



国美

GOME RETAIL HOLDINGS LIMITED
国美零售控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code : 493)



2025
Interim Report

* For identification purpose only

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FINANCIAL AND OPERATIONAL HIGHLIGHTS

Financial Highlights

	First half of 2025	First half of 2024
	RMB million	RMB million
Revenue	297	169
Loss attributable to owners of the parent	(1,346)	(4,432)
Loss per share		
– Basic and diluted	(RMB2.8 fen)	(RMB9.4 fen)

Operational Highlights

- During the six months ended 30 June 2025 (the “**Reporting Period**”), the overall consumer market was more active compared to the prior year. Despite the complex and challenging external environment, a series of major stimulus policies introduced by the government since the fourth quarter of last year continued to take effect, with their impact further materialising during the Reporting Period. Benefiting from these policy measures, the Group recorded significant improvements in key indicators such as revenue and profit.
- Throughout the Reporting Period, the Group consistently advanced its three core initiatives: actively implementing debt resolution, accelerating the expansion of its light-asset business model, and focusing on cultivating new growth drivers. Although the Group has gone through an extremely difficult period in recent years, the management has always responded proactively and remained steadfast in its efforts. As a result of these persistent actions, the Group achieved a turnaround in its performance for the first time during the Reporting Period.

OVERVIEW

During the Reporting Period, GOME Retail Holdings Limited (the “**Company**”) and its subsidiaries (the “**Group**” or “**GOME**”) adhered to the mission and vision of “Better homes and lifestyles through GOME” focusing on the retail and home services sectors, and made every effort to resolve debt, implement strategic transformation, and implement new businesses to quickly restore growth momentum.

During the Reporting Period, the external environment was complex and severe. Structural contradictions persisted in China, and the recovery in domestic demand was limited. While the industry where the Group belongs showed some signs of recovery, they were still in the bottoming-out phase and faced significant growth pressure. Furthermore, the operational constraints imposed by the Company’s debt problems were still being resolved. However, since the fourth quarter of last year, national policies have become more proactive, with the introduction of a number of important stimulus policies. The effects of these policies were further realised in the first half of 2025. Furthermore, since the beginning of this year, China’s proactive and accommodative macroeconomic policies have been gaining momentum to offset the impact of external risks such as tariffs. Benefiting from these policy initiatives, the Group’s revenue, profit, and other indicators improved significantly during the Reporting Period.

In the first half of 2025, the Group recorded sales revenue of RMB297 million, increased by 75.74% as compared with RMB169 million for the corresponding period last year. Gross profit was RMB20 million, increased by 11.11% as compared with RMB18 million for the corresponding period last year. The operating expenses of the Group (including selling and distribution expenses and administrative expenses) amounted to RMB512 million, as compared with RMB747 million for the corresponding period last year. The Group’s other expenses and losses were RMB622 million, as compared with RMB1,926 million for the corresponding period last year. Net finance costs were RMB968 million, as compared with RMB912 million for the corresponding period last year. Taking into account the above factors, the Group’s loss attributable to owners of the parent during the Reporting Period was RMB1,346 million, decreased by 69.63% as compared with the loss attributable to owners of the parent of RMB4,432 million for the corresponding period last year.

In the first half of 2025, China’s economic growth met expectations. Policy initiatives continued to strengthen, with stimulus measures such as trade-ins and equipment upgrades continuing and expanding in the consumer sector. This has led to a rebound in the growth of durable goods consumption, including home appliances, and initial signs of a bottoming-out recovery in the industry. The Group, capitalising on this policy momentum, accelerated its efforts in transformation projects and emerging businesses, including franchise model innovation and car experience centers, achieving progress in each area during the Reporting Period. Debt resolution efforts progressed in an orderly manner and achieved significant progress during the Reporting Period, laying a solid foundation for continued operations.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS ENVIRONMENT

At the macro level, during the Reporting Period, the external demand environment was complex and volatile. The global economic and trade system was being reshaped under Donald Trump's tariff policies, weakening global economic growth momentum. However, China's foreign trade demonstrated strong resilience, with exports boosted by the US tariff policy also supporting external demand in the first half of the year. On the domestic demand side, China responded to external challenges through proactive macroeconomic policies, leading to signs of recovery in the domestic demand market, with consumption and investment becoming key drivers of economic growth. According to data from the National Bureau of Statistics, China's GDP grew by 5.3% year-on-year in the first half of 2025, slightly exceeding the target, and maintaining a stable economic trend. Subsequent developments in the China-US trade war, especially the final outcome of the China-US trade negotiations, will be a major source of uncertainty for the economic environment in the second half of the year.

At the industry level, in the first half of 2025, the overall consumer market performed more robustly than last year, with total retail sales of consumer goods increasing by 5.0% year-on-year, contributing 52% to GDP growth. Home appliance and automobile consumption, supported by policies such as trade-in programs, saw strong sales growth of over 20% for home appliances and communications equipment. Home appliance retail sales maintained double-digit growth for eight consecutive months, and new energy passenger vehicle retail sales increased by 33.3%. Although the real estate market faces significant pressure, policy support continues to increase, leading to improved market transaction volume. With the implementation of urban renewal policies, the supply and demand relationship in the real estate market is expected to improve significantly.

At the policy level, amid the current complex international economic landscape, expanding domestic demand has become a consensus among all sectors. From the Politburo meeting and the Central Economic Work Conference at the end of 2024, to this year's "Two Sessions," and then to the Politburo meetings in April and July, expanding domestic demand and promoting consumption have been top priorities for economic policy in 2025. The "Special Action Plan to Boost Consumption," issued in mid-March, specifically allocates RMB300 billion in ultra-long-term special government bonds to support the trade-in of consumer goods, doubling the amount allocated last year. The policy extends beyond traditional home appliances and automobiles to include digital products, home furnishings, and kitchen and bathroom fixtures. Subsidies are added for three new digital product categories: mobile phones, tablets, and smartwatches (bracelets). The categories of home appliance trade-ins have been expanded from 8 to 12. Local governments have also responded positively, using differentiated policies to precisely activate regional markets. In the real estate sector, over 100 policies have been introduced nationwide to stabilise the housing market, helping to stabilise the market. Subsequent urban renewal plans are highly anticipated and are expected to significantly boost consumption in the related renovation and home appliance markets.

Overall, despite a complex and volatile external environment during the Reporting Period, China maintained stable economic growth through proactive policy adjustments and optimised market mechanisms, resulting in an improved operating environment compared to the past few years. With the continued implementation of the trade-in policy, the stabilisation of the real estate market, and the shift to high-end manufacturing, management remains cautiously optimistic about the recovery of domestic demand and a structural and phased rebound in the retail sector.

BUSINESS REVIEW

During the Reporting Period, the Group continued to focus on three key areas: debt resolution, expansion of light-asset model, and cultivation of new growth drivers, and achieved substantial progress.

1. Debt Resolution & Supply Chain Recovery

During the Reporting Period, management continued to advance debt resolution efforts, gradually reducing the debt burden through debt-to-equity swap negotiations, franchise development, discussions with banks on loan refinancing, disposals of non-core assets, and the sale of logistics bases. During the Reporting Period, the Group reached an agreement with JD.com regarding the settlement of convertible bonds, completing the settlement in installments through a combination of asset transfers and share issuances. Both parties are currently progressing with the transfer and delivery of the relevant assets in accordance with the agreement. With respect to Pinduoduo, a preliminary understanding has been reached to address the convertible bond matter through asset-based settlement. During the Reporting Period, the Group provided Pinduoduo with a list of assets available for settlement arrangements. Pinduoduo is currently evaluating these assets and conducting preliminary due diligence. Furthermore, during the Reporting Period, the Group engaged in ongoing discussions of debt-to-equity swap with some major suppliers, service providers, and banks and plans to complete the settlement of a portion of these debts in 2025. Suppliers and service providers that previously suspended cooperation due to debt will gradually resume normal cooperation with the Group after the signing of formal agreements or the completion of debt disposal. The successful disposal of these debts will provide a reference and demonstration for remaining creditors.

2. Light-Asset Franchise Model & Standardised Operations

During the Reporting Period, the Group pursued a “light-asset, operation-focused, strong-control, replicable” strategy, prioritising sales, revenue and cash inflows, and continuing to promote the implementation of a light-asset operating model based on franchising and quasi-franchise. Franchising efforts expanded brand licensing and supply chain innovations, helping partners reduce capital expenditures while focusing on branding and user experience. For quasi-franchise, centered on equity partnerships and “single-store franchising,” emphasised city experience hubs to build an integrated home appliance and lifestyle network. Supported by standardised processes (SOPs), modular store designs, and digital management, this model drove scalable replication. During the Reporting Period, the effectiveness of the light-asset strategy gradually emerged. The single-store franchising formed a closed-loop system of “brand licensing + supply chain empowerment + digital platforms,” with growing franchisee sign-ups.

3. Layout and Progress of New Businesses

During the Reporting Period among the planned new businesses, the automotive experience center business commenced operations, with the first GOME Xibahe Auto Smart Showroom opening on 29 April 2025, marking the Group’s entry into auto retail. The showroom explores innovative automotive sales models to address industry challenges like high single-store costs, customer acquisition efficiency and channel effectiveness. During the Reporting Period, the project attracted dozens of mainstream new energy brands, initially validating the potential of its intensive operations model to reduce single-store operating costs and improve customer acquisition efficiency. It has also garnered the support and cooperation of several automotive companies.

MANAGEMENT DISCUSSION AND ANALYSIS

GOME

The Nationwide Retail Network of the Group

As at 30 June 2025

	Total	GOME	China Paradise	Dazhong
City display stores	5	5	-	-
Flagship stores	1	1	-	-
Boutique stores	-	-	-	-
New retail stores	16	16	-	-
Total	22	22	-	-
Number of cities and towns accessed	19			
Of which: Primary market	3			
Secondary market	2			
Others	14			

Corporate Governance

The Group strives to continuously improve its corporate governance. Currently, the board of directors of the Company (the “**Board**”) consists of three executive directors and three independent non-executive directors. This Board structure complies with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) that at least one-third of the directors should be independent directors to ensure the independence of the Board. Therefore, shareholder opinions are thoroughly deliberated by the Board in a constructive manner before reaching consensus.

