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

(Incorporated in Bermuda with limited liability)

(Stock Code: 493)

UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

FINANCIAL HIGHLIGHTS

	First half of 2026 *RMB million*	First half of 2025 *RMB million*
Revenue	**176**	297
Loss attributable to owners of the parent	**(314)**	(1,346)
Loss per share		
– Basic and diluted	**(RMB0.5 fen)**	(RMB2.8 fen)

The board of directors (the "Board") of GOME Retail Holdings Limited (the "Company") announces the unaudited interim financial information of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2026 together with the comparative figures for the corresponding period in 2025 as follows:

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the six months ended 30 June 2026

		For the six months ended 30 June	
		2026	2025
		(Unaudited)	(Unaudited)
	Notes	***RMB'000***	*RMB'000*
Revenue	*5*	**175,599**	296,629
Cost of sales	*6*	**(154,982)**	(276,169)
Gross profit		**20,617**	20,460
Other income and gains	*5*	**1,291,041**	716,283
Selling and distribution expenses		**(85,346)**	(129,722)
Administrative expenses		**(273,947)**	(382,570)
(Impairment losses) reversal of impairment losses on financial assets		**(288,694)**	7,413
Other expenses and losses		**(267,873)**	(622,309)
Share of losses of associates		**(3,250)**	(7,075)
Gain (loss) before finance (costs) income and tax		**392,548**	(397,520)
Finance costs	*7*	**(702,775)**	(969,781)
Finance income	*7*	**4,681**	1,854
LOSS BEFORE TAX	*6*	**(305,546)**	(1,365,447)
Income tax credit	*8*	**4,176**	6,019
LOSS FOR THE PERIOD		**(301,370)**	(1,359,428)
Attributable to:			
Owners of the parent		**(314,254)**	(1,346,343)
Non-controlling interests		**12,884**	(13,085)
		(301,370)	(1,359,428)
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT	*10*		
Basic		**(RMB0.5 fen)**	(RMB2.8 fen)
Diluted		**(RMB0.5 fen)**	(RMB2.8 fen)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2026

	For the six months ended 30 June 2026 (Unaudited) RMB'000	2025 (Unaudited) RMB'000
LOSS FOR THE PERIOD	**(301,370)**	(1,359,428)
OTHER COMPREHENSIVE INCOME (EXPENSE)		
Other comprehensive income (expense) 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	**857**	(517)
Exchange differences on translation of foreign operations	**(208,909)**	(119,463)
Other comprehensive income (expense) 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	**(510)**	69,044
OTHER COMPREHENSIVE EXPENSE FOR THE PERIOD, NET OF TAX	**(208,562)**	(50,936)
TOTAL COMPREHENSIVE EXPENSE FOR THE PERIOD	**(509,932)**	(1,410,364)
Attributable to:		
Owners of the parent	**(522,816)**	(1,397,279)
Non-controlling interests	**12,884**	(13,085)
	(509,932)	(1,410,364)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2026

	Notes	**30 June 2026 (Unaudited) *RMB'000***	31 December 2025 (Audited) *RMB'000*
NON-CURRENT ASSETS			
Property and equipment		**2,112,147**	2,488,591
Investment properties		**2,296,243**	3,763,175
Right-of-use assets		**5,384,115**	5,864,704
Goodwill		**31,870**	–
Investment in associates		**41,426**	43,610
Financial assets at fair value through other comprehensive income		**–**	510
Financial assets at fair value through profit or loss		**1,496,615**	1,550,487
Prepayments, other receivables and other assets		**135,984**	137,062
Total non-current assets		**11,498,400**	13,848,139
CURRENT ASSETS			
Assets-held-for-sale		**107,900**	–
Inventories		**78,676**	62,345
Trade receivables	*11*	**113,449**	10,805
Prepayments, other receivables and other assets		**1,178,984**	1,315,348
Due from related companies		**111,858**	140,651
Financial assets at fair value through profit or loss		**206,319**	244,819
Pledged bank deposits and restricted cash		**28,143**	39,329
Cash and cash equivalents		**35,295**	56,145
Total current assets		**1,860,624**	1,869,442
CURRENT LIABILITIES			
Trade and bills payables	*12*	**3,914,045**	4,535,581
Other payables and accruals		**12,338,845**	12,754,805
Due to related companies		**215,550**	313,018
Lease liabilities		**7,284**	7,690
Interest-bearing bank and other borrowings	*13*	**22,584,942**	23,562,894
Tax payable		**1,077,848**	1,075,110
Total current liabilities		**40,138,514**	42,249,098
NET CURRENT LIABILITIES		**(38,277,890)**	(40,379,656)
TOTAL ASSETS LESS CURRENT LIABILITIES		**(26,779,490)**	(26,531,517)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
As at 30 June 2026

