockchain, and Web 3.0, upon which Hainan Tongtong has been developing and optimising a new social network platform. The "Tongtong APP" developed by Hainan Tongtong is committed to breaking the boundaries of traditional social e-commerce. Driven by innovative transaction scenarios and diverse interactive experiences, it fosters new consumption experiences and business models, empowering ecosystem partners across the G-end (government and public services), S-end (supply chain and service providers), B-end (merchants, developers, and creators), b-end (promoters), C-end (consumer-merchants), and c-end (users), thereby building a fully digitalised value ecosystem. Hainan Tongtong deeply integrates AI and metaverse technologies through highlighted functions such as animated digital humans, innovative features, NFTs, and user content creation, crafting diverse scenario experiences and personalised services for its users. The "Tongtong APP" launched in May 2024 has been at the public beta phase, which serves as one of the main entrances to traffic of the Group's digital Internet platform, providing users with a safer, more interesting, smarter and more novel "social + e-commerce" comprehensive experience.

Lehuopai Beijing and its subsidiary 樂活派(杭州)科技有限公司 ("**Lehuopai Hangzhou**", collectively the "**Lehuopai Group**") are principally engaged in data processing, online social networking and user value-added functions on the Internet business platform. Unlike Hainan Tongtong, the target users are mainly the post-95s group. The Lehuopai Group is mainly responsible for the basic construction of the business platform and APP development. It is committed to deepening the application ecosystem of new technologies such as AI, metaverse and blockchain. Its primary objective is to establish the foundational infrastructure for an AI metaverse space ecosystem that integrates virtual and real worlds, and build the next-generation decentralised spatial social + commercial platform with decentralisation. "Lehuo Universe App" is a spatial social + commercial platform launched by the Lehuopai Group, with metaverse AIGC as its core productivity, fostering a collaborative operational philosophy with users. This aims to establish the next-generation "spatial social + commercial powerhouse" gateway platform for the virtual-physical symbiotic digital economy marketing.

MANAGEMENT DISCUSSION AND ANALYSIS

Shiguang Xingqiu consistently upholds the philosophy of “social-as-business”. Through collaboration with the “Tongtong App”, it integrates AR, VR and other technologies to build a new model of virtual-physical integrated digital living for users. Users may participate in co-creating time-based moments, engage in scenario-based and task-oriented dating social activities, participate in AR dating check-ins, and leverage digital memory functionality to achieve experience conversion and retention. Shiguang Xingqiu breaks down traditional entrepreneurial barriers with four core operational scenarios and diverse marketing tools, bridging the gap between online and offline traffic. It deeply integrates social interaction, emotional connection and commercial value, enabling users to achieve value elevation and emotional continuity in a cross-temporal digital world, opening up a new era of social commerce for all.

During the Interim Period, the Beijing Liheng Group generated revenue of RMB11.9 million from external customers, all derived from subscription fees. As of 30 June 2025, the platforms operated by the Beijing Liheng Group had over 1.8 million registered users in total, with approximately 65,000 users having paid for subscriptions. Additionally, the workforce of the Beijing Liheng Group increased from 345 employees at the beginning of the year to 565 employees by the end of the Interim Period, providing a strong foundation of talent for ongoing business development.

Furthermore, to further strengthen strategic framework of “social + commerce” of the Group’s digital Internet platform business and enhance market competitiveness while developing new Internet business areas, the Group completed the acquisition of the Beijing Jiayu Group in March 2025 through the Beijing Jiayu Contractual Arrangements. The Beijing Jiayu Group specialises in cross-merchant asset interoperability, including cross-merchant membership point exchanges and shared membership services.

During the Interim Period, building on improvements to its WeChat ecosystem operations, the Beijing Jiayu Group successfully realised integration with the Tongtong APP ecosystem. This integration expanded its shared-domain capabilities to multi-scenario ecosystems, further broadening the applicable scope of points and service scenarios to both merchants and users, achieving cross-platform capability deployment.

Under the new model of “social networking + commercial ecosystem” in Web 3.0, the Group aims to develop and operate a multi-dimensional interconnected commercial ecosystem that connects users and merchants, thereby gradually transforming into a comprehensive social commerce Internet platform.

As the Group’s long-term objective is to become a market-leading “Technology + Finance” comprehensive Internet services provider, the Group believes the acquisitions of the Beijing Liheng Group, the Beijing Jiayu Group, and the Beijing Yiheng Group will enhance the Internet service capabilities of the Group as a whole and at the same time enable the Group to diversity its business to maintain competitiveness in light of the challenging market conditions in recent years.

Financial Technology Services Business

The Group’s financial technology services business involves providing commercial factoring and other financing services.



MANAGEMENT DISCUSSION AND ANALYSIS

Gome Xinda Commercial Factoring Limited (“**Xinda Factoring**”), a wholly-owned subsidiary of the Company, provided prompt and convenient supply chain financial services to high-quality customers. During the Interim Period, the Group continued to increase the amount of loans to high-quality customers, raising the amount from RMB892 million for the Corresponding Period to RMB1,028.1 million for the Interim Period. The interest rates charged to commercial factoring borrowers decreased slightly, ranging from 6.0% to 7.5% during the Interim Period (the Corresponding Period: ranging from 7.2%% to 8.0%), which aligns with prevailing market rates. The Group’s revenue from the commercial factoring business increased to RMB40.1 million during the Interim Period (the Corresponding Period: RMB39.2 million).

The commercial factoring business continued to yield stable returns for the Group, recording segment results (excluding inter-segment transactions) of RMB34.4 million for the Interim Period (the Corresponding Period: RMB34.2 million). The Group plans to continue exploring opportunities in its commercial factoring business, as it has established a reliable risk management system and maintained steady growth despite various external challenges during the Interim Period.

Aside from the commercial factoring business, the Group, through Gome Wangjin (Beijing) Technology Co., Ltd. (“**Gome Wangjin**”), a wholly-owned subsidiary of the Company, continues to seek various opportunities in providing other financing services, leveraging its extensive technical expertise in the relevant areas. Gome Wangjin primarily offers operating services for a financial service application and refers customers to financial institutions through this application. During the Interim Period, the Group experienced an increase in revenue from other financing services, rising to RMB19.6 million from RMB15.7 million in the Corresponding Period. This increase was primarily attributable to enhanced business promotion efforts during the Interim Period.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Results highlights

Revenue

During the Interim Period, the Group's revenue increased substantially by RMB141.9 million or 233.4%, reaching RMB202.7 million, compared to RMB60.8 million in the Corresponding Period. This growth was primarily driven by the CashBox Acquisition, the acquisition of Beijing Liheng, and the expansion of the Group's financial technology services.

CashBox's principal activities include game development and publishing. Revenue generated from CashBox during the Interim Period amounted to RMB129.9 million, compared to RMB6.0 million in the Corresponding Period. The Group gained a controlling interest in CashBox following the completion of the CashBox Acquisition on 21 June 2024, and its financial results have since been consolidated into the Group's financial statements. Revenue from online advertising services and top-up services made up approximately 32.1% and 67.9%, respectively, of CashBox's total revenue for the Interim Period.

The Company acquired Beijing Liheng through the Beijing Liheng Contractual Arrangements in August 2024. The Beijing Liheng Group specialises in social networking, AI, e-commerce, information technology services, and technology research and development. During the Interim Period, the Beijing Liheng Group generated revenue of RMB11.9 million from external customers, accounting for 5.9% of the Group's total revenue. This revenue primarily came from subscription fees received from registered users of the Tongtong APP.

The Group recorded revenue of RMB40.1 million from its commercial factoring business during the Interim Period, up from RMB39.2 million in the Corresponding Period. The increasing demand for commercial factoring loans among borrowers in the PRC led to a rise in the Group's average net loan balance by RMB206.5 million, or 18.9%, growing from RMB1,090.0 million in the Corresponding Period to RMB1,296.5 million in the Interim Period. This growth indicates an expansion of the operating scale of the commercial factoring business, which has continued to yield stable returns for the Group. The Group plans to explore further opportunities in its commercial factoring business going forward.

Additionally, the Group experienced an increase in revenue from its other financing services by RMB3.9 million, bringing the total to RMB19.6 million for the Interim Period, compared to RMB15.7 million in the Corresponding Period. This growth was mainly due to the enhanced business promotion efforts during the Interim Period.

Lastly, the Beijing Yiheng Group and Beijing Jiayu Group, which were acquired by the Group in March 2025, contributed only RMB1.2 million and RMB2,000, respectively, to the Group's revenue for the Interim Period.



MANAGEMENT DISCUSSION AND ANALYSIS

Other income and other losses

The Group's other income primarily consisted of bank interest income, which decreased from RMB3.3 million in the Corresponding Period to RMB0.8 million in the Interim Period. This decline in bank interest income was mainly due to decreasing bank deposit rates in the PRC and the expansion of our commercial factoring business, which resulted in a lower bank deposit amount. Additionally, since the functional currency of the Company is Hong Kong dollar, the appreciation of Renminbi against Hong Kong dollar during the Interim Period resulted in an exchange gain of RMB16.7 million, compared to an exchange loss of RMB7.0 million in the Corresponding Period, when calculating Renminbi foreign debt borrowings (foreign debt borrowings refer to loans made by the Company to its PRC subsidiaries).

Administrative expenses

The Group's administrative expenses primarily included staff costs, amortisation of intangible assets, service fees and depreciation of right-to-use assets. Administrative expenses increased by RMB73.8 million from RMB15.8 million in the Corresponding Period to RMB89.6 million in the Interim Period. The increase was mainly due to (i) an increase in staff costs of RMB43.5 million, from RMB7.5 million in the Corresponding Period to RMB51.0 million in the Interim Period, due to an increase in the number of employees of the Group from 35 in the Corresponding Period to 630 in the Interim Period, primarily due to the business expansion of the Beijing Liheng Group; (ii) an increase in the amortisation of intangible assets, comprise mainly integrated game developing system, mobile games and digital Internet platform development, totaling RMB14.5 million, mainly arising from the CashBox and Beijing Liheng acquisitions; (iii) an increase in service fees and promotion fees amounting to RMB7.6 million, largely driven by the business expansion of the Beijing Liheng Group during the Interim Period, and (iv) an increase in depreciation of right-to-use assets of RMB3.5 million, mainly arising from the acquisition of the Beijing Liheng Group and the Beijing Jiayu Group.