The Group has adopted its corporate governance policy in accordance with the code provisions of the corporate governance code. The Group has implemented all the requirements under the code provisions to further enhance its corporate governance.

Establishment of the Corporate Culture

During the Reporting Period, guided by the “Home-Living” strategy and a culture of trust, the Group promoted the “GOME Leadership Codes”, leveraging technology for efficiency and service excellence. Employee engagement initiatives reinforced strategic alignment and belonging.

Human Resources

During the Reporting Period, the Group’s human resources efforts fundamentally focused on supporting strategic focus. We optimised recruitment strategies and channels, implemented multi-faceted training, and leveraged talent to increase the Group’s operating efficiency and solidify strategic implementation.

New employees were provided with “double-tie” mentoring and “strategy communication” training to facilitate their integration. Online learning provided new employees with up-to-date information on the Group’s strategic developments and essential operational procedures and corporate management systems. To address the implementation needs of our strategies and new businesses, the Group has implemented foundational training programs designed to directly enhance the work efficiency of our frontline employees, including the “Full-Process Shopping Guide Service Standards Training Program,” the “Department Store and Electrical Appliances Product Knowledge Training Program,” the “Social Media, Live Streaming, and One-Store-One-Page Operational Skills Development Program,” and the “Quick Learning and Quick Application – Store-Based Marketing Case Study.” To develop mid-level and frontline talent, we launched the “Challenge the Head Coach” online leadership competition for director-level team managers. Furthermore, we implemented the “Three Leadership Roles – On-Field Captain’s Team Leadership Skills” training program to further strengthen the management capabilities and talent pool of store managers and managers.

There have been no material changes to the Group’s remuneration policy during the Reporting Period. As at 30 June 2025, the Group had a total of 476 employees.

FINANCIAL REVIEW

Revenue

During the Reporting Period, as a result of the resumed supply by certain suppliers, sales revenue of the Group increased by 75.74% to RMB297 million during the Reporting Period, as compared with RMB169 million for the corresponding period last year.

Cost of sales and gross profit

During the Reporting Period, cost of sales for the Group was RMB276 million. The Group's gross profit was RMB20 million, as compared with RMB18 million for the corresponding period last year.

Other income and gains

During the Reporting Period, the Group recorded other income and gains of RMB716 million, representing an increase of 219.64% as compared with RMB224 million for the corresponding period last year, mainly due to the gains on disposal of subsidiaries (liquidated and deregistered) and property and equipment amounted to RMB422 million and RMB127 million during the Reporting Period, respectively.

Selling and distribution expenses

During the Reporting Period, the Group's total selling and distribution expenses amounted to RMB130 million, decreased by 32.64% as compared with RMB193 million for the corresponding period last year.

Among which, staff related expenses decreased from RMB60 million for the corresponding period last year to RMB28 million; depreciation expenses decreased from RMB96 million for the corresponding period last year to RMB81 million; rental expenses decreased from RMB5 million for the corresponding period last year to RMB0.4 million; advertising and promotion expenses decreased from RMB26 million for the corresponding period last year to RMB11 million; while payment processing fees increased from RMB0.6 million for the corresponding period last year to RMB6 million.

Administrative expenses

During the Reporting Period, administrative expenses of the Group were RMB383 million, decreased by 30.87% as compared with RMB554 million for the corresponding period last year. Among which, staff related expenses increased from RMB48 million for the corresponding period last year to RMB52 million, mainly due to the increase in economic compensation; depreciation expenses decreased from RMB375 million for the corresponding period last year to RMB271 million and accrued litigation fee decreased from RMB59 million for the corresponding period last year to RMB3 million.

Reversal of impairment losses (impairment losses) on financial assets

During the reporting period, the Group recorded a reversal of impairment losses on financial assets of RMB7 million, as compared with impairment losses on financial assets of RMB927 million for the corresponding period last year. Among which, the Group recognised impairment losses of RMB31 million, RMB63 million and RMB17 million, and impairment loss reversal of RMB118 million for trade receivables, amounts due from related parties, other receivables and receivables from liquidated subsidiaries, based on historical credit loss rates derived from past settlement records, overdue status and current economic conditions, respectively.

Other expenses and losses

During the Reporting Period, the Group recorded other expenses and losses of RMB622 million as compared with RMB1,926 million for the corresponding period last year. Other expenses and losses mainly comprised of provision for financial guarantee for bankrupted subsidiaries of RMB534 million, fair value losses on investment properties of RMB21 million, accrued penalties and liquidated damages for pending litigation of RMB43 million and foreign exchange losses of RMB14 million incurred during the Reporting Period.

Impairment loss on interests in associates

During the Reporting Period, the Group did not made any impairment loss on interests in associates with reference to latest underlying performance and its quoted market price, as compared with RMB124 million for the corresponding period last year.

Loss before finance (costs) income and tax

During the Reporting Period, the Group's loss before finance (costs) income and tax was RMB398 million, as compared with a loss of RMB3,492 million for the corresponding period last year.

Net finance (costs) income

During the Reporting Period, the Group's net finance costs (finance income less finance costs) were RMB968 million, as compared with RMB912 million for the corresponding period last year.

MANAGEMENT DISCUSSION AND ANALYSIS

Loss before tax

As a result of the above-mentioned factors, the Group's loss before tax was RMB1,365 million during the Reporting Period, decreased by 69.01% as compared with a loss of RMB4,404 million for the corresponding period last year.

Income tax credit (expense)

During the Reporting Period, the Group's income tax credit amounted to RMB6 million, as compared with income tax expense of RMB13 million for the corresponding period last year.

Loss for the period and loss per share attributable to owners of the parent

During the Reporting Period, the Group's loss attributable to owners of the parent was RMB1,346 million, decreased by 69.63% as compared with a loss attributable to owners of the parent of RMB4,432 million for the corresponding period last year.

During the Reporting Period, the Group's basic loss per share was RMB2.8 fen, as compared with basic loss per share of RMB9.4 fen for the corresponding period last year.

Cash and cash equivalents

As at the end of the Reporting Period, cash and cash equivalents held by the Group was RMB75 million, which was mainly denominated in Renminbi and the rest in HK dollars and other currencies, as compared with RMB49 million as at the end of 2024.

Inventories

As at the end of the Reporting Period, the Group's inventories amounted to RMB96 million, down 20% as compared with RMB120 million as at the end of 2024. As a result of the increase in revenue which lead to the increase in cost of sales and the decrease in average inventory amount during the Reporting Period, inventory turnover days decreased by 160 days from 231 days for the corresponding period last year to 71 days.

Prepayments, other receivables and other assets (current)

As at the end of the Reporting Period, prepayments, other receivables and other assets (current) of the Group amounted to RMB2,359 million, down 2.52% from RMB2,420 million as at the end of 2024. It was mainly due to the decrease in advances to suppliers, offset by the increase in deposits and other receivables and impairment allowance.

Due from related companies

As at the end of the Reporting Period, due from related companies amounted to RMB272 million, compared with RMB329 million as at the end of 2024.

Trade payables

As at the end of the Reporting Period, trade payables of the Group amounted to RMB4,833 million, down 5.37% as compared with RMB5,107 million as at the end of 2024. As a result of the increase in revenue which lead to the increase in cost of sales during the Reporting Period, turnover days of trade payables decreased by 3,135 days from 6,392 days for the corresponding period last year to 3,257 days.

Capital expenditure

During the Reporting Period, capital expenditure (relating to property and equipment) incurred by the Group amounted to RMB1 million, representing an 85.71% decrease as compared with RMB7 million for the corresponding period last year.

Cash flows

During the Reporting Period, mainly due to, among others, the changes in prepayments, other receivables and other assets, trade payables, other payables and accruals, the Group's net cash flows used in operating activities was RMB14 million, as compared with RMB30 million generated for the corresponding period last year.

Net cash flows generated from investing activities were RMB37 million, as compared with RMB133 million generated for the corresponding period last year.

During the Reporting Period, net cash flows generated from financing activities amounted to RMB3 million, as compared with RMB175 million used for the corresponding period last year. The net cash inflows from financing activities were mainly due to new interest-bearing bank and other borrowings obtained during the Reporting Period.

Interim dividend

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

Legal proceedings, contingent liabilities and capital commitments

As at the end of the Reporting Period, the Group had capital commitments of RMB480 million and the Group did not make any material third party guarantee except for the provision for financial guarantee for bankrupted subsidiaries.

During the Reporting Period, eight subsidiaries of the Group received court orders to be liquidated. Related total assets and net assets of these eight subsidiaries in aggregate were RMB940 million and RMB172 million, respectively. In August 2025, one subsidiary of the Group received court orders to be liquidated. Related total assets and net assets of the subsidiary was RMB11 million and RMB4 million, respectively.

As at 30 June 2025, the principal amounts and carrying amounts of the Group's overdue interest-bearing bank and other borrowings amounted to RMB17.8 billion and RMB22.9 billion, respectively. The Group has been in active negotiations with relevant banks and interested parties on, amongst others, change of contractual terms or extension of the loan tenor, with an aim to reach mutually agreed settlement terms. Besides, as at 30 June 2025 the Group was involved in a total of 591 pending litigation cases, with an aggregate amount in dispute of RMB4.6 billion, of which RMB3.5 billion relates to pending litigation cases involving banks and financial institutions. There were also 1,633 court-adjudicated cases involving an aggregate amount of RMB16.2 billion as at 30 June 2025.

Foreign currencies and treasury policy

The majority of the Group's income and its expenses and cash and cash equivalents were denominated in Renminbi. The Group has adopted effective measures to reduce its foreign exchange risks. The Group's treasury policy is that it will only manage such exposure (if any) when it posts significant potential financial impact on the Group.