	Notes	**30 June 2026 (Unaudited)** *RMB'000*	31 December 2025 (Audited) *RMB'000*
NON-CURRENT LIABILITIES			
Lease liabilities		**–**	3,370
Interest-bearing bank and other borrowings	*13*	**5,922**	6,273
Deferred tax liabilities		**250,611**	327,139
Total non-current liabilities		**256,533**	336,782
Net liabilities		**(27,036,023)**	(26,868,299)
DEFICIT			
Deficit attributable to owners of the parent			
Issued capital		**1,635,559**	1,082,460
Treasury shares		**(175,840)**	(444,985)
Reserves		**(24,116,109)**	(23,103,852)
		(22,656,390)	(22,466,377)
Non-controlling interests		**(4,379,633)**	(4,401,922)
Total deficit		**(27,036,023)**	(26,868,299)

NOTES

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 operation and management of retail stores and online sales network for electrical appliances, consumer electronic products, liquor products, health products and general merchandise, as well as the provision of franchise and management services and commission-based services to franchised stores in the People's Republic of China (the "PRC").

The Group continued to adjust its business model and operating structure, with greater emphasis placed on asset-light operations, including franchising, store management and related service arrangements.

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 Rules Governing the Listing of Securities (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$"), Australian dollar 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 2025.

Going concern consideration

The Group incurred a loss of RMB301,370,000 for the six months ended 30 June 2026 and the Group's current liabilities exceeded its current assets by RMB38,277,890,000 as at 30 June 2026. The Group's current liabilities amounted to RMB40,138,514,000, of which RMB22,584,942,000 represented interest-bearing bank and other borrowings as at 30 June 2026, while its cash and cash equivalents amounted to RMB35,295,000 as at 30 June 2026. As at 30 June 2026, the Group's interest-bearing bank and other borrowings, including bonds, bank loans, and other borrowings, amounted to RMB22,590,864,000 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 2026 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 2026. 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.

2. BASIS OF PREPARATION (continued)

Going concern consideration (continued)

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 is subject to multiple uncertainties set out as follows:

(1) Restructuring of bank and other borrowings

The Group has been actively negotiating with relevant banks and other creditors in respect of changes to borrowing terms, extension of repayment schedules and other restructuring arrangements, with a view to alleviating short-term liquidity pressure. With the coordination of relevant local authorities, the Group is seeking to obtain consents from certain banks for, among other things, (i) the renewal or extension of repayment due dates for existing secured bank borrowings; (ii) the implementation of debt-to-equity swap arrangements in respect of certain unsecured bank borrowings; and (iii) the provision of additional collateral over certain assets or properties of the Group in order to obtain additional funding or banking facilities to support working capital needs.

On 23 March 2026, the Company completed the allotment and issue of shares under a specific mandate for debt capitalisation, comprising: (i) 21,618,533,333 shares issued in settlement of RMB290 million due under the debt-to-equity swap arrangement with 上海金鉑鼎企業服務有限公司 (Shanghai Jinboding Enterprise Services Co., Ltd.*); and (ii) 3,489,819,180 shares issued in settlement of approximately RMB47 million of overdue other payables under the debt-to-equity swap arrangement with China TaiYue Technology Limited.

(2) Restructuring of trade and other payables

The Group has been actively negotiating with suppliers, service providers and landlord for the settlement of overdue balances, including possible debt capitalisation and other restructuring arrangements.

In order to optimise its financial structure and explore new growth drivers, the Company acquired 51% of the equity interest of Revoblue (Asia) Enterprise Limited on 5 June 2026 by way of issuing consideration shares. It is principally engaged in the trading of health products and the provision of store operation and management services, and is in a rapid growth stage. Based on its historical operating data, the acquisition is expected to gradually improve the Group's financial indicators such as revenue, profit and cash flow.

(3) Restructuring of convertible bonds

The Group has been actively negotiating with the convertible bond holders in respect of the repayment and restructuring of the overdue aggregate principal amount of US$273,742,000 (equivalent to approximately RMB1,864,427,000), together with accrued and penalty interest, through various options, including extension of repayment terms, conversion of part of the outstanding amounts into shares of the Company and settlement through transfer of certain assets.

On 31 March 2025, the Group entered into an agreement with JD.com ("JD") in relation to the settlement of the remaining outstanding bond principal and interest by way of (i) asset transfer and (ii) share issuance. As at the date of this report, the relevant transaction plan was approved at the special general meeting held on 17 July 2025, and the parties were progressing with the transfer of the relevant assets.

In addition, the Company has provided Hongkong Walnut Street Limited, a wholly-owned subsidiary of PDD Holdings Inc. ("Pinduoduo"), being the holder of US$200 million outstanding convertible bonds, with a list of assets available for possible settlement arrangements. Pinduoduo was evaluating such assets and conducting due diligence, and discussions on a possible debt resolution plan were ongoing as at the date of this report.

