中国奇点国峰控股有限公司

China Qidian Guofeng Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1280

Interim Report

2025

A New Journey Ignited by Intelligence: Construction of an AI-Empowered OMO New Consumption Platform

Cultivating Roots and Forging Tomorrow: Interim Development Panorama of Qidian Guofeng in 2025

CONTENTS

The English names of the PRC entities mentioned in this interim report marked "" are translations from their Chinese names and are for identification purposes only. If there is any inconsistency, the Chinese name shall prevail.*

CORPORATE INFORMATION

EXECUTIVE DIRECTORS
Mr. Yuan Li *(Chairman)*
Mr. Sun Yue *(Vice-Chairman and Chief Executive Officer)*
Mr. Yuan Lijun *(Vice-Chairman and Co-Chief Executive Officer)*
Mr. Zhuang Liangbao

NON-EXECUTIVE DIRECTOR
Mr. Wang Xianfu

INDEPENDENT NON-EXECUTIVE DIRECTORS
Mr. Zhang Yihua
Mr. Chen Rui
Ms. Tang Chung Kwan Brenda

COMPANY SECRETARY
Ms. Zheng Xuci *FCG, HKFCG*

AUDIT COMMITTEE
Mr. Zhang Yihua *(Chairman)*
Mr. Chen Rui
Ms. Tang Chung Kwan Brenda

REMUNERATION COMMITTEE
Mr. Zhang Yihua *(Chairman)*
Mr. Yuan Li
Mr. Chen Rui

NOMINATION COMMITTEE
Mr. Chen Rui *(Chairman)*
Mr. Zhang Yihua
Ms. Tang Chung Kwan Brenda

AUTHORISED REPRESENTATIVES
Mr. Yuan Li
Ms. Zheng Xuci

REGISTERED OFFICE
The offices of Vistra (Cayman) Limited
P.O. Box 31119 Grand Pavilion
Hibiscus Way
802 West Bay Road
Grand Cayman
KY1-1205
Cayman Islands

PRINCIPAL PLACE OF BUSINESS AND HEAD OFFICE IN CHINA
Room 3602, Jingxing Sea Building
No. 3125, Linhai Avenue, Nanshan Street
Qianhai Shenzhen-Hong Kong Cooperation Zone
Shenzhen, PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG REGISTERED UNDER PART 16 OF THE COMPANIES ORDINANCE
Room 1928, 19/F
Lee Garden One
33 Hysan Avenue
Causeway Bay
Hong Kong

SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG
Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

PRINCIPAL BANKERS
Bank of China (Yangzhou Branch)
No. 541 Wenchang Middle Road
Yangzhou City
Jiangsu Province
PRC

Agricultural Bank of China (Wenchang Branch)
No. 334 Wenchang West Road
Hanjiang District
Yangzhou City
Jiangsu Province
PRC

China Construction Bank (Yangzhou Branch)
No. 398 Wenchang Middle Road
Yangzhou City
Jiangsu Province
PRC

STOCK CODE
1280

WEBSITE OF THE COMPANY
www.qidianguofeng.cn
(information on the website does not form part of this interim report)

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET REVIEW: MACRO-ECONOMIC RESILIENCE REMAINS EVIDENT

In the first half of 2025, despite intensifying external trade frictions and a slowdown in global economic growth, China's economy demonstrated notable resilience. Gross domestic product (GDP) reached RMB66.05 trillion, representing a year-on-year increase of 5.3%, attributable to the combined force of coordinated macro-economic policies. The accelerated issuance of ultra-long special treasury bonds and special-purpose bonds strongly boosted infrastructure investment, which, excluding the property sector, recorded a growth rate of 6.6%, contributing to an overall rate of 4.6%. Manufacturing investment rose by 7.5% year-on-year. Under the continued influence of supportive policies, the economy maintained stable operation: the consumer market steadily recovered, with total retail sales of consumer goods reaching RMB24.55 trillion, up 5%; the high-end manufacturing sector saw rapid development; new infrastructure projects advanced solidly; and exports outperformed expectations, all of which underscored the dynamism and risk resilience of China's economy.

BUSINESS REVIEW AND OPERATING PERFORMANCE

As a diversified corporate group engaged in the liquor business, training services and household appliance retail, we remain committed to enhancing overall operational efficiency and core competitiveness, and have continued to advance in the following areas:

LIQUOR BUSINESS: BUILDING A THREE-DIMENSIONAL DISTRIBUTION NETWORK AND ACCELERATING THE ROLL-OUT OF EMERGING CHANNELS NATIONWIDE

In the first half of 2025, the liquor industry entered a deep adjustment stage characterised by the confluence of "policy changes, consumption structure transformation and stock competition", with the overall market facing the dual challenge of "declining volumes and prices alongside rising expenses". Against the backdrop that 59.7% of liquor enterprises saw operating profit fall and 50.9% recorded revenue decline, the Group proactively optimised its business structure, strategically exited low-efficiency channels and focused on the high-quality, value-for-money Maotai-flavor liquor. During the six months ended 30 June 2025 (the "**Reporting Period**"), liquor sales revenue amounted to RMB17.215 million, representing a decrease of 52.6% compared with RMB36.308 million for the same period in 2024. This was primarily due to: (i) the contraction of consumption scenarios and the collapse of pricing systems, which prompted the Group to decisively withdraw from low-efficiency distributors and concentrate resources on building the Shengyouhui (勝友薈) high-value private-domain ecosystem. While this reduced mass-market sales in the short term, the Group significantly improved the quality of the long-term customer base; (ii) in response to consumption downgrades and downward shifts in price bands, the Group accelerated product transformation towards higher-margin cask-customised products and Shengjiu (勝酒) products to strengthen the profitability and offset scale contraction; and (iii) higher initial investment in distribution network development (Shengyouhui partners/authorised distributors/regional distributors), including experience centre fit-outs and collaborations with key opinion leaders (KOL), which increased short-term expenses.

Despite industry headwinds and near-term revenue pressure, the Group has remained steadfast in its strategic direction, positioning the Maotai-flavor liquor business as the core engine of our primary growth curve. Through actively planning and steadily advancing initiatives while focusing on strengthening the distributor system and deepening the Maotai-flavor liquor market, the Group has laid a solid foundation for structural growth amid the industry downturn.

MANAGEMENT DISCUSSION AND ANALYSIS

During the Reporting Period, the Group achieved a step change in both sales channel development and business model innovation, creating a new paradigm of synergistic growth across all channels through diverse measures. In channel expansion and brand control, the Group relied on the powerful "Shengyouhui (Major Regional Distributors) 111 Model" to achieve exponential growth and implemented unified retail pricing via standardised operation of physical experience centres, which preserved the brand's premium positioning. Offline, thematic events such as the "Tour in Liquor City (酒都資本之旅)" and regional tasting investment fairs effectively targeted core regional customer groups and reinforced our market presence. Online, the Group has built a "Store + Livestream + Community + Private Domain" matrix. Both ways created a seamless omni-channel synergy and significantly enhanced operational efficiency. As the core vehicle for channel innovation, the Shengyouhui platform, leveraging the innovative "Community + Distributor" model, has transformed traditional growth logic in the liquor industry and won the "Boao Summit – 2025 Annual Most Promising Project" award. The platform's value-added services, such as limited-edition customisation, craftsmanship experiences and cask-sealing ceremonies, deeply align with high-end consumer demand, which have strengthened user stickiness in the premium market and further enhanced brand premiums. Our breakthrough in channel development is reflected in three key dimensions: (1) the innovative "three-dimensional distribution network", including Shengyouhui partners, authorised distributors and regional distributors, help achieve comprehensive market coverage and efficient operation of the shared-interest mechanism; (2) the Group deepened Online Merge Offline (OMO) operations and used AI technology to provide precision services to over 100,000 private-domain members, which significantly boosted cross-selling conversion rates; and (3) by fully leveraging the parent company Qidian Guofeng's hundreds of thousands of trainees, we have successfully integrated the "Education–Community–Liquor" business ecosystem, efficiently engaging high-net-worth customers at minimal cost and driving sustained sales growth.

On the product side, the Group's liquor business has implemented a "self-owned production capacity + state-owned partnership" dual-track model to precisely cover all price bands. Our Renshen Guofeng (仁深國峰) distillery exclusively produces high-end Shengjiu and cask-customised products, anchoring their collectible value in the scarcity of aged liquor. The Shengjiu brand, with its "high quality, fair price" positioning, has redefined the conventional pricing model. Backed by substantial reserves of base liquor and aged stock, and with master distillers overseeing quality throughout the production process, Shengjiu has earned the title of "Top Ten Influential Brands of 2025", evidencing both its quality credentials and market recognition. Guizhou Renhuai Guofeng Liquor Co., Ltd.* (貴州仁懷國峰酒業有限公司), a subsidiary of the Group, has continued to strengthen its presence in the mid-to-high-end Maotai-flavor liquor segment. Its exclusively customised Guofeng Maotai-flavor Liquor (國峰醬酒) remains firmly committed to mid-to-high-end quality. Its production is rigorously overseen by seasoned experts with state-owned enterprise backgrounds, which ensures excellence from raw material selection and brewing to ageing and blending. As a result, the product achieves outstanding quality, high collectible value and exceptional tasting experience.

TRAINING BUSINESS: FOUNDATIONAL TRAINING FACES SURVIVAL CHALLENGES AMID AI DISRUPTION TO THE TRADITIONAL VALUE CHAIN

As of the first half of 2025, the number of enterprises engaged in financial literacy education showed a downward trend, as client preferences shifted towards services delivering "immediate returns". Willingness to pay for foundational, cognitive-enhancement financial literacy training continued to decline. Although the implementation of the Private Economy Promotion Law (《民營經濟促進法》) in May 2025 injected strong momentum into the development of the private economy, the training industry remained in a challenging environment due to the prevailing macro-economic climate.