The management of the Group estimates that less than 10% of the Group's current purchases are imported products and the transactions are mainly denominated in Renminbi.

Financial resources and gearing ratio

During the Reporting Period, the Group's working capital was mainly funded by cash and bank deposits, other loans obtained, proceeds from disposal of financial assets and investment properties.

As at 30 June 2025, the total borrowings of the Group comprised of interest-bearing bank loans, other loans, corporate bonds and convertible bonds, which are repayable within one year except for certain corporate bonds as detailed below.

MANAGEMENT DISCUSSION AND ANALYSIS

The current interest-bearing bank loans and other loans comprised:

	Fixed rate RMB' 000	Floating rate RMB' 000	Total RMB' 000
Denominated in RMB	17,919,880	2,833,821	20,753,701

The corporate bonds comprised:

- (1) corporate bonds issued in 2018, renewed in 2020 with an aggregate nominal value of RMB101 million issued at a fixed coupon rate of 7.8% per annum with renewal term of 4 years. The Group shall be entitled to adjust the coupon rate and the investors shall be entitled to sell the outstanding bonds back to the Group at the end of the second year, and due in 2022;
- (2) corporate bonds issued in 2019, renewed in 2021, 2023 and 2025 with an aggregate nominal value of RMB7 million issued at a fixed coupon rate of 5% per annum with renewal term of 9 years; and
- (3) corporate bonds issued in 2020, renewed in 2023 with an aggregate nominal value of RMB100 million issued at a fixed coupon rate of 7% per annum with a term of 3 years.

Outstanding convertible bonds comprised:

- (1) 5% convertible bonds due 2023 in the aggregate principal amount of US\$200 million issued in April 2020. As at 30 June 2025, the net proceeds of US\$196.80 million have been fully used to repay the debts and related interests of the Group; and
- (2) 5% convertible bonds due 2023 in the aggregate principal amount of US\$100 million issued in June 2020. As at 30 June 2025, the outstanding principal amount of the bonds was US\$73.74 million and the net proceeds of US\$99.11 million have been fully used to repay the debts and related interests of the Group.

As at 30 June 2025, the debt to total deficit ratio was 106.05% as compared with 112.45% as of 31 December 2024, which was expressed as a percentage of interest-bearing bank and other borrowings of the Group amounted to RMB23,364 million over total deficit amounted to RMB22,031 million. As at 30 June 2025, the debt ratio was 115.84% as compared with 109.74% as of 31 December 2024, which was expressed as a percentage of interest-bearing bank and other borrowings over total assets amounted to RMB20,170 million.

MANAGEMENT DISCUSSION AND ANALYSIS

Charge on and seize of group assets

As at 30 June 2025, secured trade payables and interest-bearing bank and other borrowings of the Group amounted to RMB339 million and RMB20,634 million, respectively. Among which, trade payables were secured by property and equipment and investment properties of the Group with carrying amounts of RMB89 million and RMB54 million, respectively. Interest-bearing bank loans and other borrowings were secured by property and equipment, investment properties, right-of-use assets and investments in associates of the Group with carrying amounts of RMB2,616 million, RMB4,121 million, RMB186 million and RMB48 million, respectively. Besides charged assets, property and equipment, investment properties and right-of-use assets of the Group with carrying amounts of RMB196 million, RMB8 million and RMB78 million, respectively, have been seized by the courts.

Outlook and Prospects

Despite the significant challenges the Group has faced in recent years, management has remained proactive and unwavering in its efforts. Through persistent dedication, the Group achieved its first signs of performance recovery during the Reporting Period and made substantive progress in strategic transformation and the exploration of new business areas. In the second half of the year, we will continue to devote our full efforts to overcoming current challenges as swiftly as possible, thereby laying the groundwork for a sustained recovery.

Moving forward, the Group will steadfastly advance three core initiatives: actively implementing debt resolution measures, accelerating the expansion of our light-asset model, and cultivating new growth drivers. In terms of debt resolution, management will work diligently to finalise and execute mutually agreed solutions with major creditors, thereby setting a constructive precedent for negotiations with remaining creditors. For light-asset franchising and quasi-franchising operations, the Group aims to become a leading integrated service provider – combining offline and online franchise networks with end-to-end capabilities across supply chain, capital chain, industrial chain, and service chain – guided by our three core strategies: online development, offline expansion, and supply chain enhancement. In the area of new business development, the Group will continue to advance the GOME Auto Market project and actively explore other new ventures aligned with both national strategic priorities and the Company's development path.

2025 marks the final year of China's 14th Five-Year Plan. Moreover, the Central Politburo has decided to commence the formulation of the 15th Five-Year Plan ahead of schedule in the second half of this year, in order to accelerate the recovery of domestic demand. As a result, management anticipates more substantial policy support at the national level in the coming months. We intend to seize this strategic window of opportunity by deepening lean management practices, optimising resource coordination to enhance operational performance, and collaborating closely with partners to steer the Company back onto a path of stable and sustainable operation.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025

		For the six months ended 30 June	
		2025	2024
		(Unaudited)	(Unaudited)
		RMB' 000	RMB' 000
Notes			
Revenue	5	296,629	169,160
Cost of sales	6	(276,169)	(151,200)
Gross profit		20,460	17,960
Other income and gains	5	716,283	224,233
Selling and distribution expenses		(129,722)	(193,050)
Administrative expenses		(382,570)	(553,852)
Reversal of impairment losses (impairment losses)			
on financial assets		7,413	(927,064)
Other expenses and losses		(622,309)	(1,925,792)
Impairment loss on interests in associates		-	(123,811)
Share of losses of associates		(7,075)	(10,136)
Loss before finance (costs) income and tax		(397,520)	(3,491,512)
Finance costs	7	(969,781)	(917,838)
Finance income	7	1,854	5,599
LOSS BEFORE TAX	6	(1,365,447)	(4,403,751)
Income tax credit (expense)	8	6,019	(12,585)
LOSS FOR THE PERIOD		(1,359,428)	(4,416,336)
Attributable to:			
Owners of the parent		(1,346,343)	(4,431,909)
Non-controlling interests		(13,085)	15,573
		(1,359,428)	(4,416,336)
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT	10		
Basic		(RMB2.8 fen)	(RMB9.4 fen)
Diluted		(RMB2.8 fen)	(RMB9.4 fen)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB' 000	RMB' 000
LOSS FOR THE PERIOD	(1,359,428)	(4,416,336)
OTHER COMPREHENSIVE (EXPENSE) INCOME		
Other comprehensive (expense) income that may be reclassified to profit or expense in subsequent periods:		
Other comprehensive income from long-term equity investments accounted for using the equity method	(517)	56
Exchange differences on translation of foreign operations	(119,463)	84,240
Other comprehensive (expense) income that will not be reclassified to profit or expense in subsequent periods:		
Change in fair value of financial assets at fair value through other comprehensive income, net of tax	69,044	82,603
Losses on asset revaluation for change in use from owner-occupied properties to investment properties, net of tax	-	(48,270)
OTHER COMPREHENSIVE (EXPENSE) INCOME FOR THE PERIOD, NET OF TAX	(50,936)	118,629
TOTAL COMPREHENSIVE EXPENSE FOR THE PERIOD	(1,410,364)	(4,297,707)
Attributable to:		
Owners of the parent	(1,397,279)	(4,313,280)
Non-controlling interests	(13,085)	15,573
	(1,410,364)	(4,297,707)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

		30 June 2025 (Unaudited) RMB' 000	31 December 2024 (Audited) RMB' 000
	Notes		
NON-CURRENT ASSETS			
Property and equipment	11	3,291,875	3,861,701
Investment properties		4,183,268	4,183,268
Right-of-use assets		7,313,586	7,673,367
Investment in associates		126,536	134,130
Financial assets at fair value through other comprehensive income		95,564	26,520
Financial assets at fair value through profit or loss		1,824,743	1,789,688
Prepayments, other receivables and other assets		136,138	148,186
Total non-current assets		16,971,710	17,816,860
CURRENT ASSETS			
Inventories		95,580	119,771
Trade receivables	12	77,308	91,375
Prepayments, other receivables and other assets		2,358,525	2,419,601
Due from related companies	13	272,277	329,100
Financial assets at fair value through profit or loss		278,144	243,945
Pledged bank deposits and restricted cash	14	41,459	59,538
Cash and cash equivalents	14	75,048	49,163
Total current assets		3,198,341	3,312,493

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

As at 30 June 2025

		30 June 2025 (Unaudited) RMB' 000	31 December 2024 (Audited) RMB' 000
Notes			
CURRENT LIABILITIES			
Trade payables	15	4,832,542	5,107,155
Other payables and accruals		12,298,600	11,737,423
Due to related companies	13	319,276	307,821
Lease liabilities		7,420	21,009
Interest-bearing bank and other borrowings	16	23,357,628	23,087,992
Tax payable		1,009,662	1,009,981
Total current liabilities		41,825,128	41,271,381
NET CURRENT LIABILITIES		(38,626,787)	(37,958,888)
TOTAL ASSETS LESS CURRENT LIABILITIES		(21,655,077)	(20,142,028)
NON-CURRENT LIABILITIES			
Lease liabilities		7,284	11,060
Interest-bearing bank and other borrowings	16	6,273	99,909
Deferred tax liabilities		362,430	367,703
Total non-current liabilities		375,987	478,672
Net liabilities		(22,031,064)	(20,620,700)
DEFICIT			
Deficit attributable to owners of the parent			
Issued capital		1,082,460	1,082,460
Treasury shares		(444,985)	(444,985)
Reserves		(18,278,146)	(16,880,867)
Non-controlling interests		(17,640,671)	(16,243,392)
		(4,390,393)	(4,377,308)
Total deficit		(22,031,064)	(20,620,700)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Attributable to owners of the parent													
	Issued capital RMB' 000	Treasury share RMB' 000	Share premium RMB' 000	Contributed surplus RMB' 000	Capital reserve RMB' 000	Asset revaluation reserve RMB' 000	Other reserve RMB' 000	Fair value reserve of financial assets at fair value through other comprehensive income RMB' 000	Reserve funds RMB' 000	Exchange fluctuation reserves RMB' 000	Accumulated losses RMB' 000	Total RMB' 000	Non-controlling interest RMB' 000	Total equity RMB' 000
At 1 January 2025 (audited)	1,082,460	(444,985)	36,101,494	657	(1,862,496)	394,080	85,744	(165,692)	1,738,024	1,342,076	(54,514,754)	(16,243,392)	(4,377,308)	(20,620,700)
Loss for the period	-	-	-	-	-	-	-	-	-	-	(1,346,343)	(1,346,343)	(13,085)	(1,359,428)
Other comprehensive expense for the period:														
Other comprehensive income from long-term equity investments accounted for using the equity method	-	-	-	-	-	-	-	(517)	-	-	-	(517)	-	(517)
Changes in fair value of financial assets at fair value through other comprehensive income, net of tax	-	-	-	-	-	-	-	69,044	-	-	-	69,044	-	69,044
Exchange differences related to foreign operations	-	-	-	-	-	-	-	-	-	(119,463)	-	(119,463)	-	(119,463)
Total comprehensive expense for the period	-	-	-	-	-	-	-	68,527	-	(119,463)	(1,346,343)	(1,397,279)	(13,085)	(1,410,364)
Issue of shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
At 30 June 2025 (unaudited)	1,082,460	(444,985)	36,101,494	657	(1,862,496)	394,080	85,744	(97,165)	1,738,024	1,222,613	(55,861,097)	(17,640,671)	(4,390,393)	(22,031,064)