Marketing expenses

The Group's marketing expenses amounted to RMB119.3 million in the Interim Period, compared to RMB5.8 million in the Corresponding Period. During the Interim Period, marketing expenses, primarily consisting of advertising and promotion expenses, technical service fees, short drama production, and Weibo promotion fees, were incurred by CashBox, the Beijing Liheng Group, and the Beijing Yiheng Group, totalling RMB111.9 million, RMB6.1 million, and RMB1.3 million, respectively.

Finance costs

The Group's finance costs mainly consisted of interest expenses, rising from RMB7,000 in the Corresponding Period to RMB2.2 million in the Interim Period. This increase in interest expenses was mainly related to non-bank borrowings of the Beijing Liheng Group.

Combining all factors mentioned above, during the Interim Period, the Group recorded profit before tax of RMB7.0 million compared to RMB33.6 million in the Corresponding Period. Although the Company's profit before tax decreased significantly during the Interim Period, profit attributable to the owners of the Company increased from RMB25.3 million in the Corresponding Period to RMB31.9 million in the Interim Period. The increase in profit attributable to the owners of the Company was primarily due to the significant losses incurred at the initial development stage of the Beijing Liheng Group, in which the Company indirectly holds a 26.01% shareholding interest. As such, the majority of these losses were borne by the non-controlling interests. Concurrently, the Company's other major businesses reported growth.

MANAGEMENT DISCUSSION AND ANALYSIS

Digital Content Ecosystem Business Segment Analysis

The following table sets forth the operating results of the Group's digital content ecosystem business segment:

	For the six months ended 30 June 2025 RMB'000 (Unaudited)	For the six months ended 30 June 2024 RMB'000 (Unaudited)
Revenue		
– Advertising income	41,719	255
– Top-up income	88,200	5,718
– Digital content service income	1,155	–
Total Revenue	131,074	5,973
Net operating expenses	(128,137)	(5,801)
Operating earnings	2,937	172
Provision for ECL of trade receivables	(102)	–
Segment results	2,835	172

The Group's digital content ecosystem encompasses several businesses, including game development and publishing operated by CashBox, as well as film and television production and digital marketing managed by the Beijing Yiheng Group. As the CashBox acquisition was completed on 21 June 2024, CashBox's revenue in the Interim period increased significantly as compared to the Corresponding Period.

For CashBox, revenue was derived from online advertising services and top-up services, which comprised 31.8% and 67.3% of the total revenue from the Group's digital content ecosystem business, respectively. Meanwhile, the revenue generated by the Beijing Yiheng Group came from digital content service income such as short drama production and Weibo advertising, totalling RMB1.2 million for the Interim Period.

The net operating expenses for the Group's digital content ecosystem business during the Interim Period primarily included advertising and promotion expenses, amortisation of intangible assets, and costs associated with short drama production and Weibo promotions.

MANAGEMENT DISCUSSION AND ANALYSIS

Digital Internet Platform Business Segment Analysis

The following table sets forth the operating results of the Group's digital Internet platform business segment:

	For the six months ended 30 June 2025 RMB'000 (Unaudited)
Revenue	11,923
Net operating expenses	(65,732)
Segment results (excluded inter-segment transactions)	(53,809)

The Group's digital Internet platform business is divided into two main categories: social commerce platform and business ecosystem collaboration platform. The social commerce platform is managed by the Beijing Liheng Group, while the business ecosystem collaboration platform is run by the Beijing Jiayu Group. During the Interim Period, the revenue generated from the social commerce platform was RMB11.9 million, whereas the revenue from the business ecosystem collaboration platform was only RMB2,000. The net operating expenses primarily consisted of staff costs, marketing expenses, and depreciation of fixed assets and right-of-use assets related to the Beijing Liheng Group.

The segment results showed a substantial loss due to rising costs associated with research and development, as well as staffing related to the business expansion of the Beijing Liheng Group, since its products have not yet reached full maturity.

Financial Technology Services Businesses Segment Analysis

Commercial factoring business

The following table sets forth the operating results of the Group's commercial factoring business segment:

	For the six months ended 30 June 2025 RMB'000 (Unaudited)	For the six months ended 30 June 2024 RMB'000 (Unaudited)
Revenue	40,123	39,172
Net operating expenses	(3,685)	(3,072)
Operating earnings	36,438	36,100
Provision for ECL of loans receivables	(2,008)	(1,874)
Segment results (excluded inter-segment transactions)	34,430	34,226

MANAGEMENT DISCUSSION AND ANALYSIS

As mentioned above, the steady demand for commercial factoring loans among borrowers in the PRC resulted in an increase in revenue from RMB39.2 million for the Corresponding Period to RMB40.1 million for the Interim Period.

During the Interim Period, the net operating expenses of the commercial factoring business and the provision for expected credit losses (“ECL”) on loan receivables remained stable when compared to the Corresponding Period. This stability led to a slight increase in segment profit (excluding inter-segment transactions), rising from RMB34.2 million in the Corresponding Period to RMB34.4 million in the Interim Period.

The Group employs a consistent and objective approach to analysing loan quality in order to assess potential impairment losses on loan receivables. Factors considered in this analysis include subsequent settlements, defaults, delinquency in interest or principal payments, and a financial and credit analysis of each individual debtor or group of debtors.

After conducting this analysis, the Group categorises loans into five different categories and three stages based on the ECL, as required by standards related to financial instruments. A consistent policy is then applied to each loan category when providing for the impairment of loan receivables, taking into account the balances of various categories of loans, net of any settlement amounts made after the Interim Period.

	As at 30 June 2025		As at 31 December 2024	
	Gross balance RMB'000 (Unaudited)	ECL provision RMB'000 (Unaudited)	Gross balance RMB'000 (Audited)	ECL provision RMB'000 (Audited)
Normal	1,346,054	16,367	1,281,656	14,359
Special mention	—	—	—	—
Substandard	—	—	—	—
Doubtful	—	—	—	—
Loss	—	—	—	—
	<u>1,346,054</u>	<u>16,367</u>	<u>1,281,656</u>	<u>14,359</u>

Gross balance of normal loan as at 30 June 2025 increased to RMB1,346.1 million (31 December 2024: RMB1,281.7 million), which was due to the increase in loan demand from the commercial factoring loan borrowers during the Interim Period.

As at 30 June 2025, the provision for ECL increased to RMB16.4 million (31 December 2024: RMB14.4 million) which was due to the increase in the loan receivables of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

Other financing services business

The following table sets forth the operating results of the Group's other financing services business segment:

	For the six months ended 30 June 2025 RMB'000 (Unaudited)	For the six months ended 30 June 2024 RMB'000 (Unaudited)
Revenue	19,557	15,659
Net operating expenses	(3,077)	(2,249)
Segment results (excluded inter-segment transactions)	16,480	13,410

During the Interim Period, the Group recorded revenue from its other financing services business of RMB19.6 million, compared to RMB15.7 million for the Corresponding Period. The increase in revenue was primarily due to the enhanced business promotion efforts during the Interim Period.

Net operating expenses for the other financing services business increased by RMB0.8 million, mainly attributed to higher staff costs and a decrease in bank interest income.

Consequently, the segment results (excluding inter-segment transactions) increased from RMB13.4 million for the Corresponding Period to RMB16.5 million for the Interim Period.

Key operating data of the commercial factoring business

	For the six months ended 30 June 2025 RMB'000 (Unaudited)	For the six months ended 30 June 2024 RMB'000 (Unaudited)
Total return on loans (revenue as % of average gross loan balance)	6.12%	7.16%
Allowance to loans ratio (impairment allowance as % of gross loan balance)	1.22%	1.14%
Non-performing loan ratio (gross non-performing loan balance as % of gross loan balance)	0.00%	0.00%
Allowance coverage ratio (impairment allowance as % of gross non-performing loan balance)	N/A	N/A

MANAGEMENT DISCUSSION AND ANALYSIS

Annual interest rate of commercial factoring business was around 6.0% to 7.5% for the Interim Period, as compared with around 7.2% to 8.0% for the Corresponding Period. Total return on loans reduced because of the fact that the Peoples' Bank of China continued to lower the loan prime rate during the Interim Period and the Group also reduced the loan interest rate for its commercial factoring business which was in-line with the market condition.

As all new loans during the Interim Period were settled on time or remained under normal stage as at 30 June 2025, both allowance to loans ratio and non-performing loan ratio remained steady. In addition, the absence of substandard, doubtful and loss loans balance as at 30 June 2024 and 2025 resulted in 0% non-performing loan ratio and no allowance coverage ratio. The percentage of allowance coverage ratio maintained at over 100% (or not applicable), representing that the provisions made wholly covered the gross balances of all non-performing loans.

Taking into account the uncertainties of the economy, the Company's management was cautious and considered that it would be appropriate to maintain the provision for ECL at a high level.

Provision for ECL

As mentioned above, a provision for ECL of RMB2.0 million was made for the commercial factoring business, and a provision for ECL of RMB100,000 was made for the game development and publishing business during the Interim Period. All provisions for ECL as of 30 June 2025 were made for loan receivables. The movements in provision for ECL of trade and loan receivables are as follows:

	For the six months ended 30 June 2025 RMB'000 (Unaudited)	For the six months ended 30 June 2024 RMB'000 (Unaudited)
As at 1 January	14,944	11,473
Impairment allowances recognised	10,733	7,710
Impairment loss reversed	(8,625)	(5,836)
As at 30 June	17,052	13,347



MANAGEMENT DISCUSSION AND ANALYSIS

Credit policies and credit approval procedures

The Group has established its own credit policies and credit approval procedures for loan applications and loans granted. The Group has set up different departments with sufficient and appropriate segregation of duties and authorities in all the business processes. The executive directors of the Company and the designated senior management will be closely involved in the policy setting and management process to ensure an effective supervision and proper business conducts.