2. BASIS OF PREPARATION (continued)

Going concern consideration (continued)

(4) Sale of properties

The Group has been actively seeking to dispose of certain investment properties in order to improve its liquidity position. The Group currently has three property projects and logistics bases available for sale in Shanghai, Xi'an and Chengdu, respectively. As at the date of this announcement, the Group has entered into a sale agreement with a buyer for the Chengdu property and completion of the sale is expected to take place in the second half of 2026. The proceeds from the sale of the property will primarily be used to repay loans from financial institutions and project fees.

Furthermore, on 19 May 2026, the Group transferred a property located at 中華人民共和國福建省泉州市豐澤區溫陵南路153號銀聯商廈一至五層(含夾層) (1/F to 5/F (including the mezzanine) of UnionPay Commercial Building, No. 153 Wenling South Road, Fengze District, Quanzhou City, Fujian Province, People's Republic of China*) to settle an aggregate debt of RMB54,022,000 owing to 中電科太力通信科技有限公司 (CETC Taili Telecommunications Technology Co., Ltd.*), a creditor of the Group.

(5) 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 is seeking professional advice from financial advisors and consultants in pursuing these fund-raising initiatives in order to best serve the interest of the Group.

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 approval date of the consolidated financial statements, 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 is in progress and related written contractual agreements are not yet finalised as at the date of 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 following: (i) successfully converting the debts from certain suppliers, service providers, landlords, banks and convertible bond holders or other creditors into shares of the Company; (ii) successfully negotiating with convertible bond holders for restructuring the convertible bonds; (iii) successfully renewing and extending the repayment due date of existing secured bank borrowings upon maturity; (iv) successfully negotiating 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) successfully selling the Group's properties at intended prices; and (vi) successfully achieving 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.

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 2025, 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 2026:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to IFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11

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, liquor products, health 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 2025 and 2026, 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 2025 and 2026, there was no revenue derived from a single customer which accounted for 10% or more of the Group's revenue.

5. REVENUE, OTHER INCOME AND GAINS

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

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Revenue from contracts with customers	**175,599**	296,629
Other income		
Gross rental income from operating leases	**57,565**	51,881
Government grants*	**26**	128
Commission income from providing online platforms	**–**	1,241
Income from warehousing services	**–**	7,290
Brand royalties income	**–**	2,130
Others	**–**	27,258
	57,591	89,928
Gains		
Gains on disposal of financial assets at fair value through profit or loss	**–**	151
Gains on disposal of property and equipment	**–**	126,533
Gains on disposal of subsidiaries (liquidated and deregistered)	**1,218,355**	422,224
Gains on lease modification	**–**	383
Fair value gains on financial assets at fair value through profit or loss	**–**	77,064
Foreign exchange gain	**15,076**	–
Others	**19**	–
	1,233,450	626,355
	1,291,041	716,283

* 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.

6. LOSS BEFORE TAX

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

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Cost of inventories sold	**154,814**	272,119
Provision against inventories	**168**	4,050
Cost of sales	**154,982**	276,169
Depreciation of property and equipment	**54,249**	115,757
Depreciation of right-of-use assets	**190,260**	236,502
Research and development costs	**579**	809
Losses (gains) on disposal of property and equipment*	**36,013**	(126,533)
Gains on lease modifications*	**–**	(383)
Fair value losses (gains), net:		
Financial assets at fair value through profit or loss*	**87,651**	(77,064)
Fair value losses on investment properties*	**143**	20,962
Foreign exchange differences, net*	**(15,076)**	13,603
Impairment losses (reversal of impairment losses) on financial assets	**288,694**	(7,413)
Provision for financial guarantee for bankrupted subsidiaries*	**11,743**	534,055
Losses on disposal of investment properties*	**39,047**	–
Impairment losses on assets-held-for-sale*	**41,307**	–
Provision for litigation expenses*	**28,871**	42,846

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.

7. FINANCE (COSTS) INCOME

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

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Finance costs:		
Interest on bonds payable	**(62,270)**	(55,835)
Interest on bank borrowings	**(5,071)**	(6,363)
Interest on lease liabilities	**(340)**	(601)
Penalty interest on bank and other borrowings	**(635,094)**	(906,982)
	(702,775)	(969,781)

7. FINANCE (COSTS) INCOME (continued)

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Finance income:		
Bank interest income	**2,909**	83
Interest income from loans to third parties	**1,772**	1,771
	4,681	1,854

8. INCOME TAX CREDIT

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% (2025: 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% (2025: 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	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
(Under) over provision in respect of prior years	**(26)**	746
Deferred	**4,202**	5,273
Total tax credit for the period	**4,176**	6,019

9. DIVIDENDS

Pursuant to the resolutions of the Board dated 31 August 2026, the Board did not recommend the payment of an interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

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 61,182,098,000 (six months ended 30 June 2025: 47,310,080,000) 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 2025 and 2026 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.