	Attributable to owners of the parent													
	Issued capital RMB' 000	Treasury share RMB' 000	Share premium RMB' 000	Contributed surplus RMB' 000	Capital reserve RMB' 000	Asset revaluation reserve RMB' 000	Other reserve RMB' 000	Fair value reserve of financial assets at fair value through other comprehensive income RMB' 000	Reserve funds RMB' 000	Exchange fluctuation reserves RMB' 000	Accumulated losses RMB' 000	Total RMB' 000	Non-controlling interest RMB' 000	Total equity RMB' 000
At 1 January 2024 (audited)	1,079,531	(444,985)	36,100,439	657	(1,867,496)	425,664	85,744	(179,707)	1,738,024	991,673	(42,885,363)	(4,955,819)	(4,303,703)	(9,259,522)
Loss for the period	-	-	-	-	-	-	-	-	-	-	(4,431,909)	(4,431,909)	15,573	(4,416,336)
Other comprehensive income for the period:														
Other comprehensive income from long-term equity investments accounted for using the equity method	-	-	-	-	-	-	-	56	-	-	-	56	-	56
Changes in fair value of financial assets at fair value through other comprehensive income, net of tax	-	-	-	-	-	-	-	82,603	-	-	-	82,603	-	82,603
Exchange differences related to foreign operations	-	-	-	-	-	-	-	-	-	84,240	-	84,240	-	84,240
Change in use from owner-occupied properties to investment properties, net of tax	-	-	-	-	-	(48,270)	-	-	-	-	-	(48,270)	-	(48,270)
Total comprehensive income (loss) for the period	-	-	-	-	-	(48,270)	-	82,659	-	84,240	(4,431,909)	(4,313,280)	15,573	(4,297,707)
Issue of shares	2,929	-	142,358	-	-	-	-	-	-	-	-	145,287	-	145,287
At 30 June 2024 (unaudited)	1,082,460	(444,985)	36,242,797	657	(1,867,496)	377,394	85,744	(97,048)	1,738,024	1,075,913	(47,317,272)	(9,123,812)	(4,288,130)	(13,411,942)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

		For the six months ended 30 June		
		2025	2024	
		(Unaudited)	(Unaudited)	
Note		RMB' 000	RMB' 000	
CASH FLOWS FROM OPERATING ACTIVITIES				
	Cash (used in) from operations	(14,852)	47,719	
	Interest received	117	430	
	Income tax refunded (paid)	620	(17,710)	
	Net cash flows (used in) from operating activities	(14,115)	30,439	
CASH FLOWS FROM INVESTING ACTIVITIES				
	Purchase of property and equipment, investment properties and right-of-use assets	(1,336)	(7,230)	
	Proceeds from disposal of financial assets at fair value through profit or loss	6,137	7,956	
	Proceeds from disposal of property and equipment	353	130	
	Proceeds from disposal of investment properties	32,135	-	
	Proceeds from disposal of subsidiaries	-	131,842	
	Net cash flows from investing activities	37,289	132,698	
CASH FLOWS FROM FINANCING ACTIVITIES				
	Interest paid	(1,035)	(6,385)	
	Net cash flows generated from (used in) changes in interest-bearing bank and other borrowings	8,388	(516,672)	
	Principal portion of lease payments	(3,833)	(420)	
	Repayment of corporate bonds	(349)	-	
	Decrease in pledged deposits for bank and other borrowings	-	323,729	
	Other cash flows from financing activities	-	25,180	
	Net cash flows from (used in) financing activities	3,171	(174,568)	
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		26,345	(11,431)	
	Cash and cash equivalents at 1 January	49,163	66,247	
	Effect of foreign exchange rate changes, net	(460)	(231)	
CASH AND CASH EQUIVALENTS AT 30 JUNE		75,048	54,585	
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS				
	Cash and bank deposits	14	48,601	54,585
	Unsecured time deposits with original maturity date within 3 months	14	26,447	-



NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

1. CORPORATE AND GROUP INFORMATION

The Company is a limited liability company incorporated in Bermuda. Its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The address of its registered office is Victoria Place, 1st Floor, 31 Victoria Street, Hamilton HM10, Bermuda and principal place of office is Suite 2915, 29th Floor, Two International Finance Centre, 8 Finance Street, Central, Hong Kong.

The principal activities of the Group are the operations and management of retail stores for electrical appliances, consumer electronic products and general merchandise, as well as a full category of online sales network in the People’s Republic of China (the “PRC”) through self-operated and platform models.

2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) issued by the International Accounting Standards Board (the “IASB”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance and the Listing Rules on the Stock Exchange. They have been prepared under the historical cost convention, except for investment properties, derivative financial instruments, debt securities and equity investments which have been measured at fair value.

Other than those operating subsidiaries established in the PRC whose functional currency is Renminbi (“RMB”), the functional currency of the remaining subsidiaries is Hong Kong dollar (“HK\$”) and United States dollar.

These financial statements are presented in RMB and all values are rounded to the nearest thousand except when otherwise indicated.

The interim condensed consolidated financial statement do not include all the information and disclosures defined in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements as at and for the year ended 31 December 2024.

2. BASIS OF PREPARATION *(continued)*

Going concern consideration

The Group incurred a loss of RMB1,359,428,000 for the six months ended 30 June 2025 and the Group's current liabilities exceeded its current assets by RMB38,626,787,000 as at 30 June 2025. The Group's current liabilities amounted to RMB41,825,128,000, of which RMB23,357,628,000 represented interest-bearing bank and other borrowings as at 30 June 2025, while its cash and cash equivalents amounted to RMB75,048,000 as at 30 June 2025. As at 30 June 2025, the Group's interest-bearing bank and other borrowings, including bonds, bank loans, and other borrowings, amounted to RMB23,363,901,000 in total, with the majority of them were in default or cross-default. Certain banks and other financial institutions have initiated legal actions against the Group on the overdue balances. Under certain legal proceedings in relation to the overdue balances, the Group received property preservation orders restricting the disposition of certain assets as at 30 June 2025 and the withdrawal of the restricted bank deposits during the year. In addition, a number of civil claims or lawsuits have been filed by civil litigants against the Group as at 30 June 2025. Furthermore, the suspension of supply of goods from certain major suppliers has significantly impacted the Group's operations. These conditions indicate the existence of a material uncertainty which cast significant doubt on the Group's ability to continue as a going concern and the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Group is taking steps and measures to mitigate its liquidity pressure and improve its financial position. The validity of the going concern assumptions on which the consolidated financial statements have been prepared depends on the outcome of these plans and measures, which are subject to multiple uncertainties, which are set out as follows:

(1) Restructure of bank and other borrowings

The Group has been actively negotiating with relevant banks and related entities for, including but not limited to, change of borrowing terms and extension of repayment terms to reach mutually agreed arrangements. Under the coordination from certain local governments, the Group committed to obtain the consents from the banks to (i) renew or extend the repayment due date for existing secured bank borrowings; (ii) convert existing unsecured bank borrowings by way of the government-directed debt-to-equity swap to ordinary shares of the Company; and (iii) pledge certain of the Group's assets or properties as collaterals in order to obtain additional funds or banking facilities to support the Group's working capital needs.

2. BASIS OF PREPARATION *(continued)*

Going concern consideration *(continued)*

(1) Restructure of bank and other borrowings *(continued)*

During the Reporting Period, the Company has reached a preliminary debt-to-equity swap arrangement of a RMB550 million loan with a financial institution. The Company is negotiating with the financial institution on the terms of the agreement. Besides, the Company has been actively negotiating with various financial institutions on its debt resolution plans and is hoping that the successful implementation of the debt-to-equity swap for the RMB550 million loan mentioned above will provide a good demonstrative effect for other financial institutions to consider and accept such debt resolution arrangement.

For financial institutions that are unwilling to accept the debt-to-equity swap arrangement, the Company is discussing with them to gradually resolve the historical debt issue by cash repayment and/or other means, after the completion of the debt-to-equity swap arrangements with financial institutions that accepted such proposal, the basic recovery of the Company's operations, the improvement of the Company's cash flow, or the effective disposal and realisation of the Company's property asset.

(2) Restructure of trade payables

The Group has been actively negotiating with the suppliers and service providers for settlements of the overdue balances. The Group is negotiating with certain suppliers to convert the overdue trade payables to ordinary shares.

During the Reporting Period, the Company has reached a preliminary debt-to-equity swap arrangement of approximately RMB537 million with two major suppliers. The Company is negotiating the terms of the agreements with the relevant suppliers. The Company will strive to complete the first batch of the debt-to-equity swap arrangement by the end of 2025 and restore part of the Company's supply chain.