(i) *Loan Application and Due Diligence*

The business department of the Group (the “**Business Department**”), the members of which are front-line sales representatives who would stay abreast of the latest market and borrowers’ status and conditions, will evaluate credit risk of the borrowers based on its assessment and analysis of the loan applications and the internal risk review system as approved by the executive directors of the Company principally with reference to their financial performance, nature and size of business, the business relationship with the Group, credit policy, repayment history, repayment ability, value and recoverability of collateral or other security. The Business Department will then pass its due diligence findings and the key terms of a loan tentatively set by the Business Department including the principal amount, interest rate, security arrangements and tenure of the loans to the risk audit department of the Group (the “**Risk Audit Department**”).

The Business Department will not accept a loan application if a borrower and/or the security do not meet the Group’s requirements based on the results of its due diligence finding including the repayment history and default risk of a borrower.

(ii) *Review and Approval*

The Risk Audit Department will review and analyse the credit approval form presented by the Business Department and may ask for further information and documents from the borrower if considered necessary. The Risk Audit Department may also review other records of the borrower, such as past loan applications and outstanding loans with the Group.

With regard to those borrowers and security for loans which meet the Group’s basic requirements, the Risk Audit Department will tentatively assess the key terms of all loans. The Risk Audit Department will then present the credit approval form to the credit review committee of the Group (the “**Credit Review Committee**”) which comprises the chairman and the chief financial officer of the Company and certain other senior management, setting out its recommendations on the key terms of the loans for the Credit Review Committee’s review and approval. All loans will then be reviewed and confirmed by the finance department of the Group (the “**Finance Department**”).

(iii) *Signing and Closing*

Once a loan application has been approved, a loan agreement will be entered into between the Group and the borrower.

After signing of the loan agreement and the meeting of other conditions, such as the transfer of an accounts receivable, the Finance Department will then be responsible for transferring the funds to the borrower.

MANAGEMENT DISCUSSION AND ANALYSIS

(iv) Collection and Recovery

The Group adopts a standardized collection and recovery procedure. The Finance Department is responsible for collecting the repayment funds from a borrower. However, if a borrower defaults or delays in repaying any of the outstanding sums, the Finance Department will inform the Business Department which will be responsible for following up and collecting the repayment funds from the borrower. In the case of a proposed extension of a loan, such proposal will be regarded as a new loan application subject to the due diligence and approval process described above. In accordance with the terms of the relevant loan agreement, the Group, among other remedies, will be entitled to charge default interest on the total outstanding balance of the principal amount of a loan and the interest payments accrued thereto. If a borrower fails to repay the loan including any part of the principal amount and/or accrued interest, the Group may initiate legal proceedings against such borrower to enforce the Group's right to recover the outstanding sums from such borrower after the Group have sought to recover the outstanding sums through other means but to no avail.

During the Interim Period, the credit period granted for commercial factoring loans ranging from 90 to 360 days (the Corresponding Period: ranging from 90 to 360 days) with effective interest rates ranging from 6.0% to 7.5% (the Corresponding Period: ranging from 7.2% to 8.0%) per annum. The total gross trade and loan receivables from the commercial factoring service business as at 30 June 2025 amounted to RMB1.35 billion (31 December 2024: RMB1.28 billion) of which the Group's largest factoring loan borrower accounted for 14.7% of the Group's total gross trade and loan receivables from commercial factoring service business as at 30 June 2025 (31 December 2024: 15.3%).

The development strategy of the Group's factoring loan borrowers will be deeply explored from the existing channels to the upstream and downstream, and more attention will be paid to borrower's quality and risks will be assessed through comprehensive factors such as borrower's scale and strength.

None of the Group's trade and loan receivables from the commercial factoring service business were past due for the Interim Period and the Corresponding Period.

The Company's management believes that the Group's commercial factoring business is developing in a stable manner, and maintaining the current development strategy will create maximum benefits and higher returns for the Company and its Shareholders.

Valuation of the corresponding equity value of prepayment for acquisition

Beijing Bosheng Huifeng Business Consulting Co., Limited (the "**OPCO**") agreed to acquire 100% equity interest in Tianjin Guanchuang Mei Tong Electronic Commerce Limited ("**TJGCMT**", together with its subsidiaries, the "**TJGCMT Group**") (the "**TJGCMT Acquisition**") from Tibet Yang Guan LLP and Mr. Mao Deyi (together the "**Sellers**") pursuant to an equity transfer agreement dated 25 July 2017 (the "**Transfer Agreement**"). On 7 June 2017, RMB576 million had been advanced according to the loan agreement entered into between Xinda Factoring and the OPCO (the "**OPCO Loan Agreement**"). Details of the TJGCMT Acquisition and the OPCO Loan Agreement are set out in the Company's circular dated 29 June 2017.



MANAGEMENT DISCUSSION AND ANALYSIS

As at 30 June 2025 and up to the date of this interim report, approval of the People's Bank of China (the “**PBOC**”) for the TJGCMT Acquisition has not yet been obtained and accordingly, the TJGCMT Acquisition has not yet been completed. As of 30 June 2025 and 31 December 2024, the amount advanced of RMB576 million to the OPCO was recorded as prepayments under non-current assets (the “**Prepayment**”).

On 9 December 2023, the Regulations on the Supervision and Administration of Non-bank Payment Institutions (非銀行支付機構監督管理條例) (the “**Administration Regulations**”), the State Council of the People's Republic of China Order No. 768, was officially announced. According to the notice of the PBOC, the Administration Regulations were implemented on 1 May 2024. Article 59 of the Administration Regulations provides that “The transitional measures for non-bank payment institutions established in accordance with the relevant regulations before the implementation of the regulations shall be prescribed by the PBOC.” Hence, during the transitional period, the Group had suspended the application to the PBOC.

On 26 July 2024, the PBOC formally issued the Regulation on the Supervision and Administration of Non-bank Payment Institutions (the “**Implementation Rules**”). The Implementation Rules redefine the approval process of the administrative licence for a change of the actual controller. The Group then made a re-submission for the approval according to the more specific requirements of the PBOC, upon the formal implementation of the Administration Regulations. The Group visited the PBOC Head Office and Beijing Branch several times in the first half of 2025 to discuss the Group's development plan and application for change of actual controller. The Group is now actively preparing the corresponding materials in accordance with the provisions of the Implementation Rules and plans to submit supplemental approval documents to the PBOC by end of October 2025.

Management considers that TJGCMT can play a crucial role in the business development of the Group, which will bring more development opportunities and synergies to the Group and is in the interests of the Group and all Shareholders. Management will continue to advance the completion of the TJGCMT Acquisition in the remaining months of 2025.

According to the Transfer Agreement, if the transfer of the equity interest in TJGCMT is not completed eventually, the Group has the right to require the Sellers to return the paid equity transfer price in accordance with the provisions of the Transfer Agreement, subject to the rights and obligations of the parties under the Transfer Agreement and limitation of action. On 25 March 2024, a personal undertaking was made by Mr. Wong Kwong Yu (“**Mr. Wong**”), spouse of Ms. Du Juan (“**Ms. Du**”), the controlling shareholder of the Company (the “**Wong's Undertaking**”). Pursuant to the equity transfer agreement, if the transaction of the equity (the “**Transaction**”) cannot be completed eventually, Mr. Wong undertook that the OPCO will be procured to use all legal means to dispose of the equity interest in TJGCMT held by the Sellers so as to enable the OPCO to recover part or all of the Prepayment. In the event that the OPCO is still unable to recover part or all of the relevant consideration of the equity transfer and the Group cannot receive the full Prepayment, Mr. Wong will procure to make good any shortfall with his personal assets to the Group on or before 31 December 2026. The Wong's Undertaking became effective and replaced the original undertaking by Ms. Du which has been terminated. The directors of the Company (the “**Directors**”) are of the view that the Wong's Undertaking provided by Mr. Wong will bring greater confidence to the Company and push forward the Transaction.

MANAGEMENT DISCUSSION AND ANALYSIS

At the meeting of the Board in August 2025, the Directors considered the status of the Transaction again, in particular, whether the Company should continue to accept the uncertainty of further pending approval, instead of terminating the Transaction and requesting the immediate return of the Prepayment. Apart from this, taking into account the management's latest view on the commercial rationale of the TJGCMT Acquisition, the strategic value of the TJGCMT Acquisition to the Group, and that the publication of the Implementation Rules has brought more certainty to the TJGCMT Acquisition, the Directors are of the view that the Company should continue to actively promote the approval procedure of the TJGCMT Acquisition. However, if the Transaction cannot still be completed, the Company may consider terminating the Transaction and seek alternative opportunities.

Given the abovementioned facts and circumstances and with the current available information, the management had performed an impairment assessment on the equity value corresponding to the Prepayment made by the Group to the OPCO as at 30 June 2025. Since the estimated recoverable amount of the Prepayment was larger than its carrying amount, the Directors considered that no further impairment of the Prepayment will be required for the Interim Period (the Corresponding Period: nil). For details, please refer to note 12 to the unaudited condensed consolidated financial statements in this interim report.

PROSPECT

Currently, as the financial market system shall be dynamically adjusted to align with the needs of the real economy and driving the deep integration of the real economy and the digital economy, as a "Technology + Finance" comprehensive Internet services provider, the Group will continuously strengthen its technological empowerment and risk management capabilities, and explore new pathways for the integrated development of "Technology + Finance".