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

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

	For the six months ended 30 June	
	2026	2025
	(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	**(314,254)**	(1,346,343)

	Number of shares for the six months ended 30 June	
	2026	2025
	'000	*'000*
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic and diluted loss per share calculation	**61,182,098**	47,310,080

11. TRADE RECEIVABLES

	30 June 2026 (Unaudited) ***RMB'000***	31 December 2025 (Audited) *RMB'000*
Trade receivables	**196,250**	86,107
Impairment	**(82,801)**	(75,302)
	113,449	10,805

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 2026 (Unaudited) ***RMB'000***	31 December 2025 (Audited) *RMB'000*
Within 3 months	**104,181**	7,327
3 to 6 months	**6,707**	2,155
Over 6 months	**2,561**	1,323
	113,449	10,805

12. TRADE AND BILLS PAYABLES

	30 June 2026 (Unaudited) *RMB'000*	31 December 2025 (Audited) *RMB'000*
Trade payables - unsecured	**3,642,283**	4,190,110
Trade payables - secured	**271,762**	338,830
Bills payable - secured	**–**	6,641
	3,914,045	4,535,581

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

	30 June 2026 (Unaudited) *RMB'000*	31 December 2025 (Audited) *RMB'000*
Within 3 months	**114,206**	33,812
3 to 6 months	**40,472**	18,098
6 to 12 months	**13,894**	38,665
Over 12 months	**3,745,473**	4,445,006
	3,914,045	4,535,581

Notes:

Certain of the Group's trade and bills 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 nil and nil (31 December 2025: RMB33,469,000 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 RMB84,857,000 (31 December 2025: RMB84,857,000) were pledged as collateral;

(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 nil (31 December 2025: RMB77,136,000) were seized by the court;

(iv) certain assets-held-for-sale of the Group located in Mainland China with an aggregate net carrying value at the end of the reporting period of RMB107,900,000 (31 December 2025: nil) were seized by the court; and

(v) certain pledged time deposits of the Group at the end of the reporting period of nil (31 December 2025: RMB6,641,000).

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

13. INTEREST-BEARING BANK AND OTHER BORROWINGS

	30 June 2026			31 December 2025		
	Effective interest rate (%)	**Maturity***	**(Unaudited) *RMB'000***	Effective interest rate (%)	Maturity*	(Audited) *RMB'000*
Current						
Bank loans – secured	**3.00**	**2027**	**10,000#**	4.50-4.55	2026	224,900#
Other loans - secured	**5.00**	**2027**	**10,000#**	N/A	N/A	N/A
Other loans – unsecured	**–**	**2027**	**47,789**	–	2026	54,285
Bonds payable – unsecured	**5.00**	**2027**	**453**	5.00-7.00	2026	100,594
Bonds payable – unsecured	**5.00-8.00**	**2022-2026**	**2,612,360#**	5.00-8.00	2022-2025	2,524,263#
Bank loans – secured	**5.40-18.00**	**2022-2026**	**13,591,710#**	4.58-18.00	2022-2025	14,457,021#
Bank loans – unsecured	**10.50**	**2022-2026**	**5,966#**	8.85-10.50	2022-2025	44,285#
Other loans – secured	**3.75-18.00**	**2022-2026**	**6,306,664#**	3.75-18.00	2022-2025	6,147,546#
Other loans – secured	**N/A**	**N/A**	**N/A**	5.00	2027	10,000#
			22,584,942			23,562,894
Non-current						
Bonds payable – unsecured	**5.00**	**2028-2034**	**5,922**	5.00	2027-2034	6,273

	30 June 2026 (Unaudited) *RMB'000*	31 December 2025 (Audited) *RMB'000*
Analysed into:		
Bank loans repayable:*		
Within one year	**13,607,676**	14,726,206
	13,607,676	14,726,206
Other borrowings repayable:*		
Within one year	**8,967,266**	8,826,688
In second year	**10,697**	10,349
In the third to fifth years, inclusive	**2,090**	2,091
Beyond five years	**3,135**	3,833
	8,983,188	8,842,961

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 RMB1,712,649,000 and nil (31 December 2025: RMB1,886,656,000 and RMB64,302,000) were pledged as collateral and seized by the court, respectively;

13. INTEREST-BEARING BANK AND OTHER BORROWINGS (continued)

(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 RMB2,158,552,000 and RMB52,834,000 (31 December 2025: RMB3,625,485,000 and RMB52,834,000) 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 RMB126,937,000 (31 December 2025: RMB128,820,000) were pledged as collateral; and

(d) certain of the Group's financial assets of fair value through profit or loss with an aggregate fair value of RMB205,500,000 (31 December 2025: RMB243,500,000) were frozen by the court.