2. BASIS OF PREPARATION *(continued)*

Going concern consideration *(continued)*

(3) Reopen the closed stores and recover the seized inventories and settlement of other payables

The Group has been actively negotiating with the landlords and service providers for settlements of the overdue balances in order to reopen the closed stores and recover the seized inventories and re-activate the provision of services to the Group. The Group will negotiate with landlords and service providers to convert the overdue lease liabilities and other payable.

As at the date of this report, the Company has proposed the same debt-to-equity swap arrangement to a technical service provider. The Company has reached a preliminary debt-to-equity swap agreement with the technical service provider. The service provider will continue to provide technical system services to the Group.

(4) Restructure of convertible bonds and support from the convertible bond holders

The Group and the convertible bond holders are actively negotiating to manage the repayment of overdue aggregated principal amounts of US\$273,742,000 (equivalent to RMB1,959,607,000) plus accrued and penalty interests through various options, including but not limited to, extension of repayment terms, swap of certain portion of the outstanding principal amount to shares of the Company and exchange of certain properties. On 27 December 2023, the Group entered into an agreement with one of the bondholders in relation to the partial settlement of the bonds payable. Pursuant to the agreement, the Group sold the 21.6495% equity interest in 深圳十分到家服務科技有限公司 (“Shenzhen Shifen Daojia Service Technology Co., Ltd.” or “Shenzhen Shifen Daojia”, an associated company of the Group and a limited liability company established in the PRC) to the bondholder at a consideration of RMB105,000,000. On 23 January 2024, the equity interest of Shenzhen Shifen Daojia was transferred to the bondholder. In addition, the bondholder has converted total amounts of the bonds equivalent to RMB145,000,000 into shares of the Company. Based on the adjusted conversion price of HK\$1.24, an aggregate of 128,640,000 Conversion Shares has been issued to the bondholder on 28 May 2024. On 31 March 2025, the Group entered into the Agreement with the above bondholders on the settlement of remaining outstanding principal amount of the bonds payable and accrued and penalty interests by way of (i) asset transfer, and (ii) share issue. Details of the transaction are set out in the announcement and the circular issued by the Company on 31 March 2025 and 30 June 2025, respectively. The relevant transaction plan officially took effect after being approved with 99.99% of votes at the Company’s special general meeting on 17 July 2025 (refer to the announcement on that day). Both parties are currently progressing with the transfer of the relevant assets as stipulated in the agreement.

2. BASIS OF PREPARATION *(continued)*

Going concern consideration *(continued)*

(4) Restructure of convertible bonds and support from the convertible bond holders *(continued)*

Besides, during the Reporting Period, the Company has provided to Pinduoduo, holder of outstanding convertible bonds of US\$200 million, with a list of assets that may be used for such settlement arrangement and Pinduoduo is currently evaluating such assets and conducting preliminary due diligence work. The Company has continued its discussions with Pinduoduo with an aim to reach an agreement on the debt resolution plan as soon as practicable.

(5) Sale of properties

The Group is in active negotiations with investors for sale of certain investment properties and properties under development of the Group to enhance its liquidity position.

During the Reporting Period, the Group has received an expression of interest from a potential buyer for the Chengdu property. As at the date of this report, the Company has reached an agreement in principle with the buyer and is preparing formal agreements while awaiting government approval for the transaction. Sale proceeds will primarily be used to repay loans from the financial institutions and project fees. The Company has been searching and will continue to search for potential buyers through direct approach to companies that have potential demand for commercial properties and logistics bases, and through intermediates who help to identify and introduce potential buyers.

(6) Other fund-raising

The Group has been actively seeking various fund-raising opportunities, including but not limited to placing issue depending on the prevailing market conditions, negotiation with strategic investors, and the development of the Group's core businesses. The Group are seeking professional advice from financial advisors and consultants in pursuing these fund-raising initiatives in order to best serve the interest of the Group.

2. BASIS OF PREPARATION *(continued)*

Going concern consideration *(continued)*

Based on the above, the directors of the Company believe that the Group will have sufficient cash resources to satisfy its future working capital and other financing requirements as and when they fall due in the next twelve months from the reporting date, and accordingly, are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis. Notwithstanding the above, since the execution of the above plans and measures by the Group are in progress and related written contractual agreements are not yet finalised as at the date of the approval for issuance of the consolidated financial statements, material uncertainties exist as to whether the management of the Group will be able to achieve its plans and measures as mentioned above. Whether the Group will be able to continue as a going concern would depend upon the Group's ability to mitigate its liquidity pressure and improve the financial position of the Group through the followings: (i) the successful in converting the debts from certain suppliers, service providers, landlords, banks and convertible bond holders or other creditors in converting their debt to shares of the Company; (ii) the successful negotiation with convertible bond holders for restructuring the convertible bonds; (iii) the successful renewal and extension of the repayment due date of existing secured bank borrowings upon maturity; (iv) the successful negotiation with lenders for revising the loan covenants and not demanding immediate repayment of existing loan payables as mentioned above due to the breach of loan covenants; (v) the successful negotiation with the major suppliers and service providers for reactivating the existing credit limit and resumption of the supply of goods; (vi) the successful sale of the Group's properties at its intended price; and (vii) the successful in other fund-raising.

Should the Group fail to achieve the above-mentioned plans and measures, it might not be able to continue to operate as a going concern, and adjustments might have to be made to write down the carrying amounts of the Group's assets to their recoverable amounts, to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively, or to recognise a liability for any contractual commitments that might have become onerous, where appropriate. The effect of these adjustments has not been reflected in the consolidated financial statements.



NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

3. PRINCIPAL ACCOUNTING POLICIES

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except as described below.

In the current interim period, the Group has applied, for the first time, the following new standard and amendments to International Accounting Standards ("IAS") issued by the IASB which are effective for the Group's financial period beginning 1 January 2025:

Amendments to IAS 21

Lack of exchangeability

The adoption of the above new standard and amendments to standards in the current interim period has had no material impact on the Group's financial performance and positions as well as disclosures set out in these condensed consolidated financial statements.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has one reportable operating segment which is the operations and management of retail stores of electrical appliances, consumer electronic products and general merchandise, as well as full category of on-line sales network in the Mainland China through self-operated and platform models. The corporate office in Hong Kong does not earn revenues and is not classified as an operating segment. Accordingly, no segment information by profit, assets and liabilities is presented.

Geographical information

During the six months ended 30 June 2024 and 2025, all revenue of the Group was derived from customers in Mainland China and over 99% of the Group's non-current assets, other than certain financial assets at fair value through profit or loss, were situated in Mainland China.

Information about major customers

During the six months ended 30 June 2024 and 2025, there was no revenue derived from a single customer which accounted for 10% or more of the Group's revenue.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

5. REVENUE, OTHER INCOME AND GAINS

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

	For the six months ended 30 June	
	2025 (Unaudited) RMB' 000	2024 (Unaudited) RMB' 000
Revenue from contracts with customers	296,629	169,160
Other income		
Gross rental income from investment property operating leases	51,881	60,495
Government grants*	128	232
Commission income from providing online platforms	1,241	4,967
Income from compensation	-	1,660
Realised income from wealth management financial products	-	1,766
Income from warehousing services	7,290	23,641
Brand royalties income	2,130	-
Others	27,258	8,590
	89,928	101,351
Gains		
Gains on disposal of financial assets at fair value through profit or loss	151	-
Gains on disposal of associates	-	10,336
Gains on disposal of property and equipment	126,533	69
Gains on disposal of subsidiaries (liquidated and deregistered)	422,224	99,719
Gains on lease modification	383	12,758
Fair value gains on financial assets at fair value through profit or loss	77,064	-
	626,355	122,882
	716,283	224,233

* Various local government grants were received to reward the Group's contributions to the local economy. There was no unfulfilled condition or contingency attaching to these government grants.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

5. REVENUE, OTHER INCOME AND GAINS *(continued)*

Revenue from contracts with customers

	For the six months ended 30 June	
	2025	2024
	(Unaudited) RMB' 000	(Unaudited) RMB' 000
Type of goods or services		
Sale of liquor	182,274	128,576
Sale of electrical appliances and consumer electronic products	114,355	38,460
Sale of other merchandises	-	2,124
	296,629	169,160
Geographical market		
Mainland China	296,629	169,160
Timing of revenue recognition		
Goods transferred at a point in time	296,629	169,160

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

6. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging (crediting):

	For the six months ended 30 June	
	2025	2024
	(Unaudited) RMB' 000	(Unaudited) RMB' 000
Cost of inventories sold	272,119	172,426
Provision (reversal of provision) against inventories	4,050	(21,226)
Cost of sales	276,169	151,200
Depreciation of property and equipment	115,757	96,535
Depreciation of right-of-use assets	236,502	374,286
Amortisation of other intangible assets	–	9,264
Research and development costs	809	267
(Gains) losses on disposal of property and equipment*	(126,533)	450
Gains on lease modifications*	(383)	(12,758)
Fair value (gains) losses, net:		
Financial assets at fair value through profit or loss*	(77,064)	338,943
Fair value losses on investment properties*	20,962	–
Foreign exchange differences, net*	13,603	5,477
(Reversal of impairment losses) impairment losses		
on financial assets	(7,413)	927,064
Provision for financial guarantee for bankrupted subsidiaries*	534,055	1,501,701

Note:

- * These items are included in "Other expenses and losses" and "Other income and gains" in the interim condensed consolidated statement of profit or loss.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

7. FINANCE (COSTS) INCOME

An analysis of finance costs and finance income is as follows:

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB' 000	RMB' 000
Finance costs:		
Interest on bonds payable	(55,835)	(88,180)
Interest on bank borrowings	(6,363)	(70,816)
Interest on lease liabilities	(601)	(6,518)
Penalty interest on bank and other borrowings	(906,982)	(752,324)
	(969,781)	(917,838)
Finance income:		
Bank interest income	83	2,521
Interest income from loans to third parties	1,771	3,078
	1,854	5,599

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

8. INCOME TAX CREDIT (EXPENSE)

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, except for certain preferential treatments available to the Group, the tax rate of the PRC subsidiaries is 25% (2024: 25%) on their respective taxable income. During the period, certain subsidiaries of the Group obtained approval from the relevant PRC tax authorities and were entitled to preferential corporate income tax rates or corporate income tax exemptions.