In terms of business layout, the Group will consolidate its existing business synergies while proactively tapping into innovative opportunities in financial services such as cross-border payments, and exploring ways to improve the efficiency of cross-border capital flows through technological upgrades. Meanwhile, the Group will draw upon the global trend of the digital economy and advance its digital Internet business overseas at an appropriate time to expand its overseas market. At the same time, the Group fully recognises the complex and ever-changing global geopolitical environment. Cross-border businesses shall be vigilant against uncertainties arising from regional policy differences and fluctuations in the trade environment; the digital content ecosystem faces challenges from homogenised competition and dynamic adjustments to regulatory policies; in the fintech sector, as penetrative regulation deepens, the rising pressure of compliance costs also requires close attention.

Technological revolutions and industrial transformations are reshaping the competitive landscape of the industry, with technologies such as AI and blockchain becoming the core drivers of new productive forces. The focus of the industry has shifted to "technological barriers + compliance capabilities + ecological synergy". The Group will closely follow policy directions, leverage differentiated content and a globalised, diversified business layout to address challenges, and explore new pathways for value growth so as to bring fresh vitality into the Group's development. Additionally, the Group will deepen the synergy among its three core business segments, namely financial technology services, digital content ecosystem and digital Internet platforms. By strengthening risk identification and technical safeguards, and enhancing operational compliance standards, the Group will solidify the foundational capabilities of its "Technology + Finance" dual-drive model, thereby laying the foundation for steady growth in the second half of the year and creating sustained and stable returns for the Shareholders.



MANAGEMENT DISCUSSION AND ANALYSIS

LIQUIDITY AND FINANCIAL RESOURCES

The Group's financial position is sound with a strong equity and working capital base. As at 30 June 2025, the Group's total equity amounted to RMB2,445.6 million (31 December 2024: RMB2,465.1 million). As at 30 June 2025, the Group's cash and cash equivalents decreased to RMB73.0 million (31 December 2024: RMB130.5 million). In the opinion of the management, the decrease in cash balance was mainly due to (i) rising costs associated with research and development, as well as staffing related to the business expansion of the Beijing Liheng Group, since its products have not yet reached full maturity and (ii) the increase in commercial factoring loan size.

During the Interim Period, the Group recorded cash outflow from its operating activities of RMB9.1 million (the Corresponding Period: cash outflow RMB89.1 million), which was mainly due to the combined effect of the increase in trade receivables and loan receivables of RMB75.4 million and the increase in trade payable, other payables and accruals of RMB47.6 million. The Group recorded a cash outflow from investing activities of RMB47.4 million during the Interim Period (the Corresponding Period: cash outflow of RMB7.7 million) which was mainly because of the increase in research and development expenses of the Group's digital Internet platform business and the increase in the investment of intangible assets developed by the Group's online game business, which amounted to RMB48.4 million in aggregate, for the Interim Period. The Group recorded a cash inflow from financing activities of RMB14.6 million (the Corresponding Period: cash outflow of RMB0.7 million), which was mainly attributable to the increase in the non-bank borrowings of the Group's digital Internet platform business, which amounted to RMB15.6 million for the Interim Period.

The Group's current ratio as at 30 June 2025 was 10.5 (31 December 2024: 18.2). The Group's gearing ratio, expressed as percentage of total liabilities less tax payable, divided by the Group's total equity, was 9.15% as at 30 June 2025 (31 December 2024: 5.25%).

The Group had no particular seasonal pattern of borrowing. As at 30 June 2025, the Group did not have any bank borrowings (31 December 2024: nil).

CAPITAL STRUCTURE

During the Interim Period, there was no change in the issued share capital of the Company and the Company's number of issued ordinary shares remained at 5,201,123,120 shares as at 30 June 2025 (31 December 2024: 5,201,123,120 shares).

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE

Save for the Beijing Yiheng Contractual Arrangements and the Beijing Jiayu Contractual Arrangements as disclosed above, the Group did not have any material acquisitions or disposals of subsidiaries, associates or joint ventures during the Interim Period.

SIGNIFICANT INVESTMENTS

The Group did not have any significant investments as at 30 June 2025 (31 December 2024: nil).

CHARGE ON ASSETS AND CONTINGENT LIABILITIES

The Group did not have any pledged assets or material contingent liabilities as at 30 June 2025 (31 December 2024: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

TREASURY POLICIES AND FOREIGN EXCHANGE EXPOSURE

The Group has continued to adopt a conservative treasury policy, with all bank deposits held in HKD, RMB, and USD. The Board and the management have been closely monitoring the Group's liquidity position, performing ongoing credit evaluations and monitoring the financial conditions of its customers in order to ensure the Group's healthy cash position. The Group has been investing in certain principal guaranteed structured deposit products offered by a bank with the surplus cash arising in the ordinary and usual course of business of the Group from time to time. The principal amount invested by the Group in these products was determined by the Group having regard to the surplus cash position of the Group from time to time and after taking into account the highly liquid nature of such investments and nearly no financial risks involved. The Group has not adopted any hedging policy and the Group has not entered into any derivative products. However, the executive Directors and the management will continue to monitor the foreign currency exchange exposure and will consider adopting certain hedging measures against the currency risk when necessary.

STAFF AND REMUNERATION

The Group employed 630 employees in total as at 30 June 2025 (31 December 2024: 381). The Group pays for social insurance for its employees in Mainland China in accordance with the applicable laws in the PRC. The Group also maintains insurance coverage and contributes to mandatory provident fund schemes for its employees in Hong Kong in accordance with the applicable laws in Hong Kong. During the Interim Period, the Group had no forfeited contribution available to reduce its contribution to the pension schemes. The overall aim of the Group's employee and remuneration policy is to retain and motivate staff members to contribute to the continuing success of the Group. For the Interim Period, the remuneration for the employees of the Group, but excluding the Directors' and chief executive's remunerations, was RMB50.3 million (the Corresponding Period: RMB6.5 million). During the Interim Period, the Group conducted timely staff training to ensure that employees were familiar with the industry and the Group's business conditions.

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS



To the board of directors of Tong Tong AI Social Group Limited

(Incorporated in Bermuda with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of Tong Tong AI Social Group Limited (the **"Company"**) and its subsidiaries (collectively referred to as the **"Group"**) set out on pages 26 to 55 which comprises the condensed consolidated statement of financial position as at 30 June 2025 and the related condensed consolidated statement of profit or loss, condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and notes to the condensed consolidated financial statements. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" (**"HKAS 34"**) issued by the Hong Kong Institute of Certified Public Accountants (**"HKICPA"**). The directors of the Company are responsible for the preparation and presentation of the these condensed consolidated financial statements in accordance with HKAS 34.

Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" (**"HKSRE 2410"**) issued by the HKICPA. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Baker Tilly Hong Kong Limited

Certified Public Accountants

Hong Kong, 29 August 2025

Del Rosario, Faith Corazon

Practising Certificate Number P06143

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025

		For the six months ended 30 June	
	Notes	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Revenue	4	202,677	60,804
Other income and other gains and losses	4	17,553	(3,631)
Administrative expenses		(89,595)	(15,847)
Marketing expenses		(119,338)	(5,849)
Provision for expected credit loss on trade and loan receivables, net		(2,110)	(1,874)
Finance costs	6	(2,169)	(7)
Profit before tax	5	7,018	33,596
Income tax expense	7	(4,472)	(8,208)
Profit for the period		2,546	25,388
Profit/(loss) for the period attributable to:			
Owners of the Company		31,876	25,275
Non-controlling interests		(29,330)	113
		2,546	25,388
Earnings per share		RMB cents	RMB cents
– Basic	9	0.61	0.89

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Profit for the period	2,546	25,388
Other comprehensive (expense)/income for the period:		
Item that will not be reclassified to profit or loss:		
Exchange differences on translation		
from functional currency to presentation currency	(17,192)	7,499
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	(2,240)	726
	(19,432)	8,225
Total comprehensive (expense)/income for the period	(16,886)	33,613
Total comprehensive (expense)/income attributable to:		
Owners of the Company	14,558	32,975
Non-controlling interests	(31,444)	638
	(16,886)	33,613

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

	Notes	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Non-current assets			
Prepayment	12	368,000	368,000
Property, plant and equipment		1,391	1,320
Right-of-use assets	10(a)	7,802	2,039
Goodwill		462,766	463,743
Intangible assets	10(b)	323,958	286,695
Deferred tax assets		4,125	3,596
Total non-current assets		1,168,042	1,125,393
Current assets			
Trade and loan receivables	11	1,401,150	1,326,021
Prepayments, deposits and other receivables	12	35,006	25,592
Cash and cash equivalents		72,977	130,485
Total current assets		1,509,133	1,482,098
Current liabilities			
Trade payables	13	37,867	23,552
Other payables and accruals		45,933	33,612
Contract liabilities	14	43,361	10,154
Tax payables		7,703	12,931
Lease liabilities	10(a)	8,895	1,338
Total current liabilities		143,759	81,587
Net current assets		1,365,374	1,400,511
Total assets less current liabilities		2,533,416	2,525,904

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

As at 30 June 2025

	Notes	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Non-current liabilities			
Deferred tax liabilities		1,449	1,371
Borrowings	15	84,315	58,954
Lease liabilities	10(a)	2,026	512
Total non-current liabilities		87,790	60,837
Net assets		2,445,626	2,465,067
Equity			
Share capital	16	45,824	45,824
Reserves		2,239,536	2,224,978
Equity attributable to owners of the Company		2,285,360	2,270,802
Non-controlling interests		160,266	194,265
Total equity		2,445,626	2,465,067

Approved and authorised for issue by the board of directors on 29 August 2025 and were signed on its behalf by:

Zhou Yafei
Director

Song Chenxi
Director

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025



	Attributable to owners of the Company							Non-controlling interests	Total equity
	Reserves								
	Share capital RMB'000	Share premium RMB'000	Contributed surplus RMB'000	Capital reserves RMB'000	Exchange reserves RMB'000	Accumulated losses RMB'000	Total reserves RMB'000		
At 1 January 2025 (audited)	45,824	2,444,096	727,981	87,072	24,782	(1,058,953)	2,224,978	194,265	2,465,067
Profit/(loss) for the period	-	-	-	-	-	31,876	31,876	(29,330)	2,546
Other comprehensive expense for the period	-	-	-	-	(17,318)	-	(17,318)	(2,114)	(19,432)
Total comprehensive (expense)/income for the period	-	-	-	-	(17,318)	31,876	14,558	(31,444)	(16,886)
Acquisition of subsidiaries (note 19)	-	-	-	-	-	-	-	(2,555)	(2,555)
At 30 June 2025 (unaudited)	45,824	2,444,096	727,981	87,072	7,464	(1,027,077)	2,239,536	160,266	2,445,626

	Attributable to owners of the Company							Non-controlling interests RMB'000	Total equity RMB'000
	Reserves								
	Share capital RMB'000	Share premium RMB'000	Contributed surplus RMB'000	Capital reserves RMB'000	Exchange reserves RMB'000	Accumulated losses RMB'000	Total reserves RMB'000		
At 1 January 2024 (audited)	230,159	1,944,601	520,838	87,072	118	(1,098,594)	1,454,035	1	1,684,195
Profit for the period	–	–	–	–	–	25,275	25,275	113	25,388
Other comprehensive income for the period	–	–	–	–	7,700	–	7,700	525	8,225
Total comprehensive income for the period	–	–	–	–	7,700	25,275	32,975	638	33,613
Capital reorganisation (note 16)	(207,143)	–	207,143	–	–	–	207,143	–	–
Acquisition of subsidiaries (note 19)	22,808	499,495	–	–	–	–	499,495	195,132	717,435
At 30 June 2024 (unaudited)	45,824	2,444,096	727,981	87,072	7,818	(1,073,319)	2,193,648	195,771	2,435,243

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

		For the six months ended 30 June	
	Note	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Cash flows from operating activities			
Cash generated from (used in) operations		1,024	(81,334)
Income tax paid		(10,138)	(7,737)
Net cash used in operating activities		(9,114)	(89,071)
Cash flows from investing activities			
Purchases of property, plant and equipment		(346)	–
Additions to intangible assets		(48,447)	–
Net cash inflow from acquisition of subsidiaries	19	609	7,338
Interest received		766	2,973
Proceeds from disposal of financial assets at fair value through profit or loss (“FVTPL”)		–	72,000
Purchases of financial asset at FVTPL		–	(90,000)
Net cash used in investing activities		(47,418)	(7,689)
Cash flows from financing activities			
Interest and other finance charges paid		(219)	(7)
New borrowings raised		15,609	–
Repayment of principal portion of lease liabilities		(757)	(663)
Net cash from/(used in) financing activities		14,633	(670)
Effect of foreign exchange rate changes		(15,609)	7,105
Net decrease in cash and cash equivalents		(57,508)	(90,325)
Cash and cash equivalents at 1 January		130,485	284,383
Cash and cash equivalents at 30 June, represented by cash and bank balances		72,977	194,058

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1 CORPORATE INFORMATION AND BASIS OF PREPARATION

Tong Tong AI Social Group Limited (the “**Company**”) was incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The principal place of business of the Company in Hong Kong is located at Suite 2912, 29th Floor, Two International Finance Centre, 8 Finance Street, Central, Hong Kong. In the opinion of the directors of the Company, the ultimate controlling shareholders of the Company are Mr. Wong Kwong Yu (“**Mr. Wong**”) and Ms. Du Juan (“**Ms. Du**”), through Mega Bright Capital Resources Limited, a company incorporated in Hong Kong with limited liability, and Swiree Capital Limited, a company incorporated in the British Virgin Islands with limited liability, respectively. Mr. Wong and Ms. Du are hereinafter collectively referred to as the “Controlling Shareholders”.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries comprise (i) digital internet platform business, which includes social commerce platform and business ecosystem collaboration platform; (ii) digital content ecosystem business, which encompasses game development and distribution, film and television production, as well as digital marketing; and (iii) financial technology services business, which involves providing commercial factoring and other financial services.

The condensed consolidated financial statements are presented in Renminbi (“**RMB**”) which is different from the Company’s functional currency of Hong Kong dollars (“**HKD**”), and all values are rounded to the nearest thousand except when otherwise indicated.

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange.

2 ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis.

Other than additional/changes in accounting policies resulting from application of amendments to HKFRS Accounting Standards, and application of certain accounting policies which became relevant to the Company and its subsidiaries (collectively referred to as the “**Group**”) in the current interim period, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2025 are the same as those presented in the annual consolidated financial statements of the Group for the year ended 31 December 2024.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

2 ACCOUNTING POLICIES (continued)

Application of amendments to HKFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2025 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKAS 21

Lack of Exchangeability

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

Application of new material accounting policy information which became relevant to the Group in the current interim period

Revenue recognition

Digital content service income

Revenue from platform-based digital content services, including fixed-fee contracts such as monthly fees for managing official accounts, content planning, posting, user interaction and monitoring of social media platforms, is recognised over time. This reflects the Group's transfer of control as it either creates or enhances an asset under the customer's control or delivers benefits consumed concurrently with service performance. The transaction price is allocated to these distinct performance obligations and recognised proportionately over the contract period, typically one to three month, using a time-based output method.

3 OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on the internal reports reviewed and used by executive directors of the Company, being the chief operating decision makers (“**CODM**”) for strategic decision making. The executive directors of the Company consider the business from a product and service perspective.

Prior to the acquisition of new subsidiaries as stated in the subsequent paragraph, the Group’s businesses included commercial factoring business, other financing service, game development and publishing business and social networking business segments.

During the current interim period, the Group commenced the business engaging in provision of digital content services, along with Beijing Yiheng Acquisition (as detailed in note 19(a)).

Prior to 18 March 2025, there were four reportable and operating segments, namely (i) commercial factoring business; (ii) other financing services; (iii) game development and publishing business; and (iv) social networking business.

From 18 March 2025, management has changed the presentation of the information reported to the CODM, and segment reporting has been updated to conform to this change. The Group’s management is of the view that this change of segment disclosure better reflects the Group’s updated business strategies, the development phases of various businesses and the financial performance, and better aligns with the Group’s resource allocation.

The updated reportable segments comprise (i) digital internet platform business, which includes the former social networking business; (ii) digital content ecosystem business, which includes the former game and development and publishing business and the newly acquired digital content service business; and (iii) financial technology services business, which is aggregated with the former commercial factoring business and other financing services business segments. The Group’s management periodically reviews their developments, and dynamically adjusts resource allocation and strategies.

Operating segments	Nature of business activities
Digital internet platform business	Social commerce platform and business ecosystem collaboration platform
Digital content ecosystem business	Game development and distribution, film and television production, and digital marketing
Financial technology services business	Commercial factoring business and other financing services in PRC

Management monitors the results of the Group’s operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit or loss, which is a measure of adjusted profit or loss before tax. The adjusted profit or loss before tax is measured consistently with the Group’s profit or loss before tax except that gain on bargain purchase, certain bank interest income, certain finance costs, exchange gains/losses, as well as items not specifically attributed to an individual reportable segment, such as unallocated corporate expenses, are excluded from such measurement.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

3 OPERATING SEGMENT INFORMATION (continued)

	For the six months ended 30 June 2025 (Unaudited)					
	Digital internet platform business RMB'000	Digital content ecosystem business RMB'000	Financial technology services business RMB'000	Segment total RMB'000	Elimination RMB'000	Total RMB'000
Segment revenue:						
Revenue from external customers	11,923	131,074	59,680	202,677	–	202,677
Inter-segment revenue*	11,321	–	–	11,321	(11,321)	–
	<u>23,244</u>	<u>131,074</u>	<u>59,680</u>	<u>213,998</u>	<u>(11,321)</u>	<u>202,677</u>
Segment results	<u>(42,488)</u>	<u>2,835</u>	<u>39,589</u>	<u>(64)</u>	<u>–</u>	<u>(64)</u>
<i>Reconciliation:</i>						
Gain on bargain purchase						37
Exchange gains						16,709
Unallocated bank interest income						641
Other unallocated expenses						<u>(10,305)</u>
Profit before tax						7,018
Income tax expense						<u>(4,472)</u>
Profit for the period						<u><u>2,546</u></u>

* Inter-segment revenue is charged at amounts agreed by both parties.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

3 OPERATING SEGMENT INFORMATION (continued)

For the six months ended 30 June 2024

(Unaudited) (Restated)

	Digital content ecosystem business RMB'000	Financial technology services business RMB'000	Total RMB'000
Segment revenue:			
Revenue from external customers	5,973	54,831	60,804
Segment results	172	47,636	47,808
<i>Reconciliation:</i>			
Exchange losses			(6,978)
Unallocated bank interest income			1,725
Finance costs			(7)
Other unallocated expenses			(8,952)
Profit before tax			33,596
Income tax expense			(8,208)
Profit for the period			25,388

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

3 OPERATING SEGMENT INFORMATION (continued)

Segment assets include all current and non-current assets with the exception of corporate assets which are not allocated to an individual reportable segment. Segment liabilities include all current and non-current liabilities with the exception of corporate liabilities which are unallocated to an individual reportable segment.