(ii) Except for the bonds payable denominated in USD with carrying amounts of RMB2,362,415,000 (31 December 2025: RMB2,381,806,000), 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 2026, the Group has redeemed, renewed and cancelled certain corporate bonds of RMB349,000, nil and RMB3,000 (31 December 2025: RMB349,000, RMB6,621,000 and RMB300,000) upon its maturity.

14. CONVERTIBLE BONDS

On 17 April 2020, the Company, as issuer, and Hongkong Walnut Street Limited, a company with limited liability incorporated under the laws of Hong Kong and a wholly-owned subsidiary of Pinduoduo, 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 of the convertible bonds 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 2026 and 31 December 2025, the fair value of the derivative embedded was nil.

14. CONVERTIBLE BONDS (continued)

On 27 December 2023, the Group entered into an agreement with JD 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 the bonds in 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 during the year ended 31 December 2024. Such gain related only to the portion of the JD convertible bonds settled under the above arrangement and did not represent full settlement of all outstanding convertible bonds of the Group.

Following the above partial settlement, on 31 March 2025, the Group entered into a further settlement arrangement with JD in relation to the 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 approved at the Company’s special general meeting held on 17 July 2025. As at 30 June 2026 and up to the date of this report, the relevant settlement arrangement remained in progress.

Separately, the Pinduoduo convertible bonds were subject to a different debt resolution arrangement and were not part of the above JD settlement. The Company 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.

15. SIGNIFICANT EVENT AFTER THE REPORTING PERIOD

The Group did not have any significant events taking place subsequent to 30 June 2026.

MANAGEMENT DISCUSSION AND ANALYSIS OVERVIEW

OVERVIEW

During the six months ended 30 June 2026 (the "**Reporting Period**"), GOME Retail Holdings Limited (the "**Company**") and its subsidiaries (the "**Group**" or "**GOME**"), faced a complex environment of both challenges and opportunities. Adhering to our mission and vision of "Better homes and lifestyles through GOME", we focused on our core business and continued to advance reforms and self-rescue efforts along three strategic pillars: Debt Resolution, Asset-Light Transformation and New Business Cultivation, achieving significant progress in multiple areas.

During the Reporting Period, the external economic environment was affected by international geopolitics, resulting in a more complex situation. Domestic economic growth was under pressure, and the consumer market performed weakly, particularly the home appliance industry, which faced significant downward pressure. Despite this, the Group did not back down but continued its efforts in debt resolution. During the Reporting Period, through debt-to-equity swaps and asset disposals, it successfully resolved some significant debts, creating favorable conditions for the repair of corporate credit and supply chain relationships. Simultaneously, the Group firmly promoted its asset-light operation transformation centered on franchising and quasi-franchising models and actively deployed new businesses. During the Reporting Period, the Group completed the acquisition of a 51% equity interest in Revoblue (Asia) Enterprise Limited through the issuance of new shares, marking a substantial step towards cultivating new growth drivers. The Company believes that Revoblue (Asia) Enterprise Limited's existing infrastructure will strengthen the Group's cross border e-commerce and supply chain capabilities, enabling efficient sourcing, logistics, and distribution of health products across borders, and driving sustainable growth for the Company. This, in turn, will support the Group's strategic goal of building a resilient, diversified revenue base less reliant on traditional retail categories. The Company believes that there is a great strategic value in the acquisition of Revoblue (Asia) Enterprise Limited.

In the first half of 2026, the domestic economy started steadily, but growth momentum slowed in the second quarter. The recovery of the consumer market fell short of expectations, with volatility in the growth rate of total retail sales of consumer goods. The durable consumer goods sector, particularly home appliances, faced significant challenges, showing an overall downward trend, which continued to exert pressure on the Company's operations. During the Reporting Period, the Group recorded sales revenue of RMB176 million, representing a 40.74% decrease as compared with RMB297 million for the corresponding period last year. The gross profit margin was 11.74%, increased by 4.84 percentage points as compared with 6.90% for the corresponding period last year. The Group's operating expenses (including selling and distribution expenses and administrative expenses) amounted to RMB359 million, as compared with RMB512 million for the corresponding period last year. Other expenses and losses amounted to RMB268 million, as compared with RMB622 million for the corresponding period last year. Net finance costs were RMB698 million, as compared with RMB968 million for the corresponding period last year. Taking the above factors into account, the Group's loss attributable to owners of the parent for the Reporting Period was RMB314 million, representing a significant improvement as compared with RMB1,346 million for the corresponding period last year.

Following the economic slowdown in the second quarter of 2026, the Political Bureau of the Central Committee meeting held in late July 2026 explicitly stated the need to "strengthen counter-cyclical adjustments, intensify efforts to expand domestic demand and optimise supply, effectively ensure and improve people's livelihoods, enhance development momentum and stimulate social vitality, promote sustained, positive, and high-quality economic development, and strive to achieve a good start for the '15th Five-Year Plan'." The Group's management believes that if relevant specific policies can be introduced and implemented in a timely manner, they will provide confidence and momentum for the recovery of the domestic consumer market in the second half of the year. However, the actual situation and the pace of recovery remain to be seen, and the Group's short-term operational pressures persist.

FINANCIAL REVIEW

Revenue

During the Reporting Period, as a result of the reduced supply by certain suppliers and sluggish sales market conditions, sales revenue of the Group decreased by 40.74% to RMB176 million during the Reporting Period, as compared with RMB297 million for the corresponding period last year.

Cost of sales and gross profit

During the Reporting Period, the cost of sales for the Group was RMB155 million. The Group's gross profit was RMB21 million, as compared with RMB20 million for the corresponding period last year.

Other income and gains

During the Reporting Period, the Group recorded other income and gains of RMB1,291 million, representing an increase of 80.31% as compared with RMB716 million for the corresponding period last year, mainly due to the gains on disposal of subsidiaries (liquidated and deregistered) amounted to RMB1,218 million during the Reporting Period.

Selling and distribution expenses

During the Reporting Period, the Group's total selling and distribution expenses amounted to RMB85 million, decreased by 34.62% as compared with RMB130 million for the corresponding period last year.

Among which, staff related expenses decreased from RMB28 million for the corresponding period last year to RMB6 million; depreciation expenses decreased from RMB81 million for the corresponding period last year to RMB56 million; rental expenses increased from RMB0.4 million for the corresponding period last year to RMB12 million; advertising and promotion expenses decreased from RMB11 million for the corresponding period last year to RMB7 million; while payment processing fees decreased from RMB6 million for the corresponding period last year to RMB2 million.

Administrative expenses

During the Reporting Period, administrative expenses of the Group were RMB274 million, decreased by 28.46% as compared with RMB383 million for the corresponding period last year. Among which, staff related expenses decreased from RMB52 million for the corresponding period last year to RMB37 million, mainly due to the decrease in headcount; depreciation expenses decreased from RMB271 million for the corresponding period last year to RMB189 million; accrued litigation fee increased from RMB3 million for the corresponding period last year to RMB12 million; communication expenses decreased from RMB16 million for the corresponding period last year to RMB2 million.

(Impairment losses) reverse of impairment losses on financial assets

During the Reporting Period, the Group recorded impairment losses on financial assets of RMB289 million, as compared with a reversal of impairment losses on financial assets of RMB7 million for the corresponding period last year. Among which, the Group recognised impairment losses of RMB7 million and RMB514 million, and impairment loss reversal of RMB48 million and RMB184 million for trade receivables, receivable from liquidated subsidiaries, amounts due from related parties and other receivables, 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 RMB268 million as compared with RMB622 million for the corresponding period last year. Other expenses and losses mainly comprised of provision for financial guarantee for bankrupted subsidiaries of RMB12 million, losses on disposal of property and equipment of RMB36 million, losses on disposal of investment properties of RMB39 million, impairment losses on assets-held-for-sale of RMB41 million fair value losses on financial assets of RMB 88 million and accrued penalties and provision for litigation expenses of RMB29 million incurred during the Reporting Period.

Gain (loss) before finance (costs) income and tax

During the Reporting Period, the Group's gain before finance (costs) income and tax was RMB393 million, as compared with a loss of RMB398 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 RMB698 million, as compared with RMB968 million for the corresponding period last year.

Loss before tax

As a result of the above-mentioned factors, the Group's loss before tax was RMB306 million during the Reporting Period, decreased by 77.58% as compared with a loss of RMB1,365 million for the corresponding period last year.

Income tax credit

During the Reporting Period, the Group's income tax credit amounted to RMB4 million, as compared with income tax credit of RMB6 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 RMB314 million, decreased by 76.67% as compared with a loss attributable to owners of the parent of RMB1,346 million for the corresponding period last year.

During the Reporting Period, the Group's basic loss per share was RMB0.5 fen, as compared with basic loss per share of RMB2.8 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 RMB35 million, which was mainly denominated in Renminbi and the rest in HK dollars and other currencies, as compared with RMB56 million as at the end of 2025.

Inventories

As at the end of the Reporting Period, the Group's inventories amounted to RMB79 million, increased by 27.42% as compared with RMB62 million as at the end of 2025. As a result of the decrease in revenue which led to the decrease in cost of sales during the Reporting Period, inventory turnover days increased by 11 days from 71 days for the corresponding period last year to 82 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 RMB1,179 million, decreased by 10.34% from RMB1,315 million as at the end of 2025. It was mainly due to the decrease in other receivables.

Due from related companies

As at the end of the Reporting Period, due from related companies amounted to RMB112 million, compared with RMB141 million as at the end of 2025.

Trade and bills payables

As at the end of the Reporting Period, trade and bills payables of the Group amounted to RMB3,914 million, decreased by 13.71% as compared with RMB4,536 million as at the end of 2025. As a result of the decrease in revenue which led to the decrease in cost of sales during the Reporting Period, turnover days of trade and bills payables increased by 1,677 days from 3,257 days for the corresponding period last year to 4,934 days.

Capital expenditure

During the Reporting Period, capital expenditure (relating to property and equipment) incurred by the Group amounted to RMB0.02 million, as compared with RMB1 million for the corresponding period last year.

Cash flows

During the Reporting Period, the Group's net cash flows generated from operating activities was RMB7 million, as compared with RMB14 million used for the corresponding period last year, mainly due to, among others, the changes in prepayments, other receivables and other assets, trade and bills payables, other payables and accruals.

Net cash flows generated from investing activities were RMB6 million, as compared with RMB37 million generated for the corresponding period last year.

During the Reporting Period, net cash flows used in financing activities amounted to RMB33 million, as compared with RMB3 million generated for the corresponding period last year. The net cash inflows from financing activities were mainly due to new loans obtained offset by the repayment of interest-bearing bank and other borrowings during the Reporting Period.

Legal proceedings, contingent liabilities and capital commitments

As at the end of the Reporting Period, the Group had capital commitments of RMB277 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, 7 subsidiaries of the Group received court orders to be liquidated. Related total assets and net assets of these 7 subsidiaries in aggregate were RMB4,648 million and RMB461 million, respectively. In August 2026, 1 subsidiary of the Group received court orders to be liquidated. Related total assets and net liabilities of the subsidiary was RMB5 million and RMB50 million, respectively.

As at 30 June 2026, the principal amounts and carrying amounts of the Group's overdue interest-bearing bank and other borrowings amounted to RMB16.1 billion and RMB22.5 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 2026, the Group was involved in a total of 624 pending litigation cases, with an aggregate amount in dispute of RMB6.0 billion, of which RMB4.9 billion relates to pending litigation cases involving banks and financial institutions. There were also 1,647 court-adjudicated cases involving an aggregate amount of RMB17.2 billion as at 30 June 2026.

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, proceeds from disposal of financial assets and investment properties.

As at 30 June 2026, 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.

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

	Fixed rate *RMB'000*	**Floating rate** *RMB'000*	**Total** *RMB'000*
Denominated in RMB	17,223,025	2,749,104	19,972,129

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 RMB6 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 2026, 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 2026, 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 2026, the outstanding principal amount of the bonds was US$73.74 million.

As at 30 June 2026, the debt to total deficit ratio was 83.56% as compared with 87.72% as of 31 December 2025, which was expressed as a percentage of interest-bearing bank and other borrowings of the Group amounted to RMB22,591 million over total deficit amounted to RMB27,036 million.

Charge on and seize of group assets

As at 30 June 2026, secured trade and bills payables and interest-bearing bank and other borrowings of the Group amounted to RMB272 million and RMB19,918 million, respectively. Among which, trade and bills payables were secured by investment properties of the Group with carrying amounts of RMB85 million. Interest-bearing bank loans and other borrowings were secured by property and equipment, investment properties and right-of-use assets of the Group with carrying amounts of RMB1,713 million, RMB2,159 million and RMB127 million, respectively. Besides charged assets, investment properties, assets-held-for-sale and financial assets of fair value through profit or loss of the Group with carrying amounts of RMB53 million, RMB108 million and RMB205 million have been seized by the courts, respectively.

HUMAN RESOURCES

Employee and Remuneration Policy

As at 30 June 2026, the Group employed a total of 242 employees. For the six months ended 30 June 2026, the total remuneration cost incurred by the Group was RMB43,084,000 (six months ended 30 June 2025: RMB79,746,000). The Group recruits and promotes individuals based on merit and their development potentials. Remuneration package offered to all employees, including directors, is determined with reference to their performance and the prevailing salary levels in the market.

OUTLOOK AND PROSPECTS

Despite the extremely difficult period the Group has experienced in recent years, and the continued severity of external consumer environment and internal debt constraints during the Reporting Period, management has remained proactive and resolute. Through continuous efforts in debt resolution, asset-light transformation, and new business cultivation, the Group has made phased progress in mitigating historical burdens and introducing new businesses with a solid operational foundation. In the second half of the year, we will continue to make every effort to stabilise our fundamental operations and create conditions for further recovery.

Going forward, the Group will steadfastly and continuously advance three core initiatives: actively implementing debt resolution, steadily expanding asset-light models, and focusing on cultivating new growth drivers. Regarding debt resolution, management will build upon completed debt-to-equity swaps and asset-for-debt transactions to continue reaching consensus with other major creditors and ensuring its implementation, while simultaneously advancing the disposal of non-core assets and supply chain repair. Considering that the current market conditions are significantly below the expectations, the Company does not exclude the possibility of seeking a more comprehensive holistic offshore debt resolution. Currently, the Company is assessing its assets and liabilities and discussing different structures with its advisers with a view to achieving the target deleveraging. In terms of asset-light businesses, the Group will focus on three main lines: online development strategy, offline development strategy, and supply chain development strategy. This will enhance the operational quality of individual stores and improve cash flow management capabilities, gradually building a comprehensive service system integrating online and offline franchise networks, supply chains, capital chains, industrial chains, and service chains. Regarding new businesses, the Group will prioritize promoting collaboration between Revoblue (Asia) Enterprise Limited and GOME's members, channels, supply chain, and digital operations, and will prudently cultivate new technology businesses.

2026 marks the first year of the nation's "15th Five-Year Plan". The meeting of the Political Bureau of the Central Committee on 30 July 2026 has clearly outlined a more proactive and constructive macro policy orientation, requiring the introduction of incremental policies based on changing circumstances and emphasising "strengthen domestic demand and optimise supply". The Company expects that the national government will introduce more practical and effective incremental policies in the second half of the year. However, given the current sluggish domestic demand, it will take some time for consumer confidence to recover and for the industry to rebound. The Company maintains a cautiously optimistic outlook on the recovery of the domestic demand market and the structural rebound of the retail industry in the second half. The Company will closely follow national policies, continue to deepen lean management, coordinate resources to enhance operational contributions, and work with partners to push the Company's development back on track as soon as possible.

INTERIM DIVIDEND

The Board did not recommend the payment of an interim dividend for the six months ended 30 June 2026.

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

On 23 March 2026, the Company completed the allotment and issue of shares under a specific mandate for debt capitalisation, comprising: (i) 21,618,533,333 shares issued in settlement of RMB290 million due under the debt-to-equity swap arrangement with 上海金鉑鼎企業服務有限公司 (Shanghai Jinboding Enterprise Services Co., Ltd.*); and (ii) 3,489,819,180 shares issued in settlement of approximately RMB47 million of overdue other payables under the debt-to-equity swap arrangement with China TaiYue Technology Limited.

Save as disclosed above, 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 Reporting Period. As at 30 June 2026, the Company did not have any treasury shares (as defined in the Listing Rules).

MATERIAL ACQUISITIONS AND DISPOSALS

On 5 June 2026, the Company as purchaser and Shiu Fung Hong (Hong Kong) Limited and Longrich Group Holdings Limited as vendors entered into an acquisition agreement, pursuant to which the Company acquired 51% of the issued shares of Revoblue (Asia) Enterprise Limited, at a consideration of RMB41,794,500, which has been satisfied by the allotment and issue of 3,428,940,193 shares of the Company on 6 July 2026.

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

CORPORATE GOVERNANCE

The Company is committed to upholding good corporate governance practices. For the six months ended 30 June 2026, the Company was in compliance with the code provisions of the Corporate Governance Code contained in Appendix C1 to the Listing Rules on the Stock Exchange.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix C3 to the Listing Rules. Upon specific enquiries made by the Company, all directors of the Company have confirmed their compliance with the Model Code during the Reporting Period.

REVIEW BY AUDIT COMMITTEE

The unaudited interim condensed consolidated financial information of the Group for the six months ended 30 June 2026 has not been reviewed by the Company's external auditor, but has been reviewed by the Audit Committee of the Company. The review covered the interim results as well as internal control and financial reporting matters.

PUBLICATION INFORMATION ON THE STOCK EXCHANGE'S WEBSITE

This announcement will be published on the websites of the Stock Exchange and the Company (www.gome.com.hk). The 2026 Interim Report will also be published on the websites of the Stock Exchange and the Company and will be made available to the shareholders of the Company.

APPRECIATION

On behalf of the Board, I wish to thank our shareholders, creditors, business partners and other stakeholders for their support to the Group and to extend my appreciation to all staff members for their dedication and contribution throughout the period.

By Order of the Board
GOME Retail Holdings Limited
ZOU Xiao Chun
Executive Director

Hong Kong, 31 August 2026

As at the date of this announcement, the Board comprises Mr. Zou Xiao Chun, Mr. Ding Jiang Ning and Ms. Wei Ting as executive directors and Mr. Wang Gao, Mr. Lui Wai Ming and Mr. Liu Yin Hong as independent non-executive directors.

* *For identification purpose only*