Hong Kong Profits Tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the period, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB' 000	RMB' 000
Over (under) provision in respect of prior years	746	(18,679)
Deferred	5,273	6,094
Total tax credit (expense) for the period	6,019	(12,585)

9. DIVIDENDS

Pursuant to the board of directors' resolution dated 29 August 2025, the board did not recommend the payment of an interim dividend for the six months ended 30 June 2024 and 2025.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

10. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share is based on the loss for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 47,310,080,000 (six months ended 30 June 2024: 47,205,472,000) in issue during the period.

No adjustment has been made to the basic loss per share amounts presented for the six months ended 30 June 2024 and 2025 in respect of a dilution as the impact of share awards granted had an anti-dilutive effect on the basic loss per share amounts presented.

The calculations of the basic and diluted loss per share are based on:

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB' 000	RMB' 000
Loss		
Loss attributable to ordinary equity holders of the parent, used in the basic and diluted loss per share calculation	(1,346,343)	(4,431,909)
Number of shares for the six months ended 30 June		
	2025	2024
	' 000	' 000
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic and diluted loss per share calculation	47,310,080	47,205,472

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

11. PROPERTY AND EQUIPMENT

During the six months ended 30 June 2025, the Group acquired property and equipment at a total consideration of RMB5,981,000 (30 June 2024: RMB8,608,000).

Assets with a net carrying amount of RMB459,339,000 (six months ended 30 June 2024: RMB21,358,000) were disposed of by the Group during the six months ended 30 June 2025, resulting in a net gain on disposal of RMB126,533,000 (six months ended 30 June 2024: net gain of RMB69,000). Besides, property and equipment with a net carrying amount of RMB17,257,000 (six months ended 30 June 2024: RMB519,000) were written off as a result of the closure of retail stores.

12. TRADE RECEIVABLES

	30 June 2025 (Unaudited) RMB' 000	31 December 2024 (Audited) RMB' 000
Trade receivables	182,713	166,127
Impairment	(105,405)	(74,752)
	77,308	91,375

An ageing analysis of the trade and bill receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	30 June 2025 (Unaudited) RMB' 000	31 December 2024 (Audited) RMB' 000
Within 3 months	45,160	58,483
3 to 6 months	32,029	31,416
Over 6 months	119	1,476
	77,308	91,375

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

13. DUE FROM/TO RELATED COMPANIES

Due from related companies

		30 June 2025 (Unaudited) RMB' 000	31 December 2024 (Audited) RMB' 000
	Notes		
Advances to associates	(i)	2,903	3,078
Due from Anxun Logistics*	(i)	251,926	302,253
Due from other related companies	(i)	17,448	23,769
		272,277	329,100

Due to related companies

		30 June 2025 (Unaudited) RMB' 000	31 December 2024 (Audited) RMB' 000
	Notes		
Due to GOME Ruidong*	(i)	54,176	54,176
Due to other related companies	(i)	265,100	253,645
		319,276	307,821

* These companies represent 北京國美銳動電子商務有限公司 ("Beijing GOME Ruidong e-Commerce Co., Ltd." or "GOME Ruidong") and 安迅物流有限公司 ("Anxun Logistics Co., Ltd." or "Anxun Logistics"), which are owned by Mr. Wong Kwong Yu ("Mr. Wong"), the substantial shareholder of the Company.

Note:

- (i) These balances were interest-free, unsecured and have no fixed terms of repayment.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

14. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

	30 June 2025 (Unaudited) RMB' 000	31 December 2024 (Audited) RMB' 000
Cash and bank balances	89,880	108,501
Time deposits	26,627	200
	116,507	108,701
Less: Restricted cash	(41,459)	(59,538)
Cash and cash equivalents	75,048	49,163

15. TRADE PAYABLES

	30 June 2025 (Unaudited) RMB' 000	31 December 2024 (Audited) RMB' 000
Trade payables - unsecured	4,493,712	4,544,975
Trade payables - secured	338,830	562,180
	4,832,542	5,107,155

An ageing analysis of the trade payables as at the end of the reporting period, based on the goods receipt date, is as follows:

	30 June 2025 (Unaudited) RMB' 000	31 December 2024 (Audited) RMB' 000
Within 3 months	82,433	58,100
3 to 6 months	13,551	45,831
6 to 12 months	9,250	66,109
Over 12 months	4,727,308	4,937,115
	4,832,542	5,107,155

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

15. TRADE PAYABLES (continued)

Notes:

Certain of the Group's trade payables are secured by:

- (i) certain of the Group's buildings situated in Mainland China which had an aggregate net carrying value at the end of the reporting period of RMB88,746,000 and RMB72,955,000 (31 December 2024: RMB168,666,000 and RMB72,955,000) were pledged as collateral and seized by the court, respectively;
- (ii) certain of the Group's investment properties situated in Mainland China which had an aggregate fair value at the end of the reporting period of RMB53,936,000 (31 December 2024: RMB53,936,000) were pledged as collateral; and
- (iii) certain right-of-use assets of the Group located in Mainland China with an aggregate net carrying value at the end of the reporting period of RMB78,021,000 (31 December 2024: RMB78,906,000) were seized by the court.

The trade payables are non-interest-bearing and are normally settled on terms of one to six months.

16. INTEREST-BEARING BANK AND OTHER BORROWINGS

	30 June 2025			31 December 2024		
	Effective interest rate (%)	Maturity*	(Unaudited) RMB' 000	Effective interest rate (%)	Maturity*	(Audited) RMB' 000
Current						
Bank loans – secured	4.50-4.55	2026	224,900 [#]	4.55	2025	10,000 [#]
Other loans – unsecured	–	2026	75,796	–	2025	66,618
Bonds payable – unsecured	5.00-7.00	2026	100,398	7.00-7.80	2025	10,922
Bonds payable – unsecured	7.00-8.00	2022-2025	2,503,529 [#]	7.00-8.00	2022-2024	2,454,849 [#]
Bank loans – secured	5.10-18.00	2022-2025	16,025,402 [#]	3.75-18.00	2022-2024	16,447,129 [#]
Bank loans – unsecured	8.85-10.50	2022-2025	44,400 [#]	8.85-10.50	2022-2024	42,209 [#]
Other loans – secured	3.75-18.00	2022-2025	4,373,203 [#]	5.00-18.00	2022-2024	4,046,265 [#]
Bank loans – secured	5.00	2027	10,000 [#]	5.00	2027	10,000 [#]
			23,357,628			23,087,992
Non-current						
Bonds payable – unsecured	5.00	2027-2034	6,273	7.00	2026	99,909

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

16. INTEREST-BEARING BANK AND OTHER BORROWINGS *(continued)*

	30 June 2025 (Unaudited) RMB' 000	31 December 2024 (Audited) RMB' 000
Analysed into:		
Bank loans repayable:*		
Within one year	16,294,702	16,499,338
In the third to fifth years, inclusive	10,000	10,000
	16,304,702	16,509,338
Other borrowings repayable:*		
Within one year	7,052,926	6,578,654
In second year	349	99,909
In the third to fifth years, inclusive	2,091	-
Beyond five years	3,833	-
	7,059,199	6,678,563

Notes:

- * The maturity analysis on loans with a repayment on demand clause upon default based on scheduled repayments.
- # Mature or default or cross default.
- (i) Certain of the Group's bank and other borrowings are secured by:
 - (a) certain of the Group's buildings situated in Mainland China which had an aggregate net carrying amount at the end of the reporting period of RMB2,615,998,000 and RMB123,361,000 (31 December 2024: RMB3,049,670,000 and RMB126,136,000) were pledged as collateral and seized by the court, respectively;
 - (b) certain of the Group's investment properties situated in Mainland China which had an aggregate fair value at the end of the reporting period of RMB4,121,288,000 and RMB8,044,000 (31 December 2024: RMB4,121,288,000 and RMB8,044,000) were pledged as collateral and seized by the court, respectively;
 - (c) certain of the Group's right-of-use assets situated in Mainland China which had an aggregate net carrying amount at the end of the reporting period of RMB186,345,000 (31 December 2024: RMB188,925,000) were pledged as collateral; and
 - (d) certain of the Group's investments in associates amounting to RMB47,737,000 (31 December 2024: RMB50,430,000) were pledged as collateral.
- (ii) Except for the bonds payable denominated in USD with carrying amounts of RMB2,368,522,000 (31 December 2024: RMB2,330,444,000), all the Group's bank and other borrowings are denominated in RMB at the end of the reporting period.
- (iii) During the six months ended 30 June 2025, the Group has redeemed and renewed certain corporate bonds of RMB349,000 and RMB6,621,000 (31 December 2024: nil and nil) upon its maturity.

17. CONVERTIBLE BONDS

On 17 April 2020, the Company, as issuer, and Hongkong Walnut Street Limited (“Pinduoduo”), a company with limited liability incorporated under the laws of Hong Kong and a wholly-owned subsidiary of Pinduoduo Inc., as subscriber, entered into a subscription agreement (the “Pinduoduo Subscription Agreement”) in relation to the subscription of the convertible bonds at the subscription price equal to 100% of the principal amount of the convertible bonds, being US\$200 million. The initial conversion price is HK\$1.215 per share. Assuming that the conversion rights have been exercised in full, 1,283,950,617 new shares of the Company will be allotted and issued. The issuance was completed on 28 April 2020. On 9 March 2021, as a result of the placing of existing and the subscription of new shares of the Company and pursuant to the terms of Pinduoduo Subscription Agreement, the conversion price changed to HK\$1.20 per share and the maximum number of shares that will be issued upon conversion of the convertible bonds is 1,300,000,000 shares.