	As at 30 June 2025 (Unaudited)			
	Digital internet platform business RMB'000	Digital content ecosystem business RMB'000	Financial technology services business RMB'000	Total RMB'000
Segment assets	122,317	779,434	1,355,994	2,257,745
<i>Reconciliation:</i>				
Unallocated corporate assets				419,430
Total assets				2,677,175
Segment liabilities	164,523	42,963	8,752	216,238
<i>Reconciliation:</i>				
Unallocated corporate liabilities				15,311
Total liabilities				231,549

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

3 OPERATING SEGMENT INFORMATION (continued)

	As at 31 December 2024 (Audited) (Restated)			Total RMB'000
	Digital internet platform business RMB'000	Digital content ecosystem business RMB'000	Financial technology services business RMB'000	
Segment assets	<u>86,637</u>	<u>753,532</u>	<u>1,336,513</u>	2,176,682
<i>Reconciliation:</i>				
Unallocated corporate assets				<u>430,809</u>
Total assets				<u>2,607,491</u>
Segment liabilities	<u>93,886</u>	<u>16,864</u>	<u>15,171</u>	125,921
<i>Reconciliation:</i>				
Unallocated corporate liabilities				<u>16,503</u>
Total liabilities				<u>142,424</u>

Geographical information

Revenue from external customers

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
The PRC	<u>202,677</u>	<u>60,804</u>

The revenue information above is based on the location of the customers and operations.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

4 REVENUE, OTHER INCOME AND OTHER GAINS AND LOSSES

An analysis of revenue, other income and other gains and losses is as follows:

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Revenue not within the scope of HKFRS 15 “Revenue from Contracts with Customers”		
Interest income from commercial factoring loan receivables	40,123	39,172
Revenue within the scope of HKFRS 15		
Advertising service income	41,719	255
Top-up service income	88,200	5,718
Subscription income	11,923	–
Digital content service income	1,155	–
Financial information service income	19,557	15,659
	162,554	21,632
	202,677	60,804
Timing of revenue recognition within the scope of HKFRS 15		
A point in time	73,199	15,914
Over time	89,355	5,718
	162,554	21,632
Other income		
Bank interest income	766	2,973
Interest income from financial assets at FVTPL	–	164
Gain on bargain purchase (note 19(a))	37	–
Others	41	210
	844	3,347
Other gains and losses		
Exchange gains/(losses)	16,709	(6,978)
	17,553	(3,631)

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

5 PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging:

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Employee benefit expense (including directors' and chief executive's remuneration):		
Wages and salaries	44,905	6,963
Retirement benefit scheme contributions	6,045	535
	<u>50,950</u>	<u>7,498</u>
Depreciation of property, plant and equipment	194	–
Depreciation of right-of-use assets	4,065	580
Amortisation of intangible assets	14,549	–
	<u>19,808</u>	<u>638</u>

6 FINANCE COSTS

An analysis of finance costs is as follows:

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Interest expenses on:		
Borrowings	1,950	–
Lease liabilities	219	7
	<u>2,169</u>	<u>7</u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

7 INCOME TAX EXPENSE

No provision for Hong Kong Profits Tax has been made as the Group did not generate any assessable profits arising in Hong Kong for the six months ended 30 June 2025 and 2024. PRC Enterprise Income Tax has been provided at the rate of 25% for the six months ended 30 June 2025 and 2024 on the estimated assessable profits arising in PRC during both periods.

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Current tax		
– PRC Enterprise Income Tax	3,992	7,749
Deferred tax	480	459
Total tax expense for the period	4,472	8,208

8 DIVIDENDS

The directors of the Company did not recommend the payment of any interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: nil).

9 EARNINGS PER SHARE

The calculations of basic earnings per share are based on:

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Profit attributable to ordinary equity holders of the Company, used in the basic earnings per share calculation	31,876	25,275

	For the six months ended 30 June	
	2025 '000 (Unaudited)	2024 '000 (Unaudited)
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	5,201,123	2,838,486

Diluted earnings per share is not presented as the Company did not have any dilutive potential ordinary shares for the six months ended 30 June 2025 and 2024.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

10 RIGHT-OF-USE ASSETS AND INTANGIBLE ASSETS

(a) Right-of-use assets

During the six months ended 30 June 2025, the Group acquired right-of-use assets at fair value of RMB1,224,000 at the acquisition date through business combinations (note 19(b)) (six months ended 30 June 2024: nil).

In addition, during the six months ended 30 June 2025, the Group renewed several lease agreements and entered into several new lease agreements with lease terms ranged from 1 to 2 years (six months ended 30 June 2024: 1 to 2 years). On date of lease modification or lease commencement, the Group recognised right-of-use assets of RMB8,618,000 (six months ended 30 June 2024: RMB384,000) and lease liabilities of RMB8,618,000 (six months ended 30 June 2024: RMB285,000).

(b) Intangible assets

During the six months ended 30 June 2025, the Group acquired intangible assets at fair value of RMB4,079,000 at the acquisition date through business combinations (note 19(b)) (six months ended 30 June 2024: RMB224,032,000). The intangible assets consist of mobile software and technology and are amortised using the straight-line method over 5 years. Also, the Group incurred expenditure on other intangible assets of RMB48,447,000 (six months ended 30 June 2024: nil).

11 TRADE AND LOAN RECEIVABLES

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Trade and loan receivables		
Commercial factoring loan receivables (Note a)	1,346,054	1,281,656
Trade receivables (Note b)	72,148	59,309
	1,418,202	1,340,965
Provision for expected credit loss ("ECL")	(17,052)	(14,944)
	1,401,150	1,326,021

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

11 TRADE AND LOAN RECEIVABLES (continued)

Notes:

- (a) For commercial factoring loan receivables arising from the Group's financial technology services business, customers are obliged to settle the amounts according to the terms set out in the relevant contracts. The loan periods range from 90 to 360 days (31 December 2024: 90 to 360 days). The effective interest rate of the commercial factoring loans range from 6% to 7.5% (31 December 2024: 6% to 8%) per annum as at 30 June 2025.

An ageing analysis of the commercial factoring loan receivables as at the end of the reporting period, based on maturity dates set out in the relevant contracts, is as follows:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Not yet matured	1,346,054	1,281,656
Provision for ECL	(16,367)	(14,359)
	1,329,687	1,267,297

As at 30 June 2025 and 31 December 2024, none of the Group's loan receivables were past due.

- (b) For trade receivables arising from the other financing services under financial technology services business and digital content ecosystem business, customers are obliged to settle the amounts according to the terms set out in the relevant contracts. Trade receivables are due within 7 to 90 days from the invoice date.

An ageing analysis of trade receivables, based on the invoice date, is as follows:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
0 to 30 days	29,693	57,449
31 to 60 days	18,102	1,278
61 to 90 days	18,146	386
Over 90 days	6,207	196
	72,148	59,309
Provision of ECL	(685)	(585)
	71,463	58,724

As at 30 June 2025 and 31 December 2024, none of the Group's trade and loan receivables is credit-impaired.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

12 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Prepayment for acquisition of Tianjin Guanchuang Mei Tong Electronic Commerce Limited ("TJGCMT") (Note i)	576,000	576,000
Deposits	287	537
Other prepayments	14,018	11,424
Other receivables (Note ii)	20,701	13,631
	611,006	601,592
Impairment loss on prepayment for acquisition of TJGCMT	(208,000)	(208,000)
	403,006	393,592

Carrying amount analysed for reporting purpose:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Current assets	35,006	25,592
Non-current assets	368,000	368,000
	403,006	393,592

Notes:

- (i) As disclosed in the Company's circular dated 29 June 2017, the Group entered into a loan agreement on 7 June 2017 with Beijing Bosheng Huifeng Business Consulting Co., Limited (the "OPCO"), a company established in the PRC of which 90% equity interest is owned by Ms. Du, a controlling shareholder of the Company, to provide a non-interest-bearing loan of RMB720 million to OPCO solely for the Group's purpose of acquiring the entire equity interest of TJGCMT from independent third parties, namely Tibet Yang Guan LLP and Mr. Mao Deyi (together the "Sellers"). On 25 July 2017, OPCO and the Sellers entered into an equity share transfer agreement (the "Transfer Agreement") pursuant to which OPCO agreed to buy and the Sellers agreed to sell the entire equity interest of TJGCMT. RMB576 million was paid by the Company to OPCO according to the aforesaid agreements and was recorded as prepayment under current assets since 2018 and was then reclassified as non-current assets since 2019.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

12 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (continued)

(i) (continued)

According to the Transfer Agreement, the Transaction will only be considered as complete upon the change of actual controller of TJGCMT and such approval process is still under the review of the People's Bank of China ("**PBOC**") or its affiliated institutions and the change of actual controller of TJGCMT has not been completed as at 30 June 2025 and up to the date of this interim report.

Taking into account the uncertainty about the estimated time it will take for PBOC to complete the approval process and the change of actual controller of TJGCMT, and also the overall macro environment in the PRC, on 25 March 2024, a personal guarantee (the "**Guarantee**") was offered by Mr. Wong, spouse of Ms. Du, to guarantee the recoverability of the prepayment of RMB576 million. Pursuant to the Guarantee, Mr. Wong undertakes to request full refund either from the Sellers or through disposal of entire equity interest of TJGCMT ("**Disposal Action**"). If the Company decides to terminate the Transaction and cannot receive the proceeds resulting from the Disposal Action on or before 31 December 2025, Mr. Wong will make good any shortfall with his personal assets to the Group on or before 31 December 2026.

Given the abovementioned facts and circumstances and with the information currently available to the Group, the directors of the Company has decided to give some more time to wait for the Transaction to be completed. The directors of the Company has also performed an impairment assessment in respect of the recoverability of the Group's prepayment of RMB576 million to the OPCO. The impairment assessment performed by the management of the Group was based on a scenario analysis described below.

The recoverable amounts of the prepayment as at 30 June 2025 and 31 December 2024 have been determined based on (i) the valuation on TJGCMT as at the end of the reporting period; and (ii) the market value of the personal assets of Mr. Wong as at the end of the reporting period.

For the period ended 30 June 2025 and 30 June 2024, as the recoverable amount of the prepayment is higher than its carrying amount, the directors of the Company considered that no impairment of prepayment would be recognised in profit or loss.