MANAGEMENT DISCUSSION AND ANALYSIS

To overcome industry headwinds, the Company actively implemented measures to consolidate its competitive advantage and strengthen the core capabilities of its financial literacy education business: (1) in releasing the effectiveness of the OMO model, the Company innovatively integrated "online knowledge payment + offline practical simulation" by leveraging the Nine-Dimensional Wealth Course System (九維財富系列課程體系) and the "Shengshang Engine (聖商引擎)" SaaS platform. This has reached over 180,000 corporate trainees and, through synergy with the liquor business, has significantly enhanced cross-selling conversion rates; (2) the Company actively collaborated with local governments to conduct "SME Digital Transformation Networking Events", which reached a cumulative 4,700 SME owners between 2024 and 2025, and improved our market penetration in third- and fourth-tier cities; and (3) by leveraging AI intelligent agents to enhance efficiency, and jointly developing an intelligent assessment system with Marketingforce (02556.HK), we achieved precise analysis of corporate financial statements and in-depth diagnosis of business pain points, substantially improving conversion rates for customised courses. This technological cooperation continues to enhance the accuracy and effectiveness of our training services. Against this backdrop, the Group achieved a counter-cyclical increase in training revenue in the first half of 2025, reaching RMB40.64 million, a substantial year-on-year growth of 119.3%, underscoring the effectiveness of our strategic transformation.

HOUSEHOLD APPLIANCES BUSINESS: FOCUSING ON THE CORE SMART DEVICES ECOSYSTEM AND BREAKING THROUGH MULTI-DIMENSIONAL SCENARIO BARRIERS

In 2025, the household appliances industry entered the "Consumption Upgrade 3.0 Phase", benefitting from the structural growth opportunities driven by China's expanding trade-in program. The central government allocated RMB81 billion in special funds, for the first time including mobile phones, tablets and other digital products in the subsidy scheme, complemented by local government measures (e.g. Guangdong's 30% subsidy for smart home products). The national trade-in program has delivered significant results: between August 2024 and April 2025, over 100 million household appliances were replaced nationwide, with first-tier energy-efficient products accounting for over 90% of sales. Penetration of smart devices in lower-tier markets rose to 35%. In the first quarter of 2025, industry retail sales grew by 19.3% year-on-year, while profit increased by 10.3%, highlighting the program's dual role in stimulating both consumption upgrading and industrial transformation. The industry is increasingly defined by the twin trends of "smart" and "green". AI technology penetration exceeded 40% (e.g. dynamic temperature adjustment for smart air-conditioners, food management for smart refrigerators), and the growth rate for green, energy-saving products surpassed 25%, which drove the industry's shift from "functional replacement" to "value creation".

Capitalising on both policy tailwinds and demand upgrades, the Group achieved steady growth. During the Reporting Period, total revenue of household appliance reached RMB124 million, up 5.1% year-on-year from RMB118 million in 2024. Significant progress was made in the high-end upgrade of traditional appliances. Air-conditioners with intelligent temperature control algorithms improved energy efficiency by 25%; refrigerators achieved "small size, large capacity" designs through optimised compressor technology; and televisions incorporated AI image-processing engines to enhance eye protection, driving an 18% increase in average selling price. In the mobile ecosystem, leveraging national subsidies, the Group focused on premium Apple and Huawei models. Xin Huiyin (新匯銀), a subsidiary of the Group, expanded regional coverage via a KOL-led growth model, achieving a monthly compound growth rate of 67.3%. Our omni-channel upgrade strategy (conversion through in-store AR experiences + Douyin/rednote "product seeding" content at 18%) drove a 15% increase in repurchase rates in third- and fourth-tier markets, demonstrating the synergy of "premium products × lower-tier channels".

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

REVENUE

For the six months ended 30 June 2025, the Group's revenue was approximately RMB181.9 million, representing an increase of 4.9% from approximately RMB173.3 million for the six months ended 30 June 2024.

Turnover of the Group comprising revenues by operations is as follows:

	Unaudited Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Types of goods and services		
Sales of home appliances	**124,049**	118,492
Sales of liquor	**17,215**	36,308
Education-related training services	**40,643**	18,535
Total revenue	**181,907**	173,335

COST OF SALES

For the six months ended 30 June 2025, the cost of sales of the Group was approximately RMB144.5 million, increased by 2.8% from approximately RMB140.6 million for the six months ended 30 June 2024, which was due to an increase of sales volume.

GROSS PROFIT

For the six months ended 30 June 2025, the gross profit of the Group was approximately RMB37.4 million, increased by 14.2% from approximately RMB32.7 million for the six months ended 30 June 2024.

OTHER INCOME

For the six months ended 30 June 2025, other income recorded by the Group amounted to approximately RMB135,000, representing a decrease of 96.7% in comparison to approximately RMB4.1 million for the six months ended 30 June 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

OTHER GAINS AND LOSSES, NET

For the six months ended 30 June 2025, the Group recorded other net gain of approximately RMB177,000 as compared to other net loss of approximately RMB3.1 million for the six months ended 30 June 2024.

SELLING AND MARKETING EXPENSES

For the six months ended 30 June 2025, the Group's total selling and marketing expenses amounted to approximately RMB30.8 million, representing a decrease of 25.8% from approximately RMB41.5 million for the six months ended 30 June 2024.

ADMINISTRATIVE EXPENSES

For the six months ended 30 June 2025, the Group's total administrative expenses amounted to approximately RMB30.0 million, increased by 38.8% from approximately RMB21.6 million for the six months ended 30 June 2024.

OPERATING LOSS

For the six months ended 30 June 2025, the operating loss amounted to approximately RMB23.5 million, decreased by 17.5% from the operating loss of approximately RMB28.5 million for the six months ended 30 June 2024.

FINANCE INCOME AND COSTS, NET

For the six months ended 30 June 2025, the Group recorded the net financial income of the Group amounted to approximately RMB2.1 million as compared to net finance cost approximately RMB9.4 million for the six months ended 30 June 2024.

LOSS BEFORE INCOME TAX

For the six months ended 30 June 2025, the loss before income tax amounted to approximately RMB21.5 million, representing a decrease of 43.4% in comparison to approximately RMB37.9 million for the six months ended 30 June 2024.

INCOME TAX (EXPENSE)/CREDIT

For the six months ended 30 June 2025, the income tax expense of the Group amounted to approximately RMB497,000, as compared to the income tax credit of approximately RMB5,000 for the six months ended 30 June 2024.

LOSS ATTRIBUTABLE TO EQUITY OWNERS OF THE COMPANY

The loss attributable to equity owners of the Company for the six months ended 30 June 2025 was approximately RMB19.3 million, while there was loss attributable to equity owners of approximately RMB32.6 million for the six months ended 30 June 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

CASH AND CASH EQUIVALENTS

As at 30 June 2025, the Group's cash and cash equivalents were approximately RMB25.0 million, representing a decrease of 9.7% from approximately RMB27.7 million as at 31 December 2024.

INVENTORIES

As at 30 June 2025, the Group's inventories amounted to approximately RMB49.2 million, representing an increase of 9.6% from approximately RMB44.9 million as at 31 December 2024.

PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

As at 30 June 2025, prepayments, deposits and other receivables of the Group amounted to approximately RMB21.3 million, representing a decrease of 51.1% from approximately RMB43.6 million as at 31 December 2024.

TRADE AND BILLS RECEIVABLES

As at 30 June 2025, trade and bills receivables of the Group amounted to approximately RMB21.2 million, representing an increase of 152.3% from approximately RMB8.4 million as at 31 December 2024.

TRADE AND BILLS PAYABLES

As at 30 June 2025, trade and bills payables of the Group amounted to approximately RMB34.2 million, representing an increase of 1.9% from approximately RMB33.6 million as at 31 December 2024.

GEARING RATIO AND THE BASIS OF CALCULATION

As at 30 June 2025, gearing ratio of the Group was 67.2%, in comparison to 64.7% as at 31 December 2024. The gearing ratio is equal to total liabilities divided by the sum of total equity and total liabilities.

LIQUIDITY, FINANCIAL RESOURCES AND FUNDING

As at 30 June 2025, the Group's cash and cash equivalents (excluding the restricted cash) were approximately RMB25.0 million (31 December 2024: approximately RMB27.7 million).

The net current liabilities of the Group were approximately RMB109.4 million (31 December 2024: approximately RMB119.0 million), which consisted of current assets of approximately RMB122.8 million (31 December 2024: approximately RMB135.3 million) and current liabilities of approximately RMB232.3 million (31 December 2024: approximately RMB254.3 million).

The Group manages its capital structure to finance its overall operation by using different sources of funds. As at 30 June 2025, the interest-bearing borrowings of the Group amounted to approximately RMB129.8 million, increased from approximately RMB109.8 million as at 31 December 2024. As at 30 June 2025, the Group's borrowings were denominated in RMB and Hong Kong Dollar with fixed interest rate ranging from 3.0% to 5.5%.

MANAGEMENT DISCUSSION AND ANALYSIS

FOREIGN CURRENCIES AND TREASURY POLICY

All the income and the majority of expenses of the Group were denominated in RMB. During the six months ended 30 June 2025, the Group has not entered into any forward contracts to hedge its exposure to foreign exchange risk. The Group does not have a foreign currency hedging policy. However, the Directors monitor the Group's foreign exchange exposure closely and may, depending on the circumstances and trend of foreign currencies, consider adopting appropriate foreign currency hedging policy in the future.

LITIGATION AND CONTINGENCIES

As at 30 June 2025, the Group was involved in two material litigations: (i) Nanjing Haihuitong Supply Chain Service Co., Ltd (南京海滙通供應鏈服務有限公司) filed a lawsuit seeking rescission of the gratuitous transfer of 65% equity interest in Anhui Four Seas Huiyin Household Appliances Sales Co., Ltd (安徽四海滙銀家電銷售有限公司) ("Anhui Four Seas") by Yangzhou Laitai Trading Group Co., Ltd (揚州來泰商貿集團有限公司) (for details, please refer to the announcement dated 23 April 2025), and the equity interest held by Yangzhou Huiyin Commercial Chain Co., Ltd (揚州滙銀商業連銷有限公司) remains frozen; (ii) the judgment in relation to Huainan Jianle Investment Co., Ltd. (淮南市健樂投資股份有限公司) litigation has become effective and may result in a disposal of equity interests in Anhui Four Seas. The Directors are of the view that the relevant litigations will not have any material adverse impact on the Group.

INTERIM DIVIDEND

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2025.

EMPLOYMENT AND REMUNERATION POLICY

The Group adopts remuneration policies similar to its peers in the industry. The remuneration payable to our staff is fixed with reference to the prevailing market rates in the region. Our management receives a fixed sum of basic salary and a discretionary performance bonus after annual/monthly/quarterly assessments.

The remuneration of other employees comprises basic salary and an attractive sum of monthly performance bonuses. In compliance with the applicable statutory requirements in the PRC and existing requirements of the local government, the Group participates in different social welfare plans for the employees.

HUMAN RESOURCES

As at 30 June 2025, the Group had 279 employees, decreased by 1.41% from 283 employees as at 31 December 2024.

SIGNIFICANT INVESTMENTS

As at 30 June 2025, the Group did not hold any significant investments, the fair value of which accounted for more than 5% of the Group's total assets.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As at 30 June 2025, the Group did not have any plans for future material investments and capital assets with established and legally enforceable contracts for the coming year.

MANAGEMENT DISCUSSION AND ANALYSIS

FUTURE OUTLOOK

Looking ahead to the second half of 2025, China's economy is expected to maintain a moderate recovery trajectory and achieve progress while maintaining stability amid the interplay of external pressures and internal drivers. Although external uncertainties persist, domestic policies are expected to remain strategically steady, with timely strengthening to ensure economic performance remains within a reasonable range. As policy effects gradually manifest, the economy is anticipated to advance along a more balanced and sustainable path. With the combined effect of a fading base effect and the continued restoration of domestic demand, full-year GDP growth for 2025 is projected to reach around 5%, broadly meeting the pre-set target of approximately 5.1%.

LIQUOR BUSINESS: EXPANDING THE SHENGYOUHUI NETWORK AND RESHAPING THE SMART BREWING VALUE SYSTEM

The year 2025 marks a pivotal juncture in the transformation and upgrading of the liquor industry. At this stage, enterprises must adopt a strategy centred on "strengthening the foundation, restructuring and innovating", namely focusing on deep cultivation of production areas, digital transformation of channels, product innovation and breakthroughs, and upgrades to cultural marketing. While short-term market recovery remains constrained by inventory digestion and slow demand rebound, the industry is accelerating its transition into a value competition era of "quality as the foundation, brand as the soul and culture as the bridge" as macro policies continue to take effect and consumer confidence gradually rebounds. Leading enterprises are increasingly collaborating with industry associations and core channel platforms to build an integrated ecosystem combining brand empowerment, channel synergy and think-tank support.

In response to this transformation opportunity, the Group is strengthening its market positioning and building comprehensive competitive barriers across the industry through three core strategic moves, which include strengthening brand credibility via authoritative endorsements, consolidating market foundations through channel expansion and upgrading the entire value chain with AI technology.

First, our advertising strategy is evolving from "broad coverage" to "precise targeting". This approach aims to achieve effective brand reach across multiple market tiers through a dual-track system of high-end customer penetration via prime channels (CCTV, high-speed rail) and in-depth coverage of experience scenarios in lower-tier markets.

Second, we are advancing regionally ripple-effect expansion to cover the national market. For example, in July 2025, we entered into a strategic partnership with Inner Mongolia Huakai Liquor (內蒙古驊愷酒業) to replicate the mature expansion model of Shengyouhui in northern China, which set a benchmark for regional channel expansion. Looking ahead, we plan to deploy a combination of "OMO new retail + experience centre + forward warehouses". This strategy aims to achieve deeper penetration into untapped markets and create new growth drivers for channel expansion.

Third, we are strengthening brand credibility through top-tier think-tank support. The Company has invited industry authorities, including Li Hongbing, Vice President of the China National Association for Liquor and Sprits Circulation; Hao Hongfeng, Chairman of Jiuxian Group; and Xie Bao, President of the Shen Zhen Liquor Association, to serve as brand consultants for Shengjiu and provide professional endorsements for core events such as premium tasting sessions and cask-sealing ceremonies. This will further enhance manufacturer-distributor collaboration and reinforces the brand's professional standing.

MANAGEMENT DISCUSSION AND ANALYSIS

Fourth, we are reconstructing the value chain through AI technology. In production, we are integrating the Marketingforce's Tforce large model into brewing processes, which enables real-time monitoring of key parameters such as microbial activity and dynamic temperature and humidity changes, and improves premium liquor yield rates and blending consistency. In customer operations, AI system analyses behavioural data from over 100,000 private domain users to generate personalised tasting videos and customised product recommendations, improving conversion efficiency in the premium segment. The deep coordination between online and offline scenarios and technological enablement allow the Group to continuously strengthen the profitability and competitiveness of the Maotai-flavor liquor business.

HOUSEHOLD APPLIANCES BUSINESS: CAPTURING PEAK CONSUMPTION SEASON AND BUILDING A FLEXIBLE SUPPLY MATRIX

The consumer electronics industry is undergoing a dual transformation. On the channel side, traditional e-commerce platforms are seeing diminishing traffic dividends, while Douyin's interest-based e-commerce and rednote's content-driven product seeding have emerged as key growth gateways. Offline channels are accelerating integration with home furnishing scenarios, with increasing value in deep cultivation of lower-tier markets. On the policy side, as announced by the National Development and Reform Commission on 1 August 2025, the fourth round of RMB69 billion in subsidies for consumer goods replacement will be allocated from October, bringing the total subsidies for the year to RMB300 billion. The policy aims to stabilise domestic demand, support industrial chain demand and drive consumption transformation, while delivering potential long-tail growth for industries such as consumer electronics, household appliances, semiconductors and AI applications.

In this context, the Group will focus on high-end, smart and green development directions, and drive resilient growth in its household appliances business through product mix optimisation, proactive policy alignment, scenario innovation and channel transformation. Key strategic priorities include: (1) precisely positioning for consumption upgrading by increasing the proportion of high-end smart appliances and targeting Generation Z's preferences for "appearance is power" and "lazy technology" as well as the silver generation's health-oriented needs, thereby optimising the product portfolio to enhance gross margins; (2) fully capturing policy dividends by aligning with the expanded replacement policy (including mobile phones, tablets and smartwatches in subsidies for the first time, with up to RMB500 available per unit) and adjusting the product strategy to focus on high-efficiency, smart categories, thereby promoting both consumption upgrading and structural optimisation; (3) tapping incremental potential in niche segments such as healthy living and smart homes to fill market gaps; and (4) upgrading the full-cycle service chain by offering an integrated "purchase–installation–old appliance recycling" solution, with convenient services such as scheduled in-home dismantling and simultaneous installation of new products to increase consumer engagement and strengthen customer stickiness. Through coordinated advances in product, policy, service and channels, the Group will achieve steady development of its household appliances business during the industry transition, laying a solid foundation for long-term growth.

TRAINING BUSINESS: MIGRATING VERTICAL ALGORITHM MODELS TO EMPOWER LOWER-TIER MARKETS

In the second half of 2025, as the intrinsic drivers of China's economic restructuring continue to recover and economic vitality gradually strengthens, the recovery is expected to remain wave-like and non-linear. This gradual recovery will continue to stimulate demand for services from SMEs. In this environment, the financial literacy education market is entering a phase of significant opportunity, supported by ongoing national initiatives to promote financial literacy and integrate investor education into the national education system. The market size is expected to exceed RMB100 billion in 2025, while the revitalisation of the private economy and generational shifts in SMEs are accelerating demand for high-end customised courses.

MANAGEMENT DISCUSSION AND ANALYSIS

In response, the Group has formulated the following strategic roadmap: (1) advancing AI technology migration and blockchain application by transferring vertical large-model capabilities developed in the Maotai-flavor liquor business to the training business, which will create a dedicated AI financial literacy assistant capable of real-time semantic analysis to generate dynamic training programmes tailored to enterprise needs, and introducing blockchain technology to build verifiable credit records across the learning–practice–financing chain, thereby enhancing service credibility and competitiveness; and (2) deepening ecological synergy and lower-tier market penetration by replicating the successful private-domain operation model of Shengyouhui. Using distinctive scenarios such as cask-sealing ceremonies combined with tax seminars, we aim to convert 30% of high-net-worth liquor customers into the financial literacy curriculum. Supported by 280 regional centers covering third- and fourth-tier cities, we will incubate specialised and innovative training hubs and continuously expand market reach and brand influence.

AI STRATEGY: VALIDATING THE INTELLIGENT ALGORITHM PATH AND CULTIVATING THE VALUE OF DATA ASSETS

Since the beginning of this year, local governments across China have continued to advance the upgrading and transformation of traditional industries. Supported by the national "two major" and "two new" policies, the pace of transformation has accelerated, with widespread adoption of "Internet+", "AI+" and "Digital+" initiatives to modernise and enhance legacy sectors. The Group is actively positioning artificial intelligence (AI) as a strategic emerging business segment, alongside its three core businesses in household appliances, liquor and training. The Group plans to develop an AI business line in two directions: externally, offering data intelligence services and e-commerce operation management solutions, including user behaviour analysis, AI content generation and precision-matching algorithms for clients in the fast moving consumer goods and education sectors; and internally, developing vertical AI models for scenarios such as liquor brewing, household appliance marketing and training needs analysis by collaborating with Marketingforce, for example, an intelligent liquor brewing monitoring system. This creates the potential for the Group to empower the industry chain enterprises with technological capabilities and generate revenue from providing technology service.

This AI initiative is designed to form a synergistic loop with the Group's three core businesses. The Group's extensive operational scenarios, including household appliance channel data, high-end liquor consumer groups and corporate training resources, will provide unique data foundations and application environments for AI technology research and development; in turn, advances in AI capability will feed back into operational efficiency improvements in production, marketing and service processes, and potentially enable the commercialisation of standardised technology products as an independent profit driver. The Group will pursue this strategy prudently, with the objective of developing AI into a technology-driven growth engine that underpins long-term innovation.

The Group will firmly grasp the opportunity presented by China's steady economic momentum. Specifically, the Group will deepen channel expansion and smart brewing in the liquor business, leverage policy dividends to enhance supply chain resilience in the household appliances business, accelerate the integration of OMO ecosystem and lower-tier market coverage in the training business, and actively explore strategic applications and commercial pathways for AI technology. Through collaborative innovation and resource synergy across these four business segments, the Group will continue to build core competitiveness capable of withstanding economic cycles, deliver long-term value in supporting high-quality real economy development, and generate sustainable returns for shareholders.

OTHER INFORMATION

SHARE CAPITAL AND SHARE SCHEME

Details of the movements in the share capital of the Company during the year are set out in note 9 to the consolidated financial statements.

THE 2023 SHARE AWARD SCHEME

On 15 June 2023, the Company adopted the 2023 share award scheme (the "**2023 Share Award Scheme**"), which shall be valid and effective for a term of 10 years commencing on the adoption date of the 2023 Share Award Scheme (the "**Adoption Date**") and the terms of which were amended on 25 January 2024 and 8 August 2024. As at 15 June 2023, the Adoption Date, the maximum number of Shares to be purchased and allocated pursuant to the 2023 Share Award Scheme was 21,927,974 Shares, representing approximately 10% of the then existing issued Shares, among which, the total number of Shares which may be granted to service provider participants under this 2023 Share Award Scheme shall not exceed 19,735,175 Shares. Subsequent to the approval by the Shareholders in respect of the refreshment of the scheme mandate limit and the service provider sublimit on 8 August 2024, the maximum number of Shares which may be granted under this 2023 Share Award Scheme was 95,176,283 (the "**Scheme Mandate Limit**") and the total number of Shares which may be granted to service provider participants under this 2023 Share Award Scheme shall not exceed 66,623,398 Shares (the "**Service Provider Sublimit**").

The specific objectives of the 2023 Share Award Scheme are:

(i) recognise the contributions made by certain selected participants with an opportunity to acquire a proprietary interest in the Company and to provide them with incentives in order to retain them for continual operation, development and growth of the Group as a whole; and

(ii) provide additional incentives for the eligible participants to achieve performance goals.

Any Shares (the "**Awarded Shares**") to be granted to the Eligible Participants (as defined below) held on trust by the Conyers Trustee Services (BVI) Limited (the "**Trustee**"), as sole shareholder of Qidian Investment Management Co., Ltd. ("the BVI Co"), shall be protected in case of any future liquidation of the Group or claims from creditors against the Group. Therefore, the adoption of the 2023 Share Award Scheme will incentivise the sales performance of the Service Providers who have contributed to the Group or may contribute to the Group in the future. The Board (including the independent non-executive Directors) is of the view that the criteria for the selection of the Eligible Participants and the proposed categories of Service Providers (the "**Selected Participant(s)**") are in line with the Company's business needs and align with the purpose of the 2023 Share Award Scheme.

Eligible Participants include:

(i) any employees of the Group at all levels (including but not limited to officers, directors and chief executives) who are responsible for the daily management and administrative services which, among others, include employees of Renhuai Guofeng ("**Employee Participant(s)**");

OTHER INFORMATION

(ii) (a) in respect of the Group's liquor business: (1) regional dealers, distributors and sales channels who have exclusive regional distribution rights in a certain district, county or province; and (2) authorised/designated dealers, distributors and sales channels with necessary operating licences who may sell liquor in any parts of the PRC; and (b) in respect of the Group's sales agency services and training business: (1) external sales agents for the promotion and sale of training courses; (2) promotion consultants/advisers; and (3) trainers/instructors of the training courses (all together "**Service Providers**").

For the avoidance of doubt, the Service Providers exclude customers purchasing goods from the Group; placing agents or financial advisers providing advisory services to the Group for fundraising, mergers or acquisitions; and professional service providers such as auditors or valuers who provide assurance or are required to perform their services to the Group with impartiality and objectivity.

No Award shall be granted to any Selected Participant which would result in the total number of (a) the Award Shares purchased/allocated and to be purchased/allocated under the Awards already granted or to be granted to such Selected Participant under the 2023 Share Award Scheme (excluding any Awards cancelled in accordance with the terms of the 2023 Share Award Scheme); and (b) any Shares issued and to be issued and/or purchased and to be purchased and/or allocated and to be allocated in respect of all other options and awards (if any) granted to such selected Participant, in the 12-month period up to and including the date of such grant representing in aggregate over 1 % of the Shares in issue (the "**1% Individual Limit**"). Any grant of Awards that shall exceed the 1% Individual Limit must be separately approved by Shareholders in general meeting which such Selected Participant and his/her close associates (or associates if such Selected Participant is a connected person) abstaining from voting and the Company must send a circular to the Shareholders in compliance with the requirements of the Listing Rules.

Any grant of Awards to a Director, chief executive or substantial shareholder of the Company, or any of their respective associates must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the Awards).

No Award shall be granted to any Selected Participant who is a Director (other than an independent non-executive Director) or chief executive of the Company, or any of their associates which would result in the total number of the Award Shares allocated and to be allocated under the Awards already granted or to be granted to such Selected Participant under the 2023 Share Award Scheme (excluding any Awards cancelled in accordance with the terms of the 2023 Share Award Scheme) in the 12-month period up to and including the date of such grant, representing in aggregate over 0.1% of the Shares in issue (the "**0.1% Limit**"). Any grant of Awards to such Selected Participant that shall exceed the 0.1% Limit must be approved by Shareholders in general meeting and the Company must send a circular to the Shareholders in compliance with the requirements of the Listing Rules.

No Award shall be granted to any Selected Participant who is an independent non-executive Director or a substantial shareholder of the Company, or any of their respective associates which would result in the total number of the Award Shares allocated and to be allocated under the Awards already granted or to be granted to such Selected Participant under the 2023 Share Award Scheme (excluding any Awards cancelled in accordance with the terms of the 2023 Share Award Scheme) in the 12-month period up to and including the date of such grant, representing in aggregate over the 0.1% Limit. Any grant of Awards to such Selected Participant that shall exceed the 0.1% Limit must be approved by Shareholders in general meeting and the Company must send a circular to the Shareholders in compliance with the requirements of the Listing Rules.

OTHER INFORMATION

In the event of any Award being granted to any Selected Participant who is a Director, chief executive of the Company, a substantial shareholder of the Company, or any of their respective associate which would exceed the 0.1% Limit, the grantee of the Award and all core connected persons of the Company must abstain from voting in favour at such general meeting convened to approve the granting of the Award and the Company must comply with the requirements under Chapter 13 of the Listing Rules.

The vesting conditions of the Selected Participants shall be determined by the Board and set out in the notice containing details concerning the grant of Award Shares ("**Grant Notice**") and the notice concerning the vesting. Subject to other terms and conditions of the 2023 Share Award Scheme, the vesting of the Awards is subject to the Selected Participant remaining at all times after the date of Grant Notice and on the vesting date as an Eligible Participant. A Selected Participant, who is a Service Provider, is regarded as ceasing to be a Selected Participant if such person or entity ceases to provide services to the Group on a continuing or recurring basis. However, a Selected Employee is regarded as remaining as a Selected Participant notwithstanding that he or she ceases to hold a position of employment or directorship with a member of the Group, if at the same time he or she takes up a different position of employment and/or directorship with another member of the Group as requested or instructed by the Company. For the avoidance of doubt, if a Selected Participant ceases to hold a position of employment or directorship with a member of the Group and at the same time takes up a different position of employment and/or directorship with another member of the Group for any reason other than at the request or direction of the Company, the Selected Participant will be regarded as ceasing to be a Selected Participant (except as otherwise determined in absolute discretion by the Board).

In determining the vesting of Awards and the number of Award Shares, it shall be subject to performance criteria to be satisfied by the Selected Participants (excluding any Excluded Participants) and factors determined by the Board from time to time as it thinks appropriate. The performance criteria and relevant factors include, without limitation to, the following matters:

(i) the potential and/or actual contribution of the relevant Selected Participant(s) to the financial performance of the Group;

(ii) the sales performance and sales revenue of the Group by the end of each of the financial year of the Group;

(iii) the performance of the relevant Selected Participants;

(iv) the general financial condition of the Group;

(v) the Group's overall business objectives and future development plan; and

(vi) any other matter which the Board considers relevant.

Subject to the terms and conditions of the 2023 Share Award Scheme Scheme and the fulfillment of all entitlement and/or vesting conditions to the entitlement and/or vesting of the Awarded Shares on such Selected Participant as specified in the Amended 2023 Share Award Scheme and the grant notice (unless otherwise waived by the Board), the Board shall on the vesting date (or if the vesting date is not a business day, on the next business day) issue and allot new Shares to the Trust for the benefit of the Selected Participants and/or cause the Trustee to allocate and transfer the Shares so purchased, issued and/or allotted to such Selected Participant in accordance with the number of Award Shares as set out in the grant notice, and the consideration for the allocation and transfer fees of the Shares representing the market value of the Shares shall be borne by the Company 's resources.

OTHER INFORMATION

The Board is entitled to impose any terms and conditions (including a period of continued employment, engagement and/or service within the Group after the Award shall become entitled and/or vested), as it deems appropriate in its absolute discretion with respect to the entitlement and/or vesting of the Awarded Shares on the Selected Participant and shall inform such Selected Participant the relevant conditions of the Award and the Awarded Shares provided that the vesting period for Awards shall not be less than 12 months, except for the specific circumstances set out below in respect of Awards granted only to Selected Employees:

(a) to provide competitive terms and conditions to Selected Employees and individuals who the Board considers are valuable talent for the development and growth of the businesses of the Group in order to attract and induce them in accepting the employment offer made by the Group to them;

(b) in the event that a Selected Employee retired at his or her normal retirement date, that is, 60 of age for male employees and 50-55 of age for female employees, all the Awarded Shares of the relevant Selected Employee, as determined by the Board in its absolute discretion, shall be deemed to be vested on the day immediately prior to his or her normal retirement or such earlier or later date by agreement with the relevant member of the Group;

(c) in the event of the death of a Selected Employee at any time prior to a Vesting Date, the Awarded Shares of such Selected Employee shall be deemed to be vested on the day immediately prior to his or her death;

(d) in the event of a change in control of the Company as defined in the Code on Takeovers and Merges and Share Buy-back prior to the Vesting Date, the Board shall determine at its absolute discretion whether such Awarded Shares shall vest to the Selected Employees; or

(e) in the event that a notice is duly given by the Company to its Shareholders to convene a general meeting for the purpose of considering a resolution for the voluntary winding-up of the Company or an order of winding up of the Company is made, the Board shall determine at its discretion whether such Awarded Shares shall vest to the Selected Employees and the time at which such Awarded Shares shall vest.

For the avoidance of doubt, the vesting period in respect of Awards granted to Selected Participants who are Service Providers shall not be less than 12 months.

The Board may grant Awards to any Selected Participant at no consideration from time to time.

Subject to any early termination, the 2023 Share Award Scheme shall be valid and effective for a term of 10 years commencing on the Adoption Date, and its remaining life is approximately 8 years.

The details of the 2023 Share Award Scheme were disclosed in the announcements of the Company dated 16 February 2023, 17 May 2023 and the circulars dated 22 May 2023 and dated 19 July 2024.

As at the date of this report, the total number of shares available for issue under the 2023 Share Award Scheme is 95,176,283, being 5.25% of the issued share capital of the Company (excluding treasury shares) as at the date of this report.

As at 1 January 2025 and 30 June 2025, 82,068,605 Shares and 61,068,398 Shares were available for grant under the 2023 Share Award Scheme Limit and the Service Provider Sublimit, respectively.

OTHER INFORMATION

The Company did not grant any option and award during the Reporting Perod.

The table below sets out the details of movements of the Award Shares granted during the Reporting Period under the 2023 Share Award Scheme:

				Number of Award Shares										
Name or category of selected articipants	Position	Date of grant	Vesting period	Outstanding as at 1 January 2025	Granted during the Reporting Period	Vested during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Outstanding as at 30 June 2025	Purchase price (HKD per Share)	Closing price immediately before the date of grant (HKD per Share)	Fair value of Shares at the date of grant (HKD per Share) (Note 2)	Weighted average closing price immediately before the vesting date (HKD per Share)	Performance target
Director of the Company														
Wang Xianfu	Non-executive Director	31 October 2024	31 October 2025	1,800,000	0	0	0	0	1,800,000	0	–	2.44	–	Note 1
Senior management of the Group														
Yu Kun	executive director and general manager of Guizhou Huairen Guofeng Co., Ltd.	27 May 2024	From 27 May 2024 to 26 May 2025	100,000	0	100,000	0	0	0	0	–	0.84	3.66	Note 1
Wang Zhaoyun	Vice president of Shenzhen Qidian Education Technology Co., Ltd. (深圳奇點求學科技有限公司)	31 October 2024	31 October 2025	1,000,000	0	0	0	0	1,000,000	0	–	2.44	–	Note 1
Employees of the Group														
Employee participants		27 May 2024	From 27 May 2024 to 26 May 2025	687,000	0	687,000	0	0	0	0	–	0.84	3.66	Note 1
Service Providers		27 May 2024	From 27 May 2024 to 26 May 2025	5,540,000	0	5,540,000	0	0	0	0	–	0.84	3.66	Note 1
Total				9,127,000	0	6,327,000	0	0	2,800,000					

Notes:

(1) There is no performance target for the grantee(s). In considering the grant of Award Shares made to the other grantees, the Remuneration Committee has taken into account the following factors: (i) the expected value of the Award Shares subject to the future market price of the Shares, which in turn depends on the business performance of the Group; and (ii) the sales performance and contributions made by the grantees during the year 2023.

(2) The fair value of the Award Shares was calculated based on market price of the Company's Shares as at the respective grant date.

OTHER INFORMATION

AUTHORISED SHARE CAPITAL OF THE COMPANY

As at 30 June 2025, the authorised share capital of the Company was US$100,000,000 divided into 5,000,000,000 Shares.

DIRECTORS' RIGHT TO ACQUIRE SHARE OR DEBT SECURITIES

At no time during the Reporting Period was the Company or any of its subsidiaries a party to any arrangements to enable the Directors or chief executives of the Company (including their spouses or children under 18 years of age) to have any right to subscribe for securities of the Company or any of its associated corporations as defined in the Securities and Futures Ordinance ("**SFO**") or to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

During the Reporting Period, there was no transaction, agreement or contract of significance in relation to the Company's business, to which the Company or any of its subsidiaries was a party, and in which a Director or his/her connected entity had, whether directly or indirectly, a material interest.

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2025, the interests or short positions of the Directors and chief executives of the Company in the equity or debt securities of the Company or any associated corporations (within the meaning of part XV of the SFO which had to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") under Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions which they are taken or deemed to have under such provisions of the SFO), or which was required, under Section 352 of the SFO, to be entered in the register referred to in that section, or under 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 on the Stock Exchange (the "**Listing Rules**"), to be notified to the Company and the Stock Exchange, were as follows:

Name	Name of corporation	Capacity and nature of interest	Aggregate number of ordinary shares or underlying shares	Approximate percentage of interest in the corporation
Yuan Li(Note 1)	The Company	Interest of controlled corporation	626,026,117 Shares (L)	34.55%
Sun Yue	The Company	Beneficial owner	3,965,678 Shares (L)	0.22%
Zhuang Liangbao(Note 2)	The Company	Interest of controlled corporation	11,460,928 Shares (L)	0.63%

(L) Denotes long position

Notes:

(1) Firstly, 327,553,334 Shares were held by Greatssjy Co., Ltd. as beneficial owner. Greatssjy Co., Ltd. was wholly-owned by Mr. Yuan Li. Secondly, 298,472,783 Shares were held by Noble Trade International Holdings Limited* (聖行國際集團有限公司) (formerly 聖商國際集團有限公司) ("Noble Trade International") as beneficial owner. Noble Trade International was wholly-owned by Mogen Ltd. ("Mogen"). Mogen was owned as to (i) 38.48% by Mr. Yuan Li through Greatssjy Co., Ltd.; (ii) 14.06% by Mr. Xu Xinying through Xu Xinying Co., Ltd.; (iii) 2.96% by Mr. Zhuang Liangbao through Zhuanglb Co., Ltd..

(2) The 11,460,928 shares were held by Zhuanglb Co., Ltd. as beneficial owner. Zhuanglb Co., Ltd. was 100% wholly-owned by Mr. Zhuang Liangbao.

OTHER INFORMATION

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES OF THE COMPANY

As at 30 June 2025, the interests or short positions of those persons (other than Directors or chief executives whose interests are disclosed above) in the ordinary shares of the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name	Name of corporation	Capacity and Nature of interest	Aggregate number of ordinary shares	Approximate percentage of interest in the corporation
Greatssjy Co., Ltd. (Note 1)	The Company	Beneficial owner	626,026,117 Shares (L)	34.55%
Mogen Ltd. (Note 2)	The Company	Interest of controlled corporation	298,472,783 Shares (L)	16.47%
Noble Trade International Holdings Limited* (聖行國際集團有限公司) (Note 2)	The Company	Beneficial owner	298,472,783 Shares (L)	16.47%
Yuan Yang (Note 3)	The Company	Interest of controlled corporation	92,160,860 Shares (L)	5.09%

(L) Denote long position

Notes:

(1) Firstly, 327,553,334 Shares were held by Greatssjy Co., Ltd. as beneficial owner. Greatssjy Co., Ltd. was wholly-owned by Mr. Yuan Li. Secondly, 298,472,783 Shares were held by Noble Trade International as beneficial owner. Noble Trade International was wholly-owned by Mogen. Mogen was owned as to (i) 38.48% by Mr. Yuan Li through Greatssjy Co., Ltd.; (ii) 14.06% by Mr. Xu Xinying through Xu Xinying Co., Ltd.; (iii) 2.96% by Mr. Zhuang Liangbao through Zhuanglb Co., Ltd..

(2) 298,472,783 Shares were held by Noble Trade International as beneficial owner. Noble Trade International was wholly owned by Mogen, which in turn was owned as to (i) 38% by Mr. Yuan Li through Greatssjy Co., Ltd.; (ii) 14.06% by Mr. Xu Xinying through Xu Xinying Co., Ltd.; and (iii) 2.96% by Mr. Zhuang Liangbao through Zhuanglb Co., Ltd..

(3) Firstly, 53,485,860 Shares were held by Shengshangmingyue Co., Ltd. as beneficial owner. Shengshangmingyue Co., Ltd. was owned at to 80% by Mr. Yuan Yang. Secondly, 38,675,000 Shares were held by Energystone Co., Ltd. as beneficial owner. Energystone Co., Ltd. was wholly-owned by Mr. Yuan Yang.

OTHER INFORMATION

DIRECTORS' INTERESTS IN A COMPETING BUSINESS

During the period from 1 January 2025 up to the date of this interim report, no Directors were considered to have interests in a business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group, as defined in the Listing Rules.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

During the six months ended 30 June 2025 and up to the date of this interim report, the Company has applied the principles and code provisions of the Corporate Governance Code ("**CG Code**") contained in Appendix C1 to the Listing Rules (the "**Code Provisions**") as the basis of the Company's corporate governance practices. The Board is of the view that the Company has complied with the Code Provisions set out in the CG Code during the six months ended 30 June 2025 and up to the date of this interim report, except as follows:

Code Provision F.1.3 of the CG Code requires the chairman of the board should attend annual general meeting. Mr. Yuan Li, the chairman of the Board, was unable to attend the annual general meeting held on 12 May 2025 (the "**AGM**") due to other business commitments, and Mr. Zhuang Liangbao, an executive Director, acted as the chairman of the AGM.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its own code of conduct regarding Directors' securities transactions. Specific enquiry has been made with all Directors and each of the Directors has confirmed his/her compliance with the required standard set out in the Model Code during the six months ended 30 June 2025.

The Company has also established the written guidelines no less exacting than the Model Code for securities transactions by relevant employees of the Company (the "**Employees Written Guidelines**"). No incident of non-compliance of the Employees Written Guidelines by the relevant employees was noted by the Company.

AUDIT COMMITTEE

During the six months ended 30 June 2025, the Audit Committee comprises the independent non-executive Directors, namely Mr. Zhang Yihua, Mr. Chen Rui and Ms. Tang Chung Kwan, including one independent non-executive Director who possesses the appropriate professional qualifications or accounting or related financial management expertise.

As of the date of this report, the composition of the Audit Committee is in compliance with relevant requirements of the Listing Rules. The Audit Committee has adopted the terms of reference in line with the CG Code issued by the Stock Exchange. The principal duties of the Audit Committee are to assist the Board in reviewing the financial information and reporting process, internal control procedures and risk management system, audit plan and relationship with external auditors and arrangements to enable employees of the Company, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters of the Company. The Audit Committee has in conjunction with management reviewed the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a review of this report.

OTHER INFORMATION

SUFFICIENCY OF PUBLIC FLOAT

Based on the publicly available information and to the best of the Directors' knowledge, information and belief, the Company has maintained a sufficient public float throughout the six months ended 30 June 2025, and up to the date of this report.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company (including sale of treasury shares) during the six months ended 30 June 2025. As at 30 June 2025, the Company did not have any treasury shares.

EVENTS AFTER THE REPORTING PERIOD

On 10 July 2025, the Group entered into a non-legally binding letter of intent with an independent third party to acquire 100% equity interest in a PRC-incorporated AI technology company (the "**Target Company**"). The Target Company specializes in AI-driven enablement services for the interest-based e-commerce sector. Post-acquisition, the Target Company will operate as an independent wholly-owned subsidiary, providing AI technology support to the Group's liquor and education-related training segments under inter-company service arrangements.

On behalf of the Board
Yuan Li
Chairman
Hong Kong, 29 August 2025

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

	Notes	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
ASSETS			
Non-current assets			
Property, plant and equipment		**7,419**	7,750
Right-of-use assets		**18,082**	19,111
Goodwill		**301,628**	301,628
Interest in an associate		**284**	374
Loan receivables		**130,375**	127,470
Deferred tax assets		**4,176**	4,100
Equity instruments at fair value through other comprehensive income ("FVTOCI")		**333**	333
Total non-current assets		**462,297**	460,766
Current assets			
Inventories	4	**49,188**	44,875
Trade receivables	5	**21,189**	8,397
Prepayments, deposits and other receivables	6	**21,301**	43,567
Restricted bank deposits	7	**6,200**	10,850
Cash and cash equivalents	8	**24,990**	27,676
Total current assets		**122,868**	135,365
Total assets		**585,165**	596,131
EQUITY			
Share capital	9	**254,040**	253,128
Reserves		**(71,094)**	(54,244)
Equity attributable to owners of the Company		**182,946**	198,884
Non-controlling interests		**8,696**	11,368
Total equity		**191,642**	210,252

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

	Notes	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities		259	259
Borrowings	12	129,817	100,287
Other payables	11	20,158	20,158
Lease liabilities		10,739	10,591
Provision for reinstatement costs		282	282
Total non-current liabilities		161,255	131,577
Current liabilities			
Trade and bills payables	10	34,191	33,564
Accruals and other payables	11	68,869	77,141
Contract liabilities		68,929	71,666
Lease liabilities		6,719	8,892
Borrowings	12	—	9,479
Other current liabilities		53,560	53,560
Total current liabilities		232,268	254,302
Total liabilities		393,523	385,879
Total equity and liabilities		585,165	596,131
Net current liabilities		(109,400)	(118,937)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	Notes	Six months ended 30 June 2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Revenue	13	**181,907**	173,335
Cost of sales and services		**(144,548)**	(140,630)
Gross profit		**37,359**	32,705
Other income	14	**135**	4,111
Other gains and losses, net	15	**177**	(3,136)
(Impairment loss)/reversal of impairment loss on trade receivables		**(1,765)**	48
Reversal of impairment loss on prepayment, deposits and other receivables		**1,443**	865
Share of result of an associate		**(90)**	—
Selling and marketing expenses		**(30,784)**	(41,497)
Administrative expenses		**(30,004)**	(21,620)
Operating loss		**(23,529)**	(28,524)
Finance income		**3,053**	292
Finance costs		**(985)**	(9,708)
Net finance income/(costs)	17	**2,068**	(9,416)
Loss before income tax	16	**(21,461)**	(37,940)
Income tax (expense)/credit	18	**(497)**	5
Loss and total comprehensive expense for the period		**(21,958)**	(37,935)
Total comprehensive expense attributable to:			
– Owners of the Company		**(19,286)**	(32,579)
– Non-controlling interests		**(2,672)**	(5,356)
		(21,958)	(37,935)
Loss per share for loss attributable to owners of the Company (expressed in RMB per share)			
– Basic and diluted	19	**(0.01)**	(0.09)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Share capital RMB'000	Share premium RMB'000	Statutory reserves RMB'000	Other reserves RMB'000	Accumulated losses RMB'000	Sub-total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 2024 (audited)	29,174	1,885,248	28,007	55,395	(2,430,472)	(432,648)	16,546	(416,102)
Loss and total comprehensive expense for the period	–	–	–	–	(32,579)	(32,579)	(5,356)	(37,935)
Issue new shares	81,600	114,783	–	–	–	196,383	–	196,383
Balance at 30 June 2024 (unaudited)	110,774	2,000,031	28,007	55,395	(2,463,051)	(268,844)	11,190	(257,654)
Balance at 1 January 2025 (audited)	253,128	4,508,874	28,156	61,035	(4,652,309)	198,884	11,368	210,252
Loss and total comprehensive expense for period	–	–	–	–	(19,286)	(19,286)	(2,672)	(21,958)
Issuance of award shares (note 9)	912	3,923	–	(4,835)	–	–	–	–
Equity settled share-based payment expenses	–	–	–	3,348	–	3,348	–	3,348
Balance at 30 June 2025 (unaudited)	254,040	4,512,797	28,156	59,548	(4,671,595)	182,946	8,696	191,642

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Net cash used in operating activities	**(17,261)**	(38,255)
Net cash generated from/(used in) investing activities	**88**	(210)
FINANCING ACTIVITES		
Advance from third parties and related parties	**19,462**	—
Repayment of loan from shareholders and other borrowings	**—**	(122,000)
Net proceeds from issue of shares	**—**	27,488
Other financing cash flow	**(4,975)**	—
Net cash generated from/(used in) financing activities	**14,487**	(94,512)
Net decrease in cash and cash equivalents	**(2,686)**	(132,977)
Cash and cash equivalents at beginning of period	**27,676**	162,301
Cash and cash equivalents at end of period	**24,990**	29,324
Analysis of balances of cash and cash equivalents		
Bank and cash balances	**24,990**	29,324

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

1. GENERAL INFORMATION

China Qidian Guofeng Holdings Limited (the "Company") was incorporated in the Cayman Islands on 5 February 2008 as an exempted company with limited liability under the Companies Law (2009 Revision as amended, supplemented or otherwise modified) of the Cayman Islands. The shares of the Company were listed on The Stock Exchange of Hong Kong Limited ("Stock Exchange") on 25 March 2010. The address of its registered office is the offices of Vistra (Cayman) Limited, P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands.

The address of the Company's principal place of business in the People's Republic of China (the "PRC") is located at Room 3602, Jingxing Sea Building, No. 3125, Linhai Avenue, Nanshan Street, Qianhai Shenzhen-Hong Kong Cooperation Zone, Shenzhen, the PRC, whereas, its principal place of business in Hong Kong is located at Room 1928, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong. In the opinion of the directors of the Company, Greatssjy Co., Ltd., a company incorporated in the British Virgin Islands, is the immediate and ultimate holding company of the Company. Mr. Yuan Li is the ultimate controlling party of the Company.

The Company is principally engaged in investment holding. The principal activities of the Company and its subsidiaries (collectively referred to as the "Group") include (i) the retail of household appliance, mobile phones, computers, imported and general merchandise and provision of maintenance and installation services for household appliance; (ii) the liquor business; and (iii) education-related training services in the PRC.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

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 of Hong Kong Limited. The condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements of the Company for the year ended 31 December 2024 which have been prepared in accordance with all applicable HKFRS Accounting Standards.

The condensed consolidated financial statements are presented in Renminbi ("RMB"), which is the functional currency of the Company and all values are rounded to the nearest thousands (RMB'000), unless otherwise indicated.

The directors of the Company have, at the time of approving the condensed consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue as a going concern for the foreseeable future. Consequently, the directors continue to adopt the going concern basis of accounting in preparing the condensed consolidated financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

The condensed consolidated financial statements have been prepared under the historical cost convention, except for equity investment designated at FVTOCI which are measured at fair value.

Other than change in accounting policies resulting from application of amendments to HKFRS Accounting Standards, 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 Group's annual consolidated financial statements for the year ended 31 December 2024.

APPLICATION OF AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

In the current interim period, the Group has applied the following amendments to a HKFRS Accounting Standard 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 a HKFRS Accounting Standard 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 these condensed consolidated financial statements.

3. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Some of the Group's financial instruments are measured at fair value for financial reporting purposes. In estimating the fair value, the Group uses market-observable data to the extent it is available.

The fair values of financial assets are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are based on quoted prices (unadjusted) in active market for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include the lowest level inputs which are significant to the fair value measurement for the asset or liability that are not based on observable market data (significant unobservable inputs).

3. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS *(Continued)*

(i) Fair value of the Group's financial asset that is measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique and inputs used).

At 30 June 2025 and 31 December 2024

	Level 3 RMB'000
Equity instruments at FVTOCI	333

Financial assets	Fair value		Fair value hierarchy	Valuation technique and Significant unobservable input	Effect on fair value for increase of key input
	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)			
Equity instruments at FVTOCI	333	333	Level 3	Asset approach	Increase
				Net assets: RMB3,933,000	
				Minority discount: 10%	Decrease
				Discount for 10% Lack of Marketability	

There were no transfers between Level 1, 2 and 3 during the period ended 30 June 2025.

(ii) Reconciliation of Level 3 fair value measurements

No gain or loss relating to change of fair value of equity instruments at FVTOCI has been recognised in profit or loss in current interim period.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

4. INVENTORIES

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Merchandise held for resale	**49,583**	45,724
Write-down of inventories for obsolescence	**(395)**	(849)
Total	**49,188**	44,875

5. TRADE RECEIVABLES

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Trade receivables gross	**24,048**	9,491
Less: Allowance for credit loss	**(2,859)**	(1,094)
Trade receivables, net	**21,189**	8,397

The credit terms granted to customers by the Group ranges from 30 days to 90 days.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

5. TRADE RECEIVABLES *(Continued)*

The aging analysis of trade receivables based on invoice date, before allowance for credit loss as at the end of the Reporting Period is as follows:

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Within 90 days	**20,067**	7,805
91 - 365 days	**3,654**	1,089
1 - 2 years	**121**	103
2 - 3 years	**—**	158
Over 3 years	**206**	336
Total	**24,048**	9,491

As at 30 June 2025, included in the Group's trade receivables balance are debtors with aggregate carrying amount of RMB1,101,000 (31 December 2024: RMB1,708,000) which are past due as at the reporting date. None of them is considered as in default.

6. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Prepayments to suppliers	**16,286**	37,952
Deposits	**1,602**	1,526
Valued added tax recoverable	**283**	488
Other receivables from third parties, net of provision		
– Staff advances	**1,518**	1,552
– Others	**1,612**	2,049
	21,301	43,567

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

7. RESTRICTED BANK DEPOSITS

Deposits of RMB6,200,000 (31 December 2024: RMB10,850,000) have been pledged to banks as collateral for the Group's bills payables as at 30 June 2025. The deposits are expected to be released within twelve months from the end of the reporting period and are classified as current assets.

8. CASH AND CASH EQUIVALENTS

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Cash on hand		
– denominated in RMB	**42**	2
Cash at bank		
– denominated in RMB	**22,657**	23,949
– denominated in HK$	**1,079**	2,439
– denominated in United States dollars ("US$")	**1,212**	1,286
	24,948	27,674
Total cash and cash equivalents	**24,990**	27,676

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

9. SHARE CAPITAL

Ordinary shares of US$0.02 each:

	Note	Number of ordinary Shares '000	Amount US$'000	Amount equivalent to RMB'000
Authorised:				
At 1 January 2024 (audited),				
31 December 2024 (audited),				
1 January 2025 (audited),				
30 June 2025 (unaudited)		5,000,000	100,000	697,851

	Notes	Number of ordinary shares	Amount US$'000	Amount equivalent to RMB$'000
Issued and fully paid				
At 31 December 2024 (audited)				
and 1 January 2025 (audited)		1,805,728,508	36,115	253,128
Issuance of award shares (a)		6,327,000	126	912
As 30 June 2025 (unaudited)		1,812,055,508	36,241	254,040

(a) On 27 May 2025, 6,327,000 shares were issued and granted to the grantee, upon vesting of shares on 27 May 2025.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

10. TRADE AND BILLS PAYABLES

	Note	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Trade payables		**27,991**	22,714
Bills payable	(a)	**6,200**	10,850
		34,191	33,564

Notes:

(a) As at 30 June 2025, the bills payable were secured by restricted bank deposits of approximately RMB6,200,000 (2024: RMB10,850,000). These relate to trade payables in which the Group has issued bills to the relevant suppliers for settlement of trade payables. The suppliers can obtain the invoice amounts from the bank on the maturity date of the bills. The Group continues to recognise these trade payables as the Group are obliged to make payments to the relevant banks on due dates of the bills, under the same conditions as agreed with the suppliers without further extension. In the condensed consolidated statement of cash flows, settlements of these bills by the Group are included within operating cash flows based on the nature of the arrangements.

Most of the principal suppliers require prepayment for goods purchase. The credit period granted by the Group's principal suppliers ranges from 15 to 60 days for both Reporting Periods.

Aging analysis of trade and bills payables based on invoice date as at the end of the Reporting Period is as follows:

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
0 - 30 days	**17,311**	13,928
31 - 90 days	**3,951**	8,324
91 - 365 days	**12,668**	8,630
1 year - 2 years	**206**	795
2 years -3 years	**—**	480
Over 3 years	**55**	1,407
	34,191	33,564

The trade and bills payables are denominated in RMB and their carrying amounts were approximate to their fair values as at the end of the Reporting Period.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

11. ACCRUALS AND OTHER PAYABLES

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Non current liabilities		
Interest payables (notes (a))	**20,158**	20,158
Current liabilities		
Salary and welfare payables	**2,461**	5,300
Accrued expenses	**22,622**	27,324
Interest payable (notes (a))	**15**	20
Deposits (notes (d))	**33,635**	32,934
Value added tax and other tax payables	**1,179**	2,606
Amounts due to shareholders (notes (b) & (c))	**8,957**	8,957
	68,869	77,141

Notes:

(a) On 25 November 2024, the Group entered into an extension agreement with Chongqing Saint Information Technology Co., Ltd., pursuant to which, the repayment date of interest payable of approximately RMB22,513,000, with amortised cost of RMB20,158,000, has been extended to 26 November 2027.

(b) At 30 June 2025 and 31 December 2024, the amount due to a shareholder represented an advance made from a former shareholder, China Ruike Investment & Development Co. Ltd. ("China Ruike") of RMB5,057,000 in 2017. China Ruike is a company connected to a former director, Mr. Cao Kuanping. The amount is unsecured, interest free and repayable on demand.

(c) At 30 June 2025 and 31 December 2024, the amount due to a shareholder of RMB3,900,000 represented an advance made by a shareholder, Mr. Yuan Li. The amount is unsecured, interest-free and repayable on demand.

(d) Included in deposits are mainly rental deposits received from tenants and performance guarantee deposits received for the purpose of securing the deliveries of satisfactory services by service providers.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

12. BORROWINGS

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Non-current		
Loans from a shareholder (note (a))	**85,344**	85,010
Loan from a former shareholder (note (b))	**18,705**	3,219
Other borrowings (note (c))	**25,768**	12,058
	129,817	100,287
Current		
Other borrowings (note (c))	**—**	9,479
	129,817	109,766
Unsecured	**129,817**	109,766

At 30 June 2025 and 31 December 2024, the other borrowing were repayable as follows:

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Within 1 year or demand	**—**	9,479
After 1 year but within 2 years	**85,344**	—
After 2 years but within 5 years	**44,473**	100,287
	129,817	109,766

12. BORROWINGS *(Continued)*

(A) LOANS FROM A SHAREHOLDER

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Noble Trade International Holdings Limited ("Noble Trade International")	**85,344**	85,010

Note:

The movement of loan from Noble Trade International is set out below

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
At the beginning of the period/year	**85,010**	423,652
Repayment to shareholder	**—**	(181,280)
Accrual of interest	**1,643**	8,321
Exchange adjustment	**(1,309)**	3,211
Capitalisation	**—**	(168,894)
At the end of the period/year	**85,344**	85,010

As at 30 June 2025, the total principal amount of borrowings from Noble Trade International amounted to approximately HK$80,000,000 (equivalent to approximately RMB72,956,000) and interest payables amounted to approximately HK$13,585,000 (equivalent to approximately RMB12,388,000). These borrowings are unsecured, interest bearing at 4.5% per annum and repayable on 23 May 2027.

(B) LOAN FROM A FORMER SHAREHOLDER

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Chongqing Saint	**18,705**	3,219

Note:

As at 30 June 2025, the principal amount of borrowings from Chongqing Saint Information Technology Co., Ltd, (重慶聖商信息科技有限公司), ("Chongqing Saint") amounted to approximately RMB3,210,000, RMB300,000, RMB5,000,000, RMB5,000,000 and RMB5,000,000, and interest payables amounted to approximately RMB47,000, RMB4,000, RMB64,000, RMB47,000 and RMB33,000 with maturity dates on 25 November 2027, 12 January 2028, 16 February 2028, 23 March 2028, and 20 April 2028 respectively, Chongqing Saint was formerly owned by Mr. Yuan Li, the ultimate controlling party of the Company. This borrowing is unsecured, interest bearing from 3% to 3.5% per annum.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

12. BORROWINGS *(Continued)*

(C) OTHER BORROWINGS

	Note	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Loan from independent third parties			
Mr. Wu Jipeng	(i)	**9,559**	9,479
Guangdong Shengrong	(ii)	**11,087**	11,087
		20,646	20,566
A related party			
Mr. Yuan Yang	(iii)	**5,122**	971
		25,768	21,537

Notes:

(i) Mr. Wu Jipeng is a friend of the chairman. The directors, to the best of their knowledge, information and belief, considered that Mr. Wu Jipeng is an independent third party of the Group. The loan is unsecured, interest bearing at 5.5% per annum and repayable on 31 December 2025.

On 14 February 2025, the Group entered into a loan extension agreement with Mr. Wu Jipeng to extend the loan with a principal amount of HKD9,000,000 (equivalent to RMB8,208,000) to 31 December 2028.

(ii) Guangdong Shengrong Financial Services Holdings Limited (廣東聖融金服控股有限公司) ("Guangdong Shengrong")

On 25 November 2024, the Group entered into an extension agreement with Guangdong Shengrong, pursuant to which, the repayment date of interest payable of approximately RMB12,613,000, with amortised cost of RMB11,087,000, has been extended to 26 November 2027.

(iii) Mr. Yuan Yang (袁煬), is the brother of Mr. Yuan Li, the ultimate controlling party of the Company. As at 30 June 2025, the principal amount of borrowings from Mr. Yuan Yang amounted to HK$1,000,000 (equivalent to approximately RMB912,000) and HK$4,500,000 (equivalent to approximately RMB4,104,000), and interest payables amounted to approximately HK$68,000 (equivalent to approximately RMB62,000) and HK$48,000 (equivalent to approximately RMB44,000) with maturity dates on 12 October 2027 and 15 February 2028 respectively. This borrowing is unsecured, interest bearing at 4% per annum.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

13. REVENUE AND SEGMENT INFORMATION

(i) REVENUE

Revenue represents fair value of the consideration received or receivable for goods sold to customers and provision of education-related training services in normal course of business to customers, net of discounts and sales related taxes.

Disaggregation of revenue from contracts with customers is as follows:

	Six months ended 30 June	
	2025 **RMB'000** **(unaudited)**	2024 RMB'000 (unaudited)
Types of goods and services		
Sales of home appliances	**124,049**	118,492
Sales of liquor	**17,215**	36,308
Provision of education service	**40,643**	18,535
Total revenue	**181,907**	173,335
Timing of revenue recognition		
A point in time	**141,264**	154,800
Over time	**40,643**	18,535
	181,907	173,335

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

13. REVENUE AND SEGMENT INFORMATION *(Continued)*

(ii) SEGMENT INFORMATION

The Group's reportable and operating segments, based on information reported to the chief operating decision maker ("CODM"), being the chief executive officer of the Company, for the purpose of resource allocation and performance assessment focuses on type of goods or services delivered or provided are as follows:

Household appliance business — retail of household appliance, mobile phones, computers, imported and general merchandise and provision of maintenance and installation services for household appliance;

Liquor business — trading of liquor

Education business — education-related training services.

No reporting segment identified by the CODM has been aggregated in arriving at the reportable segment of the Group.

Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable and operating segments:

	Household appliance business RMB'000 (unaudited)	Liquor business RMB'000 (unaudited)	Education business RMB'000 (unaudited)	Total RMB'000 (unaudited)
Six months ended 30 June 2025				
Revenue sales to external customers	124,049	17,215	40,643	181,907
Segment results	(3,726)	(3,324)	(8,227)	(15,277)
Unallocated income				503
Unallocated expenses				(6,597)
Share of result of an associate				(90)
Loss before income tax				(21,461)
Six months ended 30 June 2024				
Revenue sales to external customers	118,492	36,308	18,535	173,335
Segment results	11,472	2,902	(17,775)	(3,401)
Unallocated income				69,037
Unallocated expenses				(100,263)
Loss on disposal of subsidiaries				(3,313)
Loss before income tax				(37,940)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

13. REVENUE AND SEGMENT INFORMATION *(Continued)*

(ii) SEGMENT INFORMATION *(Continued)*

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segment:

At 30 June 2025

Segment assets and liabilities	Household appliance business RMB'000 (unaudited)	Liquor business RMB'000 (unaudited)	Education business RMB'000 (unaudited)	Total RMB'000 (unaudited)
Segment assets	116,635	19,693	447,644	583,972
Unallocated assets				1,193
Total assets				585,165
Segment liabilities	134,063	18,683	90,337	243,083
Unallocated liabilities				150,440
Total liabilities				393,523

At 31 December 2024

Segment assets and liabilities	Household appliance business RMB'000 (audited)	Liquor business RMB'000 (audited)	Education business RMB'000 (audited)	Total RMB'000 (audited)
Segment assets	113,400	27,233	453,015	593,648
Unallocated assets				2,483
Total assets				596,131
Segment liabilities	128,516	21,759	86,477	236,752
Unallocated liabilities				149,127
Total liabilities				385,879

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

14. OTHER INCOME

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Rental income from investment properties	**—**	1,155
Activities income	**51**	247
Other	**84**	2,709
	135	4,111

15. OTHER GAINS AND LOSSES NET

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Gain on deregistration of subsidiaries	**—**	219
Loss on sale of subsidiaries	**—**	(3,313)
Reversal of write down/(write down) of inventories	**454**	(53)
Other	**(277)**	11
	177	(3,136)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

16. LOSS BEFORE INCOME TAX

Loss before income tax has been arrived at after charging:

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Cost of sales and services	**144,548**	140,630
Employee benefit expenses (including the directors' emoluments)	**22,800**	21,163
Depreciation of right-of-use assets	**3,576**	2,592
Depreciation of property, plant and equipment	**391**	838
Depreciation of investment properties	**—**	792

17. NET FINANCE (INCOME)/COSTS

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Finance costs		
– Interest on other borrowings	**2,107**	7,347
– (Gain)/loss on foreign exchange from borrowings	**(1,525)**	1,778
– Interest on lease liabilities	**403**	583
	985	9,708
Finance income		
– Interest income on bank deposits	**(148)**	(292)
– Interest income on loan receivables	**(2,905)**	—
Net finance (income)/costs	**(2,068)**	9,416

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

18. INCOME TAX

	Six months ended 30 June	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
PRC enterprise income tax		
– Under/(over) provision in prior years	**573**	(5)
Deferred tax – current year	**(76)**	—
Income tax expense/(credit)	**497**	(5)

(a) HONG KONG PROFITS TAX

The Group is not subject to Hong Kong profits tax as it has no assessable income arising in or derived from Hong Kong for the six months ended 30 June 2025 (Six months ended 30 June 2024: Nil).

(b) PRC ENTERPRISE INCOME TAX

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the statutory tax rate of the PRC subsidiaries is 25% for both periods.

Beijing Shengshang Entrepreneurial Technology Co., Ltd, a subsidiary of the Company, obtained the Certificate of High and New Technology Enterprise in October 2023, which is valid for three years. Enterprise income tax is levied at a rate of 15%.

19. LOSS PER SHARE

Basic and diluted loss per share is calculated by dividing the loss for the period attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period.

	Six months ended 30 June	
	2025 (unaudited)	2024 (unaudited)
Loss attributable to owners of the Company (RMB'000)	**(19,286)**	(32,579)
Weighted average number of ordinary shares in issue ('000)	**1,806,952**	370,690
Basic loss per share (RMB)	**(0.01)**	(0.09)

DILUTED

The Group had no potentially dilutive ordinary shares in issue for the six months ended 30 June 2025 and 2024. Accordingly, the diluted loss per share is computed to be the same as the basic loss per share for the six months ended 30 June 2025 and 2024.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

20. INTERIM DIVIDENDS

No interim dividend was declared during the six months ended 30 June 2025 (six months ended 30 June 2024: Nil) and the Directors do not recommend the payment of any interim dividend for the six months ended 30 June 2025.

21. LITIGATION AND CONTINGENCIES

As at 30 June 2025, the Group was involved in two material litigations: (i) Nanjing Haihuitong Supply Chain Service Co., Ltd (南京海滙通供應鏈服務有限公司) filed a lawsuit seeking rescission of the gratuitous transfer of 65% equity interest in Anhui Four Seas Huiyin Household Appliances Sales Co., Ltd (安徽四海滙銀家電銷售有限公司) ("**Anhui Four Seas**") by Yangzhou Laitai Trading Group Co., Ltd (揚州來泰商貿集團有限公司) (for details, please refer to the announcement dated 23 April 2025), and the equity interest held by Yangzhou Huiyin Commercial Chain Co., Ltd (揚州滙銀商業連銷有限公司) remains frozen; (ii) the judgment in relation to Huainan Jianle Investment Co., Ltd. (淮南市健樂投資股份有限公司) litigation has become effective and may result in a disposal of equity interests in Anhui Four Seas. The Directors are of the view that the relevant litigations will not have any material adverse impact on the Group.

22. EVENT AFTER THE END OF THE REPORTING PERIOD

On 10 July 2025, the Group entered into a non-legally binding letter of intent with an independent third party to acquire 100% equity interest in a PRC-incorporated AI technology company (the "**Target Company**"). The Target Company specializes in AI-driven enablement services for the interest-based e-commerce sector. Post-acquisition, the Target Company will operate as an independent wholly-owned subsidiary, providing AI technology support to the Group's liquor and education-related training segments under inter-company service arrangements.