On 28 May 2020, the Company, as issuer, and JD.com International Limited (“JD”), a limited liability company established in Hong Kong and a wholly-owned subsidiary of JD.com, Inc., as subscriber, entered into a subscription agreement (the “JD Subscription Agreement”) in relation to the subscription of the convertible bonds at the subscription price equal to 100% of the principal amount of the convertible bonds, being US\$100 million. The initial conversion price is HK\$1.255 per share. Assuming that the conversion rights have been exercised in full, 621,513,944 new shares of the Company will be allotted and issued. The issuance was completed on 30 June 2020. On 9 March 2021, as a result of the placing of existing and the subscription of new shares of the Company and pursuant to the terms of JD Subscription Agreement, the conversion price changed to HK\$1.24 per share and the maximum number of shares that will be issued upon conversion of the convertible bonds is 629,032,258 shares.

The convertible bonds issued under the Pinduoduo Subscription Agreement and the JD Subscription Agreement (collectively the “CBs”) bear interest from (and including) the issuance date at the rate of 5% per annum payable annually. The CBs initially have a maturity date falling on the third anniversary of the issue date, which may be extended for another 2 years at the option of bondholders of the CBs under certain conditions. Upon the occurrence of certain bondholder redemption events, the bondholders have the option to redeem in whole, or in part, the CBs then outstanding.

At the issuance date, the liability components, and the above-mentioned conversion options, extension option and redemption options (collectively the “embedded derivatives”) of the CBs were measured at fair value. The liability components are presented as interest-bearing borrowings on the amortised cost basis until extinguished on conversion or redemption. The embedded derivatives are separated from the liability components, and presented as derivative financial liabilities at fair value. As at 30 June 2025 and 31 December 2024, the fair value of the embedded derivative was nil.

17. CONVERTIBLE BONDS (continued)

On 27 December 2023, the Group entered into an agreement with one of the bondholders in relation to the partial settlement of the bonds payable. Pursuant to the agreement, the Group sold 21.6495% of the equity interest in 深圳十分到家服務科技有限公司 (“Shenzhen Shifen Daojia Service Technology Co., Ltd.” or “Shenzhen Shifen Daojia”) to the bondholder at a consideration of RMB105,000,000. On 23 January 2024, the equity interest of Shenzhen Shifen Daojia was transferred to the bondholder. In addition, the bondholder has converted total amounts of the bonds equivalent to the amount of RMB145,000,000 into shares of the Company. Based on the adjusted conversion price of HK\$1.24, an aggregate of 128,640,000 Conversion Shares has been issued to the bondholder on 28 May 2024. Gain on settlement of RMB151,640,000 was recognised. On 31 March 2025, the Group entered into the Agreement with the above bondholders on the settlement of remaining outstanding principal amount of the bonds payable and accrued and penalty interests by way of (i) asset transfer, and (ii) share issue. Details of the transaction are set out in the announcement and the circular issued by the Company on 31 March 2025 and 30 June 2025, respectively. The relevant transaction plan was officially took effect after being approved with 99.99% of votes at the Company’s special general meeting on 17 July 2025 (refer to the announcement on that day). Both parties are currently progressing with the transfer of the relevant assets as stipulated in the agreement.

Besides, during the Reporting Period, the Company has provided Pinduoduo with a list of assets that may be used for such settlement arrangement and Pinduoduo is currently evaluating such assets and conducting preliminary due diligence work. The Company has continued its discussions with Pinduoduo with an aim to reach an agreement on the debt resolution plan as soon as practicable.

18. COMMITMENTS AND CONTINGENT LIABILITIES

The Group had the following capital commitments at the end of the reporting period:

	30 June 2025 (Unaudited) RMB' 000	31 December 2024 (Audited) RMB' 000
Contracted, but not provided for:		
Property and equipment	479,707	584,286

As at 30 June 2025, the Group involved in a total of 591 (31 December 2024: 772) pending litigation cases, with an aggregate amount in dispute of RMB4.6 billion (31 December 2024: RMB5.5 billion), of which RMB3.5 billion (31 December 2024: RMB4.1 billion) relates to pending litigation cases involving banks and financial institutions and RMB1.1 billion (31 December 2024: RMB1.4 billion) relates to pending litigation cases involving non-banks and financial institutions. There were also 1,633 (31 December 2024: 1,374) court-adjudicated cases involving an aggregate amount of RMB16.2 billion (31 December 2024: RMB14.6 billion).

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

19. RELATED PARTY TRANSACTION AND TRANSACTIONS WITH INVESTEES

- (a) In addition to the transactions and balances which are disclosed elsewhere in the interim condensed consolidated financial information, the Group had the following significant transactions with the related parties and investees:

		For the six months ended 30 June	
		2025	2024
		(Unaudited)	(Unaudited)
		RMB' 000	RMB' 000
	Notes		
Transactions with Anxun Logistics:	(i)		
– Service fee*		–	717
– Warehousing service income*		1,032	7,424
Transactions with Meiyunbao:	(i)		
– Supply of goods or service*		2	–
Transactions with associates:	(ii)		
– Purchase of goods and rental**		3,806	3,795
Transactions with Tong Tong AI:	(i)		
– Rental income***		829	817
Transactions with GOME Shared Network:	(i)		
– Service fee*		–	1

Notes:

- (i) These companies represent Anxun Logistics and its subsidiaries, 美雲保(北京)科技服務有限公司 (“Meiyunbao Beijing Tech Service Co., Ltd.” or “Meiyunbao”), 通通AI社交集團有限公司 (“Tong Tong AI Social Group Limited” or “Tong Tong AI”, formerly GOME Finance Technology Co., Ltd.) and its subsidiaries and 國美共享網絡科技(北京)有限公司 (“GOME Shared Network Tech Beijing Co., Ltd.” or “GOME Shared Network”), which are controlled by Mr. Wong, the substantial shareholder of the Company.
- (ii) The balance represented transactions with GOME Telecom Equipment Co., Ltd. and its subsidiaries, which are controlled by Mr. Wong.
- * The transactions constitute continuing connected transactions under the Listing Rules.
- ** The transactions do not constitute continuing connected transactions under the Listing Rules.
- *** The transactions constitute connected transactions under the Listing Rules, but are exempted from all the reporting, announcement and independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

19. RELATED PARTY TRANSACTION AND TRANSACTIONS WITH INVESTEEES *(continued)*

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

	For the six months ended 30 June	
	2025 (Unaudited) RMB' 000	2024 (Unaudited) RMB' 000
Fees	1,285	1,176
Other emoluments:		
Salaries, allowances, and other expense	2,839	5,700
Pension scheme contributions	167	163
	4,291	7,039

All the above related party transactions were carried out in accordance with the terms and conditions mutually agreed by the parties involved. The Directors confirmed that the Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

20. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts of the Group's financial instruments, other than lease liabilities, are as follows:

	Carrying amounts	
	30 June 2025 (Unaudited) RMB' 000	31 December 2024 (Audited) RMB' 000
Financial assets		
Financial assets at fair value through other comprehensive income	95,564	26,520
Financial assets at fair value through profit or loss	2,102,887	2,033,633
Total	2,198,451	2,060,153

20. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Management has assessed that the fair values of cash and cash equivalents, restricted cash, trade receivables, trade payables, financial assets included in prepayments, other receivables and other assets with short term maturities, financial liabilities included in other payables and accruals, amounts due from/to related parties, and interest-bearing bank and other borrowings with short term maturities or bearing floating interest rates approximate to their carrying amounts largely due to the short term maturities of these instruments or they bearing floating interest rates if they have long term maturities.

The Group's management is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At each reporting date, management analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

The fair values of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The fair values of listed equity investments are based on quoted market prices. The fair values of unlisted equity investments included in financial assets at fair value through profit or loss or equity investments designated at fair value have been estimated using a market-based valuation technique based on assumptions that are not supported by observable market prices or rates. The valuation requires the directors to determine comparable public companies (peers) based on industry, size, leverage and strategy, and to calculate an appropriate price multiple, such as price to earnings ("P/E") multiple and price to sales ("P/S") multiple, for each comparable company identified. The multiple is calculated by dividing the enterprise value of the comparable company by an earnings measure. The trading multiple is then discounted for considerations such as illiquidity and size differences between the comparable companies based on company-specific facts and circumstances. The discounted multiple is applied to the corresponding earnings measure of the unlisted equity investments to measure the fair value. The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the condensed consolidated statement of financial position, and the related changes in fair values, which are recorded in profit or loss, are reasonable, and that they were the most appropriate values at the end of the reporting period.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

20. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

(continued)

For the fair value of the unlisted equity and debt security investments included in financial assets at fair value through profit or loss or financial assets at fair value through other comprehensive income, management has estimated the potential effect of using reasonably possible alternatives as inputs to the valuation model.

Set out below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at 30 June 2025 and 31 December 2024:

	Valuation Technique	Significant unobservable inputs	Range	Sensitivity of fair value to the input
Unlisted debt security	Market approach and Black Scholes Model	Risk-free rate	1.13% (31 December 2024: 1.13%)	5% increase (decrease) in risk-free rate would result in decrease (increase) in fair value by RMB1 million (31 December 2024: RMB1 million).
Other unquoted investments	Market approach and enterprise value allocation model	LOMD*	20%-46% (31 December 2024: 20%-45%)	5% increase (decrease) in the LOMD would result in decrease (increase) in fair value by RMB16 million (31 December 2024: RMB19 million).
		P/S	0.60-2.48 (31 December 2024: 0.60-2.57)	5% increase (decrease) in the P/S would result in increase (decrease) in fair value by RMB25 million (31 December 2024: RMB25 million).
		EV/EBIT (Enterprise Value ("EV") over earning before interest and tax ("EBIT"))	19.58 (31 December 2024: 38.53)	5% increase (decrease) in the EV/EBIT would result in increase (decrease) in fair value by RMB3 million (31 December 2024: RMB3 million).