- (ii) Among other receivables, RMB9,120,000 (31 December 2024: RMB9,260,000) is the amount due from a related company, in which Mr. Wong is the ultimate beneficial owner. The amount is unsecured, interest-free and has no fixed terms of repayment.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

13 TRADE PAYABLES

The following is an ageing analysis of trade payables based on the invoice date:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
0 to 30 days	23,942	23,484
31 to 60 days	11,943	–
61 to 90 days	959	–
Over 90 days	1,023	68
	37,867	23,552

The trade payables are non-interest-bearing and the Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe. The average credit period is 60 days.

14 CONTRACT LIABILITIES

	2025 RMB'000	2024 RMB'000
Subscription income	34,338	9,712
Financial information service income	633	442
Digital content service income	8,390	–
	43,361	10,154

Contract liabilities represent proceeds received from customers in advance in connection with subscription income, financial information service income and digital content service income. The amounts are expected to be settled within the Group's normal operating cycle.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

15 BORROWINGS

	2025 RMB'000	2024 RMB'000
Other loans – unsecured	84,315	58,954

The balance represents a loan from an independent third party of principal amount of RMB55,128,000 (2024: RMB55,128,000), with additional borrowings of RMB15,609,000 obtained during the interim period, resulting in a total principal of RMB70,737,000 (2024: RMB55,128,000), bearing a finance cost measured at 6% per annum (2024: 6%), and is repayable in 2027 and is not secured by any assets and guarantees from the Group.

In addition, the Group obtained a loan from the same independent third party with a principal amount of RMB7,586,000 at the acquisition date through business combination (six months ended 30 June 2024: nil), bearing a finance cost measured at 6% per annum (2024: nil), and will repayable in 2028 and is not secured by any assets and guarantees from the Group.

16 SHARE CAPITAL

	Number of ordinary shares '000	Amount HK\$'000
Authorised:		
At 1 January 2024 (audited) (HK\$0.1 each)	6,000,000	600,000
Share Subdivision (<i>Note (a)(iii)</i>)	54,000,000	–
At 31 December 2024 (audited), 1 January 2025 (audited) and 30 June 2025 (unaudited) (HK\$0.01 each)	60,000,000	600,000
	Number of ordinary shares '000	Amount RMB'000
Issued and fully paid		
At 1 January 2024 (audited) (HK\$0.1 each)	2,701,123	230,159
Capital Reduction (<i>Note (a)(i)</i>)	–	(207,143)
Issuance of shares on acquisition of subsidiaries (<i>Note (b)</i>)	2,500,000	22,808
At 31 December 2024 (audited), 1 January 2025 (audited) and 30 June 2025 (unaudited) (HK\$0.01 each)	5,201,123	45,824

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

16 SHARE CAPITAL (continued)

Notes:

- (a) The Company completed a capital reorganisation by way of capital reduction and share subdivision (the “**Capital Reorganisation**”) which became effective on 21 June 2024. The Capital Reorganisation involved the following:
- (i) the reduction of issued share capital of the Company whereby the par value of each issued share of the Company (“**Share(s)**”) reduced from HK\$0.1 to HK\$0.01 by cancelling HK\$0.09 of the paid-up capital on each issued Share (the “**Capital Reduction**”);
 - (ii) immediately following the Capital Reduction, the subdivision of each unissued Share of HK\$0.1 in the authorised share capital of the Company into 10 Shares of HK\$0.01 each (the “**Share Subdivision**”) so that immediately following the Capital Reduction and the Share Subdivision, the authorised share capital of the Company became HK\$600,000,000 divided into 60,000,000,000 Shares of HK\$0.01 each; and
 - (iii) the reduction of the entire amount resulted to the credit of the contributed surplus account of the Company.
- (b) Upon the completion of the Capital Reorganisation, the Company issued 2,500,000,000 ordinary shares at the closing price of HK\$0.229 per Share at the completion date of the acquisition as detailed in note 19(c) (i.e. 21 June 2024), totalling HK\$572,500,000 or equivalent to RMB522,303,000. The issuance of the Shares resulted to the credit of the share capital account and share premium account of RMB22,808,000 and RMB499,495,000 respectively.

17 CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 30 June 2025 and 31 December 2024.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

18 RELATED PARTY TRANSACTIONS

- (a) In addition to the transactions detailed elsewhere in these condensed consolidated financial statements, the Group had the following transactions with related parties during the period:

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Transactions with related parties which are significantly influenced by the controlling shareholder of the Company:		
Interest income from commercial factoring loan receivables	12,808	14,920
Rental expense paid	628	517
Property management fee paid	287	236
Service fee paid	226	–

The above transactions were conducted in accordance with the respective contractual terms.

- (b) In addition to the balances detailed elsewhere in these condensed consolidated financial statements, the Group had the following balances with related parties as at the end of the period:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Balances with related parties which are significantly influenced by the controlling shareholder of the Company:		
Trade and loan receivables (secured by pledged account receivables, and interest-bearing ranged 6% to 7.5% (2024: 6% to 8%) per annum)	384,371	364,196
Prepayments, deposits and other receivables	379	367
Other payables and accruals	301	–
Other receivables due from the controlling shareholder of the Company	900	900

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

18 RELATED PARTY TRANSACTIONS (continued)

(c) Compensation of key management personnel of the Group:

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Salaries, other allowances and benefits in kind	845	971
Retirement benefit scheme contributions	—	—
	<u>845</u>	<u>971</u>

19 ACQUISITION OF SUBSIDIARIES

For the six months ended 30 June 2025

(a) Beijing Yiheng Acquisition

On 18 March 2025, a non-wholly owned subsidiary of the Company, 北京恒美卓盛科技有限公司 (Beijing Hengmei Zhuosheng Technology Co., Ltd.*) ("**Beijing Hengmei**") and the PRC registered shareholders of 北京熠珩企业管理有限公司 (Beijing Yiheng Enterprise Management Co., Ltd.*) ("**Beijing Yiheng**"), who are the directors of the Company, entered into a sale and purchase agreement to acquire 100% equity interest in Beijing Yiheng at nil consideration ("**Beijing Yiheng Acquisition**").

Upon completion of Beijing Yiheng Acquisition on 18 March 2025, the Company, through Beijing Hengmei, an indirectly non-wholly owned subsidiary of the Company, holds Beijing Yiheng as an indirectly non-wholly owned subsidiary of the Company with effective shareholding of 51%. Beijing Yiheng Acquisition has been accounted for as acquisition of business using the acquisition method.

Gain on bargain purchase amounting to RMB37,000 on acquisition of Beijing Yiheng, after reassessment, is recognised in profit or loss within other income in the condensed consolidated statement of profit or loss, as a result of the difference between nil consideration, non-controlling interests of RMB35,000 and the fair value of the net assets acquired of RMB72,000, of which cash and cash equivalents acquired is RMB2,000.

* The English translation of the company's name is for reference only. The official name of the company is in Chinese.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

19 ACQUISITION OF SUBSIDIARIES

(b) Beijing Jiayu Acquisition

On 18 March 2025, a non-wholly owned subsidiary of the Company, 北京崇達智行科技有限公司 (Beijing Chongda Zhixing Technology Co., Ltd.*) (“**Beijing Chongda Zhixing**”) and the PRC registered shareholder of 北京嘉域企業管理有限公司 (Beijing Jiayu Enterprise Management Co., Ltd.*) (“**Beijing Jiayu**”), who is the director of the Company, entered into a sale and purchase agreement, to acquired 50% equity interest in Beijing Jiayu at nil consideration (“**Beijing Jiayu Acquisition**”).

Upon completion of Beijing Jiayu Acquisition on 18 March 2025 (the “**Completion Date of Beijing Jiayu Acquisition**”), the Company, through Beijing Chongda Zhixing, an indirectly non-wholly owned subsidiary of the Company, holds Beijing Jiayu as an indirectly non-wholly owned subsidiary of the Company with effective shareholding of 26.01%. Beijing Jiayu Acquisition has been accounted for as acquisition of business using the acquisition method.

* The English translation of the company’s name is for reference only. The official name of the company is in Chinese.

Consideration transferred

RMB'000
(Unaudited)

Consideration

—

Among acquisition-related costs of approximately RMB154,000 in total are expensed and are included in administrative expenses during the six months ended 30 June 2025.

19 ACQUISITION OF SUBSIDIARIES (continued)

(b) Beijing Jiayu Acquisition (continued)

Assets and liabilities of Beijing Jiayu recognised at the Completion Date of Beijing Jiayu Acquisition

	RMB'000 (Unaudited)
Right-of-use assets	1,224
Intangible assets	4,079
Trade receivables	6
Prepayments and other receivables	115
Cash and cash equivalents	607
Other payables and accruals	(426)
Contract liabilities	(50)
Borrowings	(7,802)
Deferred tax liabilities	(29)
Lease liabilities	(1,224)
	<u>(3,500)</u>

The receivables acquired with a fair value of RMB121,000 at the Completion Date of Beijing Jiayu Acquisition had gross contractual amount of RMB121,000.

Non-controlling interests

The non-controlling interests in Beijing Jiayu recognised at the Completion Date of Beijing Jiayu Acquisition was measured by reference to the proportionate share of recognised amounts of net liabilities of Beijing Jiayu amounted to RMB2,590,000.

Goodwill arising on Beijing Jiayu Acquisition

	RMB'000 (Unaudited)
Consideration transferred	–
Add: non-controlling interests	(2,590)
Add: recognised amounts of net identifiable liabilities	<u>3,500</u>
Goodwill arising on Beijing Jiayu Acquisition	<u>910</u>

Goodwill arising on Beijing Jiayu Acquisition is not expected to be deductible for tax purposes.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

19 ACQUISITION OF SUBSIDIARIES (continued)

(b) Beijing Jiayu Acquisition (continued)

Net cash inflow arising on Beijing Jiayu Acquisition

	RMB'000 (Unaudited)
Cash and cash equivalents acquired	607

For the six months ended 30 June 2024

(c) CashBox Acquisition

On 16 October 2023, the Company entered into a sale and purchase agreement with Mega Bright Capital Resources Limited ("**Mega Bright**"), which is wholly-owned by Mr. Wong, to acquire 100% equity interest in GOME Faith International Investment Limited ("**GOME FIIL**") at a consideration to be settled by issuing 2,185,286,341 new Shares to Mega Bright. GOME FIIL is an investment holding company and holds 51.15% equity interest in GOME Faith Internet Technology Co., Limited ("**GOME FITL**"), and GOME FITL in turn holds 47.7% equity interest in CashBox Group Technology (Hong Kong) Limited ("**CashBox**").

On the same date, the Company entered into another sale and purchase agreement with Hong Kong Mingrun Business Co., Limited ("**Mingrun Business**") to acquire 3.3% equity interest in CashBox at a consideration to be settled by issuing 314,713,659 new Shares to Mingrun Business. CashBox is engaged in the provision of online advertising services and top-up services (together with the acquisition of equity interests in GOME FIIL disclosed above referred to as the "**CashBox Acquisition**").

Upon completion of CashBox Acquisition on 21 June 2024 (the "**Completion Date of CashBox Acquisition**"), GOME FIIL, GOME FITL and CashBox became subsidiaries of the Company with effective shareholding of 100%, 51.15% and 27.70%, respectively (collectively referred to as "**CashBox Business**"). CashBox Acquisition has been accounted for as acquisition of business using the acquisition method.

19 ACQUISITION OF SUBSIDIARIES (continued)

(c) CashBox Acquisition (continued)

Consideration transferred

	RMB'000 (Unaudited)
Equity instruments issued	522,303

Among acquisition-related costs of approximately RMB5,362,000 in total, RMB3,242,000 are expensed and are included in administrative expenses during the six months ended 30 June 2024.

Assets and liabilities of CashBox Business recognised at the Completion Date of CashBox Acquisition

	RMB'000 (Unaudited)
Intangible assets	224,032
Trade receivables	57,817
Prepayments and other receivables	12,032
Cash and cash equivalents	7,338
Trade payables	(34,634)
	266,585

The receivables acquired (which principally comprised trade receivables) with a fair value of RMB69,849,000 at the Completion Date of CashBox Acquisition had gross contractual amount of RMB69,849,000.

Non-controlling interests

The non-controlling interests in CashBox Business recognised at the Completion Date of CashBox Acquisition was measured by reference to the proportionate share of recognised amounts of net assets of CashBox Business amounted to RMB195,132,000.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

19 ACQUISITION OF SUBSIDIARIES (continued)

(c) CashBox Acquisition (continued)

Goodwill arising on CashBox Acquisition

	RMB'000 (Unaudited)
Consideration transferred	522,303
Add: non-controlling interests	195,132
Less: recognised amounts of net identifiable assets	<u>(266,585)</u>
Goodwill arising on CashBox Acquisition	<u>450,850</u>

Goodwill arising on CashBox Acquisition is not expected to be deductible for tax purposes.

Net cash inflow arising on CashBox Acquisition

	RMB'000 (Unaudited)
Cash and cash equivalents acquired	<u>7,338</u>

20 FAIR VALUE OF MEASUREMENTS OF FINANCIAL INSTRUMENTS

The directors of the Group consider that the carrying amounts of the Group's financial assets and liabilities recorded at amortised cost in the condensed consolidated financial statements approximate their fair values.



OTHER INFORMATION

INTERIM DIVIDEND

The Directors did not recommend the payment of any interim dividend for the Interim Period (the Corresponding Period: nil).

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2025, none of the Directors and the chief executive of the Company had any interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “**SFO**”)), which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

OTHER INFORMATION

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 30 June 2025, so far as was known to the Directors, the following persons or entities (not being a Director or a chief executive of the Company) who had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Long positions in Shares and Underlying Shares in the Company

Ordinary shares of HK\$0.01 each of the Company (the "Shares")

Name of Shareholder	Nature of interests	Number of shares held in the Company	% of the issued share capital of the Company (Note 5)	Notes
Swiree Capital Limited (" Swiree ")	Beneficial owner	1,653,073,872	31.78	1
Ms. Du Juan (" Ms. Du ")	Corporate interest	1,653,073,872	31.78	1
	Spouse interest	2,185,286,341	42.02	1
Mega Bright Capital Resources Limited (" Mega Bright ")	Beneficial owner	2,185,286,341	42.02	2
Mr. Wong Kwong Yu (" Mr. Wong ")	Interest in a controlled corporation	2,185,286,341	42.02	2
	Spouse interest	1,653,073,872	31.78	2
Richlane Ventures Limited (" Richlane ")	Beneficial owner	295,512,312	5.68	3
Mr. Ko Chun Shun, Johnson (" Mr. Ko ")	Beneficial owner	5,000,000	0.1	3
	Corporate interest	295,512,312	5.68	3
	Corporate interest	38,978,000	0.75	3
Hongkong Mingrun Business Co. Limited (" Mingrun Business ")	Beneficial owner	314,713,659	6.05	4
Ms. Luo Mingjing (" Ms. Luo ")	Corporate interest	314,713,659	6.05	4

OTHER INFORMATION

Notes:

1. As Ms. Du wholly and beneficially owned Swiree, she was deemed to be interested in 1,653,073,872 Shares held by Swiree by virtue of the SFO. Being the spouse of Mr. Wong, Ms. Du was also deemed to be interested in the 2,185,286,341 Shares in which Mega Bright was interested by virtue of the SFO.
2. Mr. Wong, being the spouse of Ms. Du, was deemed to be interested in 1,653,073,872 Shares held by Swiree by virtue of the SFO. As Mr. Wong wholly and beneficially owned Mega Bright, he was deemed to be interested in the 2,185,286,341 Shares in which Mega Bright was interested by virtue of the SFO.
3. Mr. Ko held 5,000,000 Shares directly. He also held 334,490,312 Shares indirectly, among which he held 295,512,312 Shares through Richlane and 38,978,000 Shares through Sonic Gain Limited, both of which were wholly-owned by him.
4. Since Ms. Luo wholly and beneficially owned Mingrun Business, she was deemed to be interested in the 314,713,659 Shares held by Mingrun Business by virtue of the SFO.
5. As at 30 June 2025, the total number of issued Shares was 5,201,123,120 Shares.

Save as disclosed above, as at 30 June 2025, the Company had not been notified by any person (other than Directors or the chief executive of the Company) who had interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Board is committed to maintaining a high standard of corporate governance practices. The primary corporate governance rules applicable to the Company is the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the Listing Rules. Throughout the Interim Period, the Company had complied with all code provisions set out in Part 2 of the CG Code, except for deviation disclosed below.

According to code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual.

Mr. Zhou Yafei, (“**Mr. Zhou**”) has been appointed as an executive Director and the chairman of the Board with effect from 26 March 2021 and 18 March 2025, respectively. The Company did not have a chief executive office (the “**CEO**”) during the Interim Period and up to the date of this interim report. The roles of the CEO have been carried out by an operation management committee which comprises the executive Directors during the Interim Period. The Board considered that vesting the roles of the CEO in the operation management committee can facilitate the execution of the Company’s business strategies and maximize effectiveness of its operation. Nevertheless, the Board will review the structure of the Board from time to time and would be considering suitable candidate to be appointed as the CEO in order to comply with code provision C.2.1 of the CG Code.

OTHER INFORMATION

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in the Appendix C3 to the Listing Rules as its own code of conduct regarding the Directors' securities transactions. Having made specific enquiry with all the Directors, the Directors confirmed that they had complied with the required standard set out in the Model Code throughout the Interim Period.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the Interim Period were rights to acquire benefits by means of the acquisition of Shares in or debentures of the Company granted to any Director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities (including any sale of treasury shares) during the Interim Period (the Corresponding Period: nil). During the Interim Period and as of 30 June 2025, the Company did not hold any treasury shares (as defined in the Listing Rules).

EVENTS AFTER THE INTERIM PERIOD

No event has taken place subsequent to the Interim Period and up to the date of this interim report that may have a material impact on the Group's operating and financial performance that needs to be disclosed.

CHANGE IN INFORMATION OF DIRECTORS

Upon specific enquiry by the Company and following confirmations from the Directors, there is no change in Directors' information that is required to be disclosed in accordance with Rule 13.51(B)(1) of the Listing Rules since the publication of the Company's annual report for the year ended 31 December 2024.

AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") has been established in accordance with Rule 3.21 of the Listing Rules with primary duties of reviewing the Group's financial statements, overseeing the Group's financial reporting, risk management and internal control systems, handling the relationship with the Company's external auditor and making recommendations to the Board. As at the date of this interim report, the Audit Committee comprised four members including three independent non-executive Directors, namely Mr. Mak Yau Kee Adrian (Chairman), Professor Japhet Sebastian Law, Professor Huang Song and one non-executive Director, namely Ms. Wu Qian. The chairman of the Audit Committee, Mr. Mak Yau Kee Adrian, possesses appropriate professional qualification in finance and accounting and meets the requirements of Rule 3.21 of the Listing Rules.

The Audit Committee met with the management on 27 August 2025 to review the accounting standards and practices adopted by the Group and to discuss matters regarding internal control and financial reporting including the Group's unaudited interim results for the Interim Period, which have been reviewed by the Audit Committee, before proposing to the Board for approval.



OTHER INFORMATION

BOARD OF DIRECTORS

As at the date hereof, the executive Directors are Mr. Zhou Yafei and Mr. Song Chenxi; the non-executive Directors are Ms. Wei Ting and Ms. Wu Qian; and the independent non-executive Directors are Mr. Mak Yau Kee Adrian, Professor Japhet Sebastian Law and Professor Huang Song.



APPRECIATION

On behalf of the Board, I would like to express our gratitude to our Shareholders for their continuing support, and extend our sincere appreciation to all management and staff for their ongoing dedication, commitments and contributions.

** For identification purpose only*

By order of the Board
Tong Tong AI Social Group Limited
Zhou Yafei
Chairman

Beijing, 29 August 2025