* The discount for lack of marketability ("LOMD") represents the amounts of premiums and discounts determined by the Group that market participants would take into account when pricing the investments.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

20. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 30 June 2025:

	Fair value measurement using		
	Significant unobservable inputs (Level 1) (Unaudited) RMB' 000	Significant unobservable inputs (Level 2) (Unaudited) RMB' 000	Significant unobservable inputs (Level 3) (Unaudited) RMB' 000
Financial assets at fair value through other comprehensive income	95,564	–	95,564
Financial assets at fair value through profit or loss	2,102,887	278,144	1,824,743
Total	2,198,451	278,144	1,920,307

As at 31 December 2024:

	Fair value measurement using		
	Significant unobservable inputs (Level 1) (Audited) RMB' 000	Significant unobservable inputs (Level 2) (Audited) RMB' 000	Significant unobservable inputs (Level 3) (Audited) RMB' 000
Financial assets at fair value through other comprehensive income	26,520	–	26,520
Financial assets at fair value through profit or loss	2,033,633	243,945	1,789,688
Total	2,060,153	243,945	1,816,208

20. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy (continued)

Assets measured at fair value: (continued)

The movements in fair value measurements within Level 3 during the period are as follows:

	Financial assets at fair value through other comprehensive income RMB' 000	financial assets at fair value through profit or loss RMB' 000
At 1 January 2025 (audited)	26,520	1,789,688
Net cash flows from changes in financial assets	–	(7,187)
Total losses recognised in the statement of profit or loss	–	42,242
Total gains recognised in other comprehensive income	69,044	–
At 30 June 2025 (unaudited)	95,564	1,824,743

During the period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for financial assets (six months ended 30 June 2024: nil).

21. EVENT AFTER THE REPORTING PERIOD

The Group did not have any significant events taking place subsequent to 30 June 2025.

DISCLOSURE OF INTERESTS

(a) Directors' and Chief Executive's interests and short positions in shares, underlying shares and debentures of the Company and its associated corporations

As at 30 June 2025, the interests and short positions of the directors (the "Director(s)") of the Company and the chief executive of the Company (the "Chief Executive") in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix C3 to the Listing Rules were as follows:

Long positions in the shares, the underlying shares and debentures of the Company

Name of Director/ Chief Executive	Personal interest	Interest of spouse	Corporate interest	Trustee	Total	Approximate % of shareholding
Wei Ting	544,000	-	-	-	544,000	0.00
Wang Gao	1,000,000	-	-	-	1,000,000	0.00

Short positions in the shares, the underlying shares and debentures of the Company

Save as disclosed above, as at 30 June 2025, none of the Directors, Chief Executive or their respective associates had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

ADDITIONAL INFORMATION

(b) Directors' benefits from rights to acquire shares or debentures

At no time during the Reporting Period was the Company, any of its holding companies or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

(c) Particulars of the Directors' service contracts

As at 30 June 2025, none of the Directors had entered or was proposing to enter into a service contract with the Company or any member of the Group which is not determinable within one year without payment of compensation (other than statutory compensation).

(d) Directors' interests in competing business

During the Reporting Period, no Director was interested in any business (other than those businesses where the Directors were appointed as Directors to represent the interests of the Company and/or any member of the Group) which were considered to compete or were likely to compete, whether directly or indirectly, with the businesses of the Group.

(e) Material supplements to Directors' profile

There were no material supplements to the Directors' profile during the Reporting Period.

RESTRICTED SHARE AWARD SCHEME

The Company adopted a restricted share award scheme on 3 October 2016 (the "Share Award Scheme"). The purposes and objectives of the Share Award Scheme are to:

1. recognise and motivate the contributions by certain participants and to give incentives thereto in order to retain them for the continual operation and development of the Group;
2. attract suitable personnel for further development of the Group; and
3. provide certain employees with a direct economic interest in attaining a long-term employer-employee relationship between the Group and certain employees.

During the six months ended 30 June 2025, no shares have been purchased by the Trustee for the Share Award Scheme and no awards have been granted. As at 30 June 2025, an accumulated sum of HK\$1,289,065,000 (excluding transaction costs) has been used to acquire 1,506,543,000 ordinary shares (with the last purchase made in 2020), representing 3.15% of the issued share capital of the Company, from the market by the independent trustee.

Details of the Share Award Scheme are set out in the announcement of the Company dated 3 October 2016 and 6 October 2017.

SHARE OPTION SCHEME

The share option scheme of the Company adopted on 15 April 2005 expired and the shareholders of the Company approved the adoption of a new share option scheme (the “Share Option Scheme”) on 12 September 2018. The purpose of the Share Option Scheme is to enable the Company to grant options to selected eligible participants as incentives or rewards for their contribution or potential contribution to the Group. Under the terms of the Share Option Scheme, the Company may grant up to 2,155,762,742 options, being 10% of the issued share capital of the Company on the date of the adoption of the Share Option Scheme.

During the six months ended 30 June 2025, no options have been granted, exercised, lapsed or cancelled, and the Company had no share options outstanding as at 1 January 2025 and 30 June 2025.

The number of options available for grant under the Share Option Scheme was 2,155,762,742 as at 1 January 2025 and 30 June 2025.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS

Save as disclosed below and so far as is known to any Director or the Chief Executive, as at 30 June 2025, other than the Director or the Chief Executive as disclosed above, the following persons had interests or short positions in the shares and underlying shares of the Company (the “**Shares**”) which were recorded in the register required to be kept under Section 336 of the SFO:

ADDITIONAL INFORMATION

(a) Substantial shareholders' interests and short positions in the shares and underlying shares of the Company

Name of Shareholder	Nature	Number of ordinary Shares held	Approximate % of shareholding
Mr. Wong (Note 1)	Interest in controlled corporation	4,923,506,602	10.28
Ms. Du Juan (Note 2)	Interest in controlled corporation	4,923,506,602	10.28
Shinning Crown Holdings Inc. (Note 3)	Beneficial owner	3,315,899,938	6.92

Notes:

1. Among these 4,923,506,602 Shares, 3,315,899,938 Shares are held by Shinning Crown Holdings Inc., 1,200,000,000 Shares are held by Element Assets Management Limited, 160,000,000 Shares are held by Hillwood Assets Management Limited, 246,706,664 Shares are held by Smart Captain Holdings Limited (all the above companies are 100% beneficially owned by Mr. Wong, the substantial shareholder) in the capacity as trustee of a family trust established by Mr. Wong; and 900,000 Shares are held by Ms. Du Juan, the spouse of Mr. Wong.
2. The aforesaid Shares that Mr. Wong and Ms. Du Juan are deemed to be interested refer to the same parcel of Shares.
3. Shinning Crown Holdings Inc. is 100% beneficially owned by Mr. Wong.

(b) Interests and short positions of other persons in the shares and underlying shares of the Company

Save as disclosed above, so far as is known to any Director or Chief Executive, as at 30 June 2025, no other person (other than the Director or the Chief Executive of the Company), had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under Section 336 of the SFO.

OTHER INFORMATION

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

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

MATERIAL ACQUISITIONS AND DISPOSALS

On 31 March 2025, the Group entered into an agreement (the “Agreement”) with Danube Innovation Limited (the “Bondholder”) on the settlement of remaining outstanding principal amount of the 5% conversion bonds due 2023 in the principal amount of US\$100,000,000 issued by the Company on 30 June 2020 and accrued and penalty interests by way of (i) the transfer of the property located at Building 9, 1st to 4th Floor, Block C, Yinhe Shanglin Garden, No. 183 Xinhua Road, Jiangnan District, Wuhan, the PRC by the Group to a party designated by the Bondholder; and (ii) the issue of new shares of the Company. Details of the aforesaid were set out in the Company’s circular dated 30 June 2025. The Agreement and the transactions contemplated thereunder were approved by the Company’s shareholders at the special general meeting of the Company held on 17 July 2025. As at the date of this report, both parties are currently progressing with the transfer of the relevant assets as stipulated in the Agreement.

Save as disclosed above, the Group did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures during the Reporting Period.

CHANGES TO THE BOARD

Mr. Zhang Da Zhong retired as a non-executive director of the Company with effect from 25 June 2025. Save as disclosed above, there were no change to the Board during the six months ended 30 June 2025.

CORPORATE GOVERNANCE

The Company was in compliance with the code provisions of the Corporate Governance Code contained in Appendix C1 to the Listing Rules during the six months ended 30 June 2025.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code set out in Appendix C3 to the Listing Rules. Upon specific enquiries made by the Company, all Directors have confirmed their compliance with the Model Code during the Reporting Period.

DISCLOSURE PURSUANT TO RULE 13.20 OF THE LISTING RULES

There were no information required for disclosure by the Company under Rules 13.20 of the Listing Rules during the six months ended 30 June 2025.

REVIEW BY AUDIT COMMITTEE

The Audit Committee of the Company has reviewed the interim results of the Company, together with the internal control and financial reporting matters of the Group, which includes the unaudited interim condensed consolidated financial information of the Group for the six months ended 30 June 2025.

CORPORATE INFORMATION

DIRECTORS

Executive Directors

ZOU Xiao Chun
DING Jiang Ning
WEI Ting

Independent Non-executive Directors

WANG Gao
LUI Wai Ming
LIU Yin Hong

COMPANY SECRETARY

SZETO King Pui, Albert

AUTHORISED REPRESENTATIVES

DING Jiang Ning
SZETO King Pui, Albert

PRINCIPAL BANKERS

China Construction Bank
Industrial Bank
ICBC
Agricultural Bank
China Everbright Bank

AUDITOR

KTC Partners CPA Limited
Registered Public Interest Entity Auditor

REGISTERED OFFICE

Victoria Place
1st Floor
31 Victoria Street
Hamilton HM10
Bermuda

HEAD OFFICE

Suite 2915, 29th Floor
Two International Finance Centre
8 Finance Street, Central
Hong Kong

PRINCIPAL SHARE REGISTRAR IN BERMUDA

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

BRANCH SHARE REGISTRAR IN HONG KONG

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong