



中国奇点国峰控股有限公司

China Qidian Guofeng Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1280



2025

ANNUAL REPORT



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

Corporate Information

EXECUTIVE DIRECTORS

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

NON-EXECUTIVE DIRECTOR

Mr. Wang Xianfu

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Zhang Yihua
 Mr. Chen Rui (Resigned on 18 December 2025)
 Ms. Tang Chung Kwan Brenda
 Mr. Kong Xiangming (Appointed on 18 December 2025)

COMPANY SECRETARY

Ms. Zheng Xuci, FCG, HKFCG

AUDIT COMMITTEE

Mr. Zhang Yihua (Chairman)
 Mr. Kong Xiangming
 Ms. Tang Chung Kwan Brenda

REMUNERATION COMMITTEE

Mr. Zhang Yihua (Chairman)
 Mr. Yuan Li
 Mr. Kong Xiangming

NOMINATION COMMITTEE

Mr. Kong Xiangming (Chairman)
 Mr. Zhang Yihua
 Ms. Tang Chung Kwan Brenda

AUTHORISED REPRESENTATIVES

Mr. Yuan Li
 Ms. Zheng Xuci

REGISTERED OFFICE

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

PRINCIPAL PLACE OF BUSINESS AND HEAD OFFICE IN CHINA

Units 1504, 15/F, Block 5,
 No. 19 Beiyuan East Road, Chaoyang District,
 Beijing, PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG REGISTERED UNDER PART 16 OF THE COMPANIES ORDINANCE

Room 1928, 19/F,
 Lee Garden One,
 33 Hysan Avenue,
 Causeway Bay
 Hong Kong

SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

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

PRINCIPAL BANKERS

China Merchants Bank (Renhuai Sub-branch under Zunyi Branch)
 No. 1-20~23, Unit A, Podium, Fourth Phase of Guojiucheng, Chengnan Community, Yanjin Sub-district Office, Renhuai City Zunyi City
 Guizhou Province
 China

Bank of Communications (Beijing Hui Zhong Li Sub-branch)
 Building 413, Hui Zhong Bei Li
 Beijing
 China

Industrial Bank (Shenzhen Qianhai Branch)
 No. 5033, Menghai Avenue, Nanshan Sub-district, Qianhai Shenzhen-Hong Kong Cooperation Zone
 Shenzhen City
 China

STOCK CODE

1280

WEBSITE OF THE COMPANY

www.qidianguofeng.cn

(information on the website does not form part of this annual report)



Financial and Operational Highlights



01

Revenue for 2025 was approximately RMB356.6 million, representing a decrease of 19.3% from approximately RMB442.0 million for 2024, mainly attributable to the decreased revenue from home appliances sales and liquor sales.




02

Gross profit margin for 2025 was 23.5%, while that for 2024 was 26.7%.



03

Operating loss for 2025 was approximately RMB419.9 million, while that for 2024 was approximately RMB2,218.7 million.



04

Loss for 2025 was approximately RMB428.2 million, while that for 2024 was approximately RMB2,226.9 million.

Chairman's Statement



DEAR SHAREHOLDERS,

On behalf of the board (the "Board") of directors (the "Directors") of China Qidian Guofeng Holdings Limited (the "Company", together with its subsidiaries, the "Group"), I am pleased to present the annual report of the Group for the year ended 31 December 2025.





Chairman's Statement



In 2025, amid a complex external environment, the Chinese economy demonstrated solid underlying resilience, with gross domestic product (GDP) growing by 5.4% year-on-year, according to data from the National Bureau of Statistics. Proactive fiscal policy continued to gain traction, with RMB4.4 trillion of local government special bonds arranged for the year, representing an increase of RMB500 billion over the previous year, while the roll-out of ultra-long special treasury bonds was accelerated, driving higher-quality and more efficient infrastructure investment. The consumer market steadily recovered, with total retail sales of consumer goods reaching RMB50.1 trillion, up 3.7% year-on-year, and consumption contributing 52% to economic growth. Profits of industrial enterprises above the designated size increased by 4.2% year-on-year, while revenue of the digital industry reached RMB38.3 trillion, according to data from the Ministry of Industry and Information Technology, highlighting a clear trend of industrial upgrading. Against this backdrop, the Group focused on opportunities arising from industrial upgrading, optimised the layout of its non-core businesses, completed a major asset restructuring and secured a strategic position in core sectors, established the dual-business-driven strategy of "AI + Maotai-flavour liquor", and effected a focused transformation integrating technology and consumer businesses, thereby laying a solid foundation for long-term development.

In response to industry development trends, the Group optimised its business structure and integrated resources. It strategically reviewed and optimised the positioning of its education-related training businesses, with greater focus on core resources; streamlined its retail business of household appliances, focusing on core digital product categories such as mobile phones and tablets; completed the acquisition of HongKong HuiLiu and established Qidian Zhisuan (奇點智算) to enter the AI computing power sector; and further cultivated the core Maotai-flavour liquor sector to achieve structural breakthroughs. This ultimately gave rise to a dual-track business model driven by "AI + Maotai-flavour liquor" providing cash flow support, ushering in a new stage of ecosystem development in which "technology empowers consumption and consumption, in turn, supports technology".

Chairman's Statement

In 2025, the home appliances industry as a whole continued to adjust downward, weak demand and intensified market competition continued to drag down the performance of the industry. Despite the country's efforts to expand the policy of replacing old home appliances with new ones and the inclusion of digital products such as mobile phones and tablets in the scope of subsidies for the first time, which brought structural opportunities to the digital subdivision field, the overall pressure of the industry was still significant. The Group seized the policy dividend, divested the non-core categories of traditional home appliances, focused on the core digital products of the ecological chain of Apple and Huawei, and maintained business resilience through channel and scenario optimization. The core digital segment provided stable support for the Group's cash flow.

In 2025, the Maotai-flavour liquor industry entered a period of deep adjustment, characterised by declining sales volume, rising prices and structural divergence. Small and medium-sized liquor enterprises accelerated their exit from the market, while the value of core production areas became increasingly prominent. Leveraging its presence in the core production area of Maotai Town, the Group strengthened quality, channel and brand development. It established Shengyouhui's three-dimensional distribution network, and the model received recognition at the Boao Summit. It also built a full product matrix under Shengjiu, with quality overseen by leading industry experts, and established a "high quality at fair prices" positioning. In addition, the Group stepped up brand exposure and invited industry authorities to provide endorsements. Although liquor revenue was under short-term pressure, the Group has already built up core competitiveness.

In 2025, affected by challenging macroeconomic environment, small and medium-sized enterprises faced mounting operational pressure. Compounded by the rapid impact of AI and online training models, the development of offline training formats encountered headwinds. Although the Group's training business achieved phased growth by virtue of its established operational model, it continued to face operational pressure due to the broader industry downturn. In alignment with its long-term strategic development direction, the Group conducted a comprehensive review and resource optimization of its training operations.

In 2025, the AI industry accelerated its commercialisation, while China's "Eastern Data and Western Computing" (東數西算) and "Green Computing Power" (綠色算力) strategies continued to advance, driving an explosive increase in demand for AI computing power chips. The Group announced the acquisition of HongKong HuiLiu in July and completed the acquisition in September, and established Qidian Zhisuan (奇點智算) to enter the AI computing power sector. It has now established a comprehensive AI business system, launched green full-liquid-cooling servers compatible with domestic chips, formed partnerships with leading enterprises, and built a customer base covering Alibaba, Tencent and others. The AI business has achieved a breakthrough from 0 to 1 and has become a core engine for future high growth.

In 2026, although uncertainties will remain in the global economy, China's economy is expected to recover moderately, while the digital economy and consumption upgrading will remain key trends. The Group will continue to adhere to the dual-core strategy of "AI + Maotai-flavour liquor", promote its AI computing power business towards becoming a core domestic computing power service provider, deepen its presence in the Maotai-flavour liquor sector to enhance brand strength and competitiveness, maintain the stable operation of its digital products business to provide cash flow support, deepen ecosystem synergies, and drive the Group's long-term high-quality development.



Chairman's Statement

Finally, on behalf of the Board, I would like to express my sincere gratitude to all Shareholders, investors, colleagues of the Group and all sectors of society. We will remain committed to the values of "Innovation and Creation, Business for Good", continue to advance the "AI + Maotai-flavour liquor" strategy, pursue long-term sustainable development, and strive to become a respected technology and consumer group that creates sustainable returns and value for Shareholders.

I am confident that I can lead all employees of the Group to seize opportunities, overcome challenges, promote the deep integration of technology and consumption, and realise the Group's high-quality development.

Yuan Li

Chairman

Hong Kong, 31 March 2026



Management Discussion and Analysis



MARKET REVIEW: PROMINENT RESILIENCE OF MACROECONOMY

In 2025, despite a complex and volatile international situation and the slowing global economic growth, the Chinese economy remained stable, demonstrating its development resilience. Domestically, the consumption market recovered gradually, evidenced by total retail sales of consumer goods exceeding RMB50.1 trillion throughout the year. Consumption continued to serve as the main driver, contributing 52% to the overall economic growth. Industrial upgrading and the digital economy played a pivotal role. The added value of high-tech manufacturing grew by 9.4% year-on-year, accounting for 17.1% of the added value of industrial enterprises above designated size. The “east data, west computing” project was thoroughly implemented, making a significant impact on fostering new quality productive forces. Guided by the “Plan on Empowerment of Industrial Internet and Artificial Intelligence Integration (《工業互聯網和人工智能融合賦能行動方案》)”, the focus remained on deeply integrating information technology with industrialization. All efforts should be made to focus on the implementation of “artificial intelligence +” industries, accelerate the rise of artificial intelligence and other emerging industries, promote the digital and intelligent transformation of traditional industries and propel the manufacturing industry towards the mid- and high-end of the global value chain.



Management Discussion and Analysis

BUSINESS REVIEW AND OPERATING PERFORMANCE

During the Reporting Period, the integration of artificial intelligence (AI) into industries speeded up. Demands for computing power continued to rise and the pace of domestic substitution accelerated, bringing space for tech businesses' growth. For the Maotai-flavor liquor industry, it entered a deep adjustment stage characterized by the confluence of "policy changes, consumption structure transformation and stock competition", presenting a pattern of volume reduction and price increase as well as intensified structural differentiation, leading to further concentration of resources and brand advantages in core production areas. The training industry continued to decline under the influence of policy norms and market demand contraction, and the business environment deteriorated significantly; The home appliances industry as a whole continued to adjust, and the industry was under obvious pressure. Although digital products such as mobile phones and tablets were supported by key policies, the industry as a whole maintained a low level of operation due to factors such as weak terminal demand and inventory depletion. The Group grasped the industry trend, promoted strategic focus and business optimization, and laid a solid foundation for long-term high-quality development.

AI BUSINESS

2025 marked a crucial year for the industrial implementation of AI technology. The Group grasped the opportunity to reorganize its major assets and established its presence in new sectors, achieving a breakthrough from 0 to 1 in the AI business and establishing a dual-track development model of "AI computing power + AI technology application". During the year, as a sign of formally stepping into the AI sector, the Group acquired HongKong HuiLiu and set up Qidian Zhisuan (奇點智算), positioning itself as an integrated infrastructure service provider and computing power operator in the AI industry. Leveraging technologies from HongKong HuiLiu, a full-chain distributing service system covering AI server, high-performance graphics card and AI chip was developed by the Group. Simultaneously, Qidian Zhisuan launched the full liquid-cooled server and energy-efficient storage device that complies with the national green computing power standard, and provided full-life cycle service like computing power leasing, managed operations and maintenance and energy consumption optimization. At present, the Group has established deep strategic collaborations with top technology enterprises in China, with the advantages of a stable supply chain and outstanding technical adaptation ability. Our customers are those leading internet enterprises in China. At the same time, AI technologies were integrated into liquor brewing and customer operations to promote the coordinated development of technology and consumer businesses.

MAOTAI-FLAVOR LIQUOR BUSINESS

In 2025, amid the dramatic adjustment of the Maotai-flavor liquor industry, the Group remained committed to its roots in the core production area along the Chishui River in Maotai Town, prioritizing Maotai-flavor liquor as a key segment of its new consumer business. It focused on the high-end Maotai-flavor liquor and drove comprehensive upgrades across its distribution channels, product range and brand reputation. The Group creatively built a three-dimensional distribution network of Shengyouhui (勝友薈). For now, Shengyouhui owned over 200 stores and offline experience centers across the country and won the "Boao Summit – 2025 Annual Most Promising Project" award; it also rolled out an operating system across online stores, livestreaming, social media communities and private domain, combined with offline experiential activities, has shaped an all-domain integrated ecosystem, enabling precise reach of high-net-worth clients. In terms of products, the Group's liquor business has implemented a "self-owned production capacity + state-owned partnership" dual-track model to build a comprehensive product matrix under the Shengjiu brand. We adhered to the traditional "12987" brewing technique, with a leading team of top experts overseeing quality control, so as to safeguard our title of "a benchmark for high-quality and affordable Maotai-flavor liquor in China". In terms of brand, large-scale promotional advertisements were laid out in airports, high-speed railway stations and other core locations across the country. We also invited industry experts to serve as brand consultants, further enhancing our brand value and influence. Despite short-term revenue pressure from channel optimization, our core competitiveness has been comprehensively strengthened.

Management Discussion and Analysis

TRAINING BUSINESS

In 2025, the training market was in a phase of deep adjustment and cyclical downturn. Along with standardized industry supervision and a sharp constraint in market demand, the overall operating environment became noticeably worse. The Group's training business experienced a significant rise in pressure due to the overall industry downturn. The management consistently upgraded the operating strategy and business scope. During the Reporting Period, the Group improved the effectiveness of the OMO model and integrated "online knowledge payment + offline practical simulation" by leveraging the "Shengshang Engine (聖商引擎)" SaaS platform with over 180,000 corporate trainees participating; conducted special marketing with the Maotai-flavor liquor business to drive cross-business conversion, whilst collaborating with local governments across various regions to organise digital transformation matchmaking events for small and medium-sized enterprises, thereby enhancing market penetration in third- and fourth-tier cities. However, it has proved difficult to withstand the pressures of industry trends, with performance remaining under pressure and results for the second half of the year showing a decline. The Group has conducted a comprehensive strategic review and resource assessment of its training business. Moving forward, it will undertake structural optimisation of its business portfolio in line with industry trends and the Group's overall strategy, with a view to achieving efficient resource allocation and ensuring the successful implementation of the Group's long-term development strategy.

HOME APPLIANCES AND DIGITAL ELECTRONIC PRODUCTS BUSINESS

In 2025, the home appliances industry as a whole continued to adjust downward, with weak industry demand and intensified competition. Although digital products such as mobile phones and tablets were included in the scope of national subsidies for replacing old ones with new ones for the first time, it was still difficult to resist the overall pressure of the industry. Therefore, the Group adopted a business streamlining strategy – intended to divest non-core categories of traditional home appliances and concentrate on selling mobile phones, tablets and other core digital products, especially the products within the Apple and Huawei ecosystems, processing resilient growth through channel optimization, scenario innovation and refined operations. Xin Huiyin (新匯銀), a subsidiary of the Group, performed stably. Its transformation of offline scenarios and the operation of online content effectively increased the average selling price and repurchase rates. The core digital business acted as a stable financial pillar, powering the Group's overall cash flow.

FINANCIAL REVIEW

Revenue

Revenue for 2025 was approximately RMB356.6 million, representing a decrease of 19.3% from approximately RMB442.0 million for 2024, which is mainly attributable to the decreased revenue from household appliances sales and liquor business.



Management Discussion and Analysis

Turnover of the Group comprises revenues as follows:

	2025 RMB'000	2024 RMB'000
Types of goods and services		
Sales of home appliances	236,098	271,790
Sales of liquor	60,011	102,296
Provision of education-related training service	57,394	67,908
Livestream e-commerce commission income	3,082	—
	356,585	441,994
Timing of revenue recognition		
A point in time	299,191	374,086
Over time	57,394	67,908
	356,585	441,994

Cost of sales and services

For the year ended 31 December 2025, the cost of sales and service was approximately RMB272.9 million, decreased by 15.8% from that of approximately RMB324.2 million for the year ended 31 December 2024, which was due to the decrease in revenue during the year.

Gross profit

For the year ended 31 December 2025, the gross profit was approximately RMB83.7 million, decreased by 28.9% from that of RMB117.8 million for the year ended 31 December 2024.

Other income

For the year ended 31 December 2025, other income recorded by the Group amounted to approximately RMB2.3 million, in comparison to other income of approximately RMB5.3 million for the year ended 31 December 2024.

Other gain and losses, net

For the year ended 31 December 2025, the Group recorded other net loss of approximately RMB6.0 million, in comparison to other gain of approximately RMB6.7 million for the year ended 31 December 2024.

Management Discussion and Analysis

Selling and marketing expenses

For the year ended 31 December 2025, the Group's total selling and marketing expenses amounted to approximately RMB134.4 million, representing an increase by 57.2% from approximately RMB85.5 million for the year ended 31 December 2024.

Administrative expenses

For the year ended 31 December 2025, the Group's total administrative expenses amounted to approximately RMB60.6 million, decreased by 19.0% from approximately RMB74.8 million for the year ended 31 December 2024.

Operating loss

For the year ended 31 December 2025, the operating loss amounted to approximately RMB419.9 million, representing a decrease by 81.1% in comparison to approximately RMB2,218.7 million for the year ended 31 December 2024.

Net finance costs

For the year ended 31 December 2025, the net finance costs of the Group amounted to approximately RMB4.4 million, representing a decrease by 59.3% in comparison to approximately RMB10.8 million for the year ended 31 December 2024.

Loss before tax

For the year ended 31 December 2025, the loss before tax amounted to approximately RMB424.3 million, representing a decrease by 81.0% in comparison to approximately RMB2,229.5 million for the year ended 31 December 2024.

Income tax (expense)/credit

For the year ended 31 December 2025, the income tax expense of the Group amounted to approximately RMB4.0 million, while the income tax credit was approximately RMB2.7 million for the year ended 31 December 2024.

Total comprehensive expense attributable to owners of the Company

The total comprehensive expense attributable to owners of the Company for the year ended 31 December 2025 was approximately RMB418.7 million, representing a decrease by 81.2% in comparison to approximately RMB2,221.7 million for the year ended 31 December 2024.

Cash and cash equivalents

As at 31 December 2025, the Group's cash and cash equivalents were approximately RMB36.2 million, an increase of 30.7% from approximately RMB27.7 million as at 31 December 2024.

Inventories

As at 31 December 2025, the Group's inventories amounted to approximately RMB35.8 million, representing a decrease of 20.3% from RMB44.9 million as at 31 December 2024.

Prepayments, deposits and other receivables

As at 31 December 2025, prepayments, deposits and other receivables of the Group amounted to approximately RMB54.5 million, representing an increase of 25.0% from approximately RMB43.6 million as at 31 December 2024.



Management Discussion and Analysis

Trade receivables

As at 31 December 2025, trade receivables of the Group amounted to approximately RMB70.1 million, representing an increase of 734.5% from approximately RMB8.4 million as at 31 December 2024.

Trade and bills payables

As at 31 December 2025, trade and bills payables of the Group amounted to approximately RMB39.1 million, in comparison approximately RMB33.6 million as at 31 December 2024.

Gearing ratio and the basis of calculation

As at 31 December 2025, gearing ratio of the Group was 72.7% increased from that of 64.7% as at 31 December 2024. The gearing ratio is equal to total liabilities divided by the sum of total equity and total liabilities.

Liquidity and financial resources

For the year ended 31 December 2025, the Group's working capital, capital expenditure and investment cash were funded from cash on hand and borrowings. As at 31 December 2025, the borrowings of the Group amounted to RMB75.7 million, representing a decrease of 31.1% from RMB109.8 million as at 31 December 2024.

Going Concern Capability

When assessing the Group's ability to continue as a going concern, the Board of the Company has carefully considered factors such as the Group's operating conditions, future cash flows, available sources of financing, management's past performance, and policy trends. In prior periods, the Group successfully developed in its liquor business, while seizing the digital economy development trend to expand into AI-related businesses and achieving a revenue breakthrough, thereby laying a foundation for improving the Company's operating condition.

To alleviate liquidity pressures and continuously improve its financial position, the Group plans to implement the following core measures:

- (1) Leveraging the cooperation opportunity with MetaX (688802.SH) to vigorously develop AI-related businesses, further enhance operating cash flow, and provide stable financial support for the Company's long-term development;
- (2) Gradually divest the underperforming home appliance business to reduce related operating losses, optimize the asset structure, reduce the scale of corresponding liabilities, and improve the overall financial condition;
- (3) Make full use of capital market advantages to actively negotiate with creditors to repay part of outstanding debts through the issuance of shares, thereby optimizing the gearing ratio;
- (4) The Company's major shareholders continue to be optimistic about the development trend of the Group's "AI + Maotai-flavor liquor" dual-core strategy and will keep providing necessary financial support to the Group to help the Company navigate through the challenges of its development phase.

The Board of the Group has reviewed the cash flow projections prepared by management, covering a period of not less than 15 months immediately after 31 December 2025. In view of the potential growth space of the Group's AI business, the core competitiveness of its liquor business, management's extensive experience in liquidity management, and the continued financial support from its major shareholders, the Board of Directors is of the opinion that the Group will be able to obtain sufficient working capital and financing sources to ensure the repayment of its maturing debts within 15 months after 31 December 2025.

Management Discussion and Analysis

Pledge of assets

As at 31 December 2025, none (2024: RMB nil) of right-of-use assets and buildings had been pledged.

Foreign currencies and treasury policy

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

Final dividend

The Board does not recommend the payment of any final dividend for the year ended 31 December 2025 (2024: Nil).

Employment and remuneration policy

The Group adopts remuneration policies similar to its peers in the industry. The remuneration payable to our staff is fixed with reference to the prevailing market rates in the region and on the basis of the merit, qualifications and level of competence of its staff. Our management (including the Directors) receives a fixed sum of basic salary and a discretionary performance bonus after annual/monthly/quarterly assessments. The emoluments of the Directors are decided by the remuneration committee, having regard to the Company's operating results, their individual performance and comparable market statistics.

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

Human resources

As at 31 December 2025, the Group had 275 employees, decreased by 2.83% from 283 employees as at 31 December 2024.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Please refer to note 12 to the consolidated financial statements for details of remuneration of the Directors for the year ended 31 December 2025.

Details of the remuneration by band of Directors and senior management of the Company, whose biographies are set out in the section headed "Directors' and Senior Management's Profile" on pages 40 to 43 of this annual report, for the year ended 31 December 2025 are set out below.

Remuneration bands (RMB)	Number of individuals (Note)
0 – 1,000,000	8
1,000,001 – 4,000,000	2

Note: Mr. Chen Rui resigned as independent non-executive Director on 18 December 2025. Mr. Kong Xiangming was appointed as the non-executive Director of the Company on 18 December 2025.



Management Discussion and Analysis

FUTURE OUTLOOK

In 2026, the macroeconomy of China is expected to maintain steady growth. The policymakers will amplify macroeconomic adjustments and implement more proactive, effective and coordinated policies, while focusing on expanding domestic demand, fostering new quality productive forces and driving industrial upgrading. As the main engine of new quality productive forces, AI-related policies will shift from pilot programs to large-scale industrial applications and full-chain deployment. With the deepening and expansion of the “AI+” initiative, the consumption market will be getting onto the track of sustained recovery and quality improvement, shoring up a healthy environment for industrial development with the addition of great support from consumption-promotion program such as the trade-in policy.

In light of this, the Group will strive for its dual-core strategy of “AI + the Maotai-flavor liquor”, solidify the synergistic effect of “technology empowers consumption, consumption fuels technology”. Upholding our values of business for good with innovation and creation, we will steadfastly enhance our core competitiveness, aiming to become a respected technology and consumer group.

AI BUSINESS

Under the supports of Qidian Zhisuan and HongKong HuiLiu, the Group aims to become a core service provider in the domestic computing power sector. The core products like green computing power servers and storage devices will be optimized while staying at the technological forefront of industry. We are enhancing domestic chip compatibility to deeply aligning with the national “east data, west computing” project. By perfecting a full-lifecycle service system encompassing computing power leasing, value-added services and computing-energy synergy, we aim to deepen cooperation with leading chip manufacturers and technology enterprises. Our focus remains on the distribution of high-value computing and storage chips, alongside continuous R&D and product iteration. Furthermore, we will strengthen the deep synergy between AI technology and the Group’s core businesses, fully applying intelligent algorithms and computing capabilities across all operational processes. Meanwhile, we will expand external commercial services to release technological value and build a core engine for the Group’s high-quality growth.

MAOTAI-FLAVOR LIQUOR BUSINESS

By virtue of its roots in the core production area in Maotai Town, and its positioning as a provider of “high-quality, value-for-money” products, the Group will make every effort for the national channel expansion. To optimize private domain user operations and keep enhancing the conversion and stickiness of high-end customers, the mature model of Shengyouhui will be replicated in key markets to build an integrated channel covering new retail, experience stores and forward warehouses. We will raise our brand visibility and cultural empowerment through high-end scenario marketing — creating unique tasting and “sealing ceremony (封坛)” experiences, to enhance our brand added value. We remain committed to consummating our product portfolio, upholding traditional techniques and quality standards, while exploring younger and family-oriented consumption situations, to expand market space through product innovation. By integrating AI technology across the entire chain, intelligent upgrades will be enabled in brewing, blending, warehousing and marketing, building a trinity of core competitiveness in quality, brand and culture and steadily boosting its industry position and market share.

TRAINING BUSINESS AND HOME APPLIANCES AND DIGITAL ELECTRONIC PRODUCTS BUSINESS

In 2026, facing a persistently sluggish operating environment in the training industry, the Group will coordinate resources and optimize structure for the training business, by taking into account the industry trends and the Group’s overall strategy. We will focus on our core competitive strengths to achieve efficient allocation of the Group’s resources and strategic alignment. Meanwhile, the home appliance and digital electronics products business will steadily operate by centering on core categories such as mobile phones and tablets. Leveraging the national “trade-in” policy, we will optimize product structures and operational efficiency while enhancing channel coverage and service capabilities. This business will continue to act as a stable financial pillar, underpinning our strategic transition and guaranteeing the Group’s long-term steady progress.

Corporate Governance Report

CORPORATE GOVERNANCE PRACTICES OF THE COMPANY

Recognizing the importance of a publicly-listed company's responsibilities to enhance its transparency and accountability, the Group is committed to achieving high standards of corporate governance to safeguard the interests of its shareholders and to enhance corporate value and accountability.

The Company has applied the principles and Code Provisions ("**Code Provisions**") as set out in the Corporate Governance Code (the "**CG Code**") contained in part 2 of Appendix C1 to the Listing Rules that provides a framework and solid foundation for achieving, attracting and retaining the high standard and quality of the Group's management, promoting high standards of sound internal control, accountability and transparency to all shareholders and also meeting the expectations of the Group's various stakeholders. The Group is also committed to continuously improving these practices and inculcating an ethical corporate culture.

Throughout the reporting year, the Company has complied with the Code Provisions as set out in the CG Code, except for the deviation from the code provision F.1.3 of the CG Code. Code Provision F.1.3 of the CG Code requires the chairman of the board should attend annual general meeting. Mr. Yuan Li, the chairman of the Board, was unable to attend the annual general meeting held on 12 May 2025 (the "AGM") due to other business commitments, and Mr. Zhuang Liangbao, an executive Director, acted as the chairman of the AGM.

THE BOARD

Responsibilities, Accountabilities and Contributions of the Board and Management

The Board is responsible for leadership and control of the Company and oversees the Group's businesses, strategic decisions and performance and is collectively responsible for promoting the success of the Company by directing and supervising its affairs. Directors of the Board take decisions objectively in the interests of the Company.

The Board reserves for its decision all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and coordinating the daily operation and management of the Company are delegated to the management.

All Directors shall ensure that they carry out duties in good faith, in compliance with applicable laws and regulations, and in the interests of the Company and its shareholders at all times.

Board Composition

The Board currently comprises eight members, consisting of four executive Directors, one non-executive Director, and three independent non-executive Directors:

Executive Directors:

Mr. Yuan Li, Chairman, member of the Remuneration Committee
Mr. Sun Yue, Vice-chairman and chief executive officer
Mr. Yuan Lijun, Vice-chairman and co-chief executive officer
Mr. Zhuang Liangbao

Non-executive Director:

Mr. Wang Xianfu

Independent Non-executive Directors:

Mr. Zhang Yihua, Chairman of the Audit Committee and the Remuneration Committee and member of the Nomination Committee
Mr. Kong Xiangming, Chairman of the Nomination Committee, member of the Audit Committee and the Remuneration Committee
Ms. Tang Chung Kwan Brenda, member of the Audit Committee and the Nomination Committee



Corporate Governance Report

Mr. Kong Xiangming was appointed as an independent non-executive Director on 18 December 2025 and has obtained the legal advice referred to in Rule 3.09D of the Listing Rules on 18 December 2025, and he has confirmed that he understood his obligations as a director of a listed issuer.

The biographical information of the Directors are set out in the section headed "Directors' and Senior Management's Profile" on pages 40 to 43 of this annual report.

The list of Directors (by category) is also disclosed in all corporate communications issued by the Company pursuant to the Listing Rules from time to time.

Save as disclosed in the section headed "Directors' and Senior Management's Profile" on pages 40 to 43 of this annual report, there are no financial, business, family or other material/relevant relationships among members of the Board.

During the year ended 31 December 2025, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors representing at least one-third of the Board, and of whom at least one independent non-executive Director must possess appropriate professional qualifications or accounting or related financial management expertise.

The Company has received a written annual confirmation of independence from each of its Independent Non-executive Directors. The Company considers that all independent non-executive Directors are independent in accordance with the independence guidelines as set out in the Listing Rules.

The Company has established the Board Independence Evaluation Mechanism (the "**Mechanism**") during the year which set out the process and procedures to ensure independent views and input are available to the Board, with the following key features: (i) the Nomination Committee is established with clear terms of reference to identify suitable candidates, including independent non-executive Directors, for appointment as Directors; (ii) the Nomination Committee will assess annually the independence of all independent non-executive Directors; and (iii) the Directors are entitled to seek, at the Group's expense, independent professional advice reasonably necessary for discharging their duties as Directors. Such mechanisms are conducted on an annual basis by the Board. The Board has reviewed the implementation and effectiveness of the Mechanism and considered it to be effective for the year ended 31 December 2025.

Each of the non-executive Directors (including independent non-executive Directors) brings a wide range of business and financial expertise, experience and independent judgement to the Board. Through active participation at Board meetings, taking the lead in managing issues involving potential conflict of interests and serving on Board committees, all the non-executive Directors make various contributions to the strategic direction of the Company.

Appointment, Re-election and Removal of Directors

Code provision B.2.2 of the CG Code states that all directors, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

Each of the executive Directors entered into a service contract with the Company for a term of three years commencing on the respective date of their appointment. Each of their appointment can be terminated by either party giving not less than three months' prior notice in writing to the other. Mr. Yuan Li entered into a service contract with the Company commencing on 26 August 2023. Mr. Sun Yue entered into a service contract with the Company commencing on 27 May 2024. Mr. Yuan Lijun entered into a service contract with the Company commencing on 15 October 2024. Mr. Zhuang Liangbao entered into a service contract with the Company commencing on 28 August 2023.

Corporate Governance Report

Each of the non-executive Directors (including independent non-executive Directors) entered into an appointment letter with the Company for a term of three years commencing on 27 May 2024 for Mr. Wang Xianfu, non-executive Director; on 23 August 2025 for Mr. Zhang Yihua, independent non-executive Director, on 18 December 2025 for Mr. Kong Xiangming, independent non-executive Director; and on 6 November 2024 for Ms. Tang Chung Kwan Brenda, independent non-executive Director. The appointment of each of the non-executive Directors (including independent non-executive Directors) can be terminated by either party giving not less than three months' prior notice in writing to the other.

In accordance with the Company's articles of association (the "**Articles of Association**"), all Directors of the Company are subject to retirement by rotation at least once every three years and any new director appointed to fill a casual vacancy or as an addition to the Board by the Board shall hold office only until first annual general meeting after his appointment and shall then be eligible for re-election at that meeting.

In accordance with Article 16.18 of the Articles of Association, Mr. Yuan Li, Mr. Zhuang Liangbao and Mr. Sun Yue shall retire at the Annual General Meeting. In addition, Mr. Kong Xiangming who has been appointed by the board on 18 December 2025 shall hold office until the Annual General Meeting pursuant to Articles 16.2 of the Article of Association. All of the above retiring Directors, being eligible, will offer themselves for re-election at the Annual General Meeting.

The procedures and process of appointment, re-election and removal of directors are laid down in the Articles of Association. The Nomination Committee is responsible for reviewing the Board composition, developing and formulating the relevant procedures for nomination and appointment of directors, monitoring the appointment and succession planning of directors and assessing the independence of independent non-executive directors.

Continuous Professional Development of Directors

Directors keep abreast of responsibilities as a director of the Company and of the conduct, business activities and development of the Company.

Every newly-appointed Director has received induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

All Directors are encouraged to participate in appropriate continuous professional development to develop and refresh their knowledge and skills as required under 3.09F and 3.09G of the Listing Rules so as to ensure that their contribution to the Board remains informed and relevant. Mr. Kong Xiangming has completed the continuous professional development as required under 3.09H of the Listing Rules.

Records of training received by each existing Director are summarized below:

Directors	Types of Training
Mr. Yuan Li	B
Mr. Sun Yue	B
Mr. Yuan Lijun	B
Mr. Zhuang Liangbao	B
Mr. Wang Xianfu	B
Mr. Zhang Yihua	B
Ms. Tang Chung Kwan Brenda	B
Mr. Kong Xiangming	B

A *Attending in-house briefing(s)*

B *Attending seminar(s) and training(s)*

C *Reading materials relating to directors' duties and responsibilities*



Corporate Governance Report

BOARD COMMITTEES AND CORPORATE GOVERNANCE FUNCTIONS

The Board has established three committees, namely, the audit committee, remuneration committee and nomination committee, for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with defined written terms of reference. The terms of reference of the Board committees are posted on the Company's website and the Stock Exchange's website and are available to shareholders upon request.

The majority of the members of each Board committee are Independent Non-executive Directors and the list of the chairman and members of each Board committee is set out in the section headed "Corporate Information" on page 2.

Audit Committee

The Company established the Audit Committee with written terms of reference in compliance with the CG Code. The main duties of the Audit Committee are to assist the Board in reviewing the financial information and reporting process, internal control procedures and risk management system, audit plan and relationship with external auditor, and arrangements to enable employees of the Company, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

The Audit Committee comprises the independent non-executive directors, namely Mr. Zhang Yihua, Mr. Kong Xiangming and Ms. Tang Chung Kwan Brenda, including two Independent Non-executive Directors who possess the appropriate professional qualifications or accounting or related financial management expertise.

Rule 3.21 of the Listing Rules requires the Audit Committee to comprise non-executive directors only, with a minimum of three members with independent non-executive directors in majority and at least one member with appropriate professional qualifications or accounting or related financial management expertise.

During the year, the Audit Committee held two meetings to review the 2024 annual financial results and 2025 interim results, all members of the Audit Committee had attended the meetings.

During the year, the Board did not hold a different view from the Audit Committee on the appointment, designation or dismissal of external auditors.

During the year, the Audit Committee also met the external auditor without the presence of the executive Directors.

Remuneration Committee

The Company established the Remuneration Committee with written terms of reference in compliance with the CG Code. The primary functions of the Remuneration Committee include reviewing and making recommendations to the Board on the remuneration packages of individual executive directors and senior management, the remuneration policy and structure for all directors and senior management; assessing the performance of executive Directors; review and/or approve matters relating share schemes under Chapter 17 of the Listing Rules; and establishing transparent procedures for developing such remuneration policy and structure to ensure that no director or any of his/her associates will participate in deciding his/her own remuneration.

The Remuneration Committee comprises one executive Director, Mr. Yuan Li and two independent non-executive Directors, Mr. Zhang Yihua and Mr. Kong Xiangming. Mr. Zhang Yihua has been appointed as the chairman of the Remuneration Committee.

During the year, the Remuneration Committee held five meeting, to review and make recommendation to the Board on the remuneration policy and the remuneration packages of the executive directors, senior management, the adjustment on the remuneration of Mr. Yuan Li, our executive Director and the determination of the remuneration of Mr. Kong Xiangming, our independent non-executive Director.

Corporate Governance Report

Nomination Committee

The Company established the Nomination Committee with written terms of reference in compliance with the CG Code. The principal duties of the Nomination Committee include reviewing the Board composition, developing and formulating relevant procedures for the nomination and appointment of directors, making recommendations to the Board on the appointment and succession planning of directors, and assessing the independence of independent non-executive directors.

The Nomination Committee consists of three members, Mr. Kong Xiangming, Mr. Zhang Yihua and Ms. Tang Chung Kwan Brenda, all of whom are independent non-executive Directors. Mr. Kong Xiangming has been appointed as the chairman of the Nomination Committee.

In assessing the Board composition, the Nomination Committee would take into account various aspects set out in the Board diversity policy, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and industry and regional experience. The Nomination Committee would review the implementation of the Board diversity policy in achieving the objectives set for the benefits of the Company.

In identifying and selecting suitable candidates for directorships, the Nomination Committee would consider the candidate's character, qualifications, experience, independence and other relevant criteria necessary to complement the corporate strategy and achieve Board diversity, where appropriate, before making recommendation to the Board. External recruitment professionals might be engaged to carry out selection process when necessary.

During the year, the Nomination Committee held two meetings, to review the structure, size and composition of the Board and the independence of the independent non-executive Directors, and to consider and recommend to the Board on the appointment of independent non-executive Directors. The Nomination Committee considers that an appropriate balance of diversity perspectives of the Board is maintained.

Board Diversity Policy

The Company has adopted a Board Diversity Policy which sets out the approach to achieve diversity of the Board and is available on the website of the Company. The Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level as an essential element in maintaining the Company's competitive advantage.

The Nomination Committee will review the Board Diversity Policy, as appropriate, to ensure its effectiveness.

Pursuant to the Board Diversity Policy, the Nomination Committee will review annually the structure, size and composition of the Board and where appropriate, make recommendations on changes to the Board to complement the Company's corporate strategy and to ensure that the Board maintains a balanced diverse profile. In relation to reviewing and assessing the Board composition, the Nomination Committee is committed to diversity at all levels and will consider a number of aspects, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and regional and industry experience.

The Company aims to maintain an appropriate balance of diversity perspectives that are relevant to the Company's business growth and is also committed to ensuring that recruitment and selection practices at all levels (from the Board downwards) are appropriately structured so that a diverse range of candidates are considered.



Corporate Governance Report

The Board will consider setting measurable objectives to implement the Board Diversity Policy and review such objectives from time to time to ensure their appropriateness and ascertain the progress made towards achieving those objectives. As of the date of this annual report, 1 of 5 of the Company's senior management are female. As of 31 December 2025, the Group had a total of 173 female staff out of 275 employees, representing 62.91% of the employees of the Group. As of the date of this annual report, the Board comprised 8 Directors, including one female. The Board members are diverse in terms of education background, professional experience, skills, knowledge, gender and service term. The Board actively seeks to ensure it has an appropriate mix of diversity and has a number of initiatives to meet its strategic imperative of ensuring it has a diverse Board. It also conducts structured recruitment, selection and training programmes at various levels within the Group to develop a broader pool of skilled and experienced potential Board members. The Board considers that the current composition of the Board, with core competencies in areas such as accounting and finance, legal profession, management and consulting is appropriate for the businesses of the Company. The Board and the Nomination Committee will review its composition from time to time taking into consideration of the specific needs for the overall Group's businesses and the Group will continue to take opportunities to increase the proportion of female board members and workforce over time as and when suitable candidates are identified. Further details on the gender ratio of the Group together with relevant data can be found in the Environmental, Social and Governance Report of the Company.

The Board and the Nomination Committee have reviewed the implementation and effectiveness of the Board Diversity Policy and considered it to be effective for the year ended 31 December 2025.

Director Nomination Procedure

The Board has delegated its responsibilities and authority for selection and appointment of Directors to the Nomination Committee of the Company.

The Company has adopted a nomination procedure which sets out the selection criteria and process and the Board succession planning considerations in relation to nomination and appointment of Directors of the Company and aims to ensure that the Board has a balance of skills, knowledge, experience and diversity of perspectives appropriate to the Company and the continuity of the Board and appropriate leadership at Board level.

Corporate Governance Functions

The Board is responsible for performing the functions set out in the code provision A.2.1 of the CG Code.

The Board reviewed the Company's corporate governance policies and practices, training and continuous professional development of directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code and Employee Written Guidelines, and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

Corporate Governance Report

ATTENDANCE RECORDS OF DIRECTORS AND COMMITTEE MEMBERS

The attendance record of each Director at the Board and Board Committee meetings and the general meetings of the Company held during the year ended 31 December 2025 is set out in the table below:

	Attendance/Number of Meetings				
	Board Meetings	Nomination Committee Meetings	Remuneration Committee Meetings	Audit Committee Meetings	Annual General Meeting
Executive Directors					
Mr. Yuan Li	8/8	N/A	5/5	N/A	0/1
Mr. Sun Yue	8/8	N/A	N/A	N/A	0/1
Mr. Yuan Lijun	8/8	N/A	N/A	N/A	1/1
Mr. Zhuang Liangbao	8/8	N/A	N/A	N/A	1/1
Non-executive Directors					
Mr. Wang Xianfu	8/8	N/A	N/A	N/A	1/1
Independent Non-executive Directors					
Mr. Zhang Yihua	8/8	2/2	5/5	2/2	1/1
Mr. Chen Rui (resigned on 18 December 2025)	7/8	1/2	4/5	2/2	1/1
Mr. Kong Xiangming (appointed on 18 December 2025)	0/8	0/2	0/5	0/2	0/1
Ms. Tang Chung Kwan Brenda	8/8	2/2	N/A	2/2	1/1

Apart from regular Board meetings, the Chairman also held a meeting with the independent non-executive Directors without the presence of the other executive Directors to discuss the business of the Company during the year.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules.

Specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with the Model Code throughout the reporting year.

The Company has also established written guidelines no less exacting than the Model Code (the "Employees Written Guidelines") for securities transactions by employees who are likely to be in possession of unpublished price-sensitive information of the Company.

No incident of non-compliance of the Employees Written Guidelines by the employees was noted by the Company.



Corporate Governance Report

ACCOUNTABILITY AND AUDIT

Directors' Responsibilities for Financial Reporting in respect of Financial Statements

The Directors acknowledge their responsibility for preparing the financial statements of the Company and of the Group for the year ended 31 December 2025.

The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, inside information announcements and other disclosures required under the Listing Rules and other statutory and regulatory requirements.

The management has provided to the Board such explanation and information as are necessary to enable the Board to carry out an informed assessment of the Company and the Group's financial statements, which are put to the Board for approval.

Risk Management and Internal Controls

The Board has overall responsibility for the risk management and internal control systems of the Group and for reviewing its effectiveness. The Board is also responsible for maintaining an adequate risk management and internal control systems to safeguard the interests of the shareholders and the assets of the Group.

The risk management and internal control systems of the Group are designed to facilitate effective and efficient operations, to ensure reliability of financial reporting and compliance with applicable laws and regulations, to identify and manage potential risks and to safeguard assets of the Group. The senior management reviews and evaluates the control process, monitors any risk factors on a regular basis, and reports to the Audit Committee on any findings and measures to address the variances and identified risks. These systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss.

The Company has established a "Anti-fraud and Whistleblowing Management System" to conduct the action of employees in daily operations. Through the annual self-reflection, the Company reviews the implementation of the code of ethics and related regulations to ensure that the code of ethics and related regulations are implemented in actual operations and management practices, and effectively eliminated bribery, extortion, fraud, money laundering, etc., to balance and maintain the interests of the Group and stakeholders and build long-term partnerships.

The Company will take different actions against the corruption. First, the Company has engaged an independent auditor to conduct an independent audit of the Company and prevented and controlled the Group's corruption or unethical conduct through internal monitoring and independent audit. Second, the Company provided an anti-fraud mailbox and an anti-fraud anonymous hotline to the internal and external parties of the Company, accepting complaints and whistleblowing from internal employees of the Company and related suppliers/agents/fixed customers of the Company with dedicated personnel to carry out proper recording and storage of the cases. The Company shall keep any complaints or whistleblowing confidential to prevent the personal interest and benefit of complainants or whistleblowers from being compromised.

From 1 January 2025 and up to the date of this report, the Company was not involved in any corruption cases concerning its employees or the Company.

An internal audit function is set up to examine key issues in relation to the financial and operational matters and practices and to provide the findings and any recommendations for improvement to the Audit Committee. In addition, the Audit Committee of the Board regularly receives reports from the internal audit department on the current internal control work to keeps abreast of the Group's integrity work.

With a view to identifying, handling and disseminating inside information, procedures have been implemented by the Group to ensure that unauthorized access and use of information are strictly prohibited.

Corporate Governance Report

The Board has conducted two reviews on the effectiveness of the Group's risk management and internal control systems for the year ended 31 December 2025. The review covered material controls, including financial, operational and compliance controls and risk management functions of the Group. Areas of improvement have been identified and appropriate measures have been put in place to manage the risks. The improvement of the systems of risk management and internal control is an ongoing process and the Board will continue to assess the effectiveness of the Group's risk management and internal controls by considering reviews performed by the Audit Committee and executive management. As a whole, the Company considers its risk management and internal control systems effective and adequate for the year ended 31 December 2025.

External Auditor and Auditor's Remuneration

The statement of the external auditor of the Company about their reporting responsibilities for the financial statements is set out in the section headed "Independent Auditor's Report" on pages 44 to 50.

For the year ended 31 December 2025, the fees paid/payable with respect of audit and non-audit services provided by the Company's external auditor are approximately RMB2.5 million. Details of the service fees are set out below:

Service Category	Fees Paid/Payable RMB'000
Audit Services	
Current year	1,600
Non-audit Services	900
Total	2,500

COMPANY SECRETARY

Ms. Mu Weiwei has resigned as company secretary of the Company with effect from 21 May 2025, and Ms. Zheng Xuci, the secretary of the Company, has been appointed to replace Ms. Mu since then.

Ms. Zheng confirmed that she has taken no less than 15 hours of relevant professional training during the year ended 31 December 2025.

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company considers that effective communication with shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company also recognises the importance of transparency and timely disclosure of corporate information, which will enable shareholders and investors to make the best investment decisions.

To promote effective communication, the Company maintains a website at www.qidianguofeng.cn, where up-to-date information and updates on the Company's business operations and developments, financial information, corporate governance practices and other information are available for public access. Investors may write directly to the Company or via email to qidianir@guofengjiuye.com for any enquiries.

The Board welcomes the view of shareholders and encourages them to attend general meetings to raise any concern they might have with the Board or the management directly. Board members (or their delegates as appropriate) and appropriate senior staff of the Group are available at the meetings to answer any questions raised by shareholders.

CONSTITUTIONAL DOCUMENTS

There was no change to the Articles of Association during the year. The Articles of Association are available on the websites of the Stock Exchange and the Company.



Corporate Governance Report

POLICY RELATING TO SHAREHOLDERS

The Company has in place a Shareholders' Communication Policy to ensure the shareholders' views and concerns are appropriately addressed. During the year ended 31 December 2025, the Company has reviewed the Shareholders' Communication Policy and considered that the policy was effectively implemented with the measures as disclosed under the paragraphs headed "Communications with Shareholders and Investor Relations" and "Shareholders' Rights".

The Company has adopted a Dividend Policy on payment of dividends. The Board aims to declare and recommend dividends which would amount in total to not less than 15% of the annual net profit of the Company to its shareholders according to HKFRSs, subject to a basket of conditions and factors. Such intention does not amount to any guarantee or representation or indication that the Company must or will declare and pay dividend in such manner and pay any dividend at all.

SHAREHOLDERS' RIGHTS

To safeguard shareholder interests and rights, a separate resolution is proposed for each substantially separate issue at shareholder meetings, including the election of individual directors.

Extraordinary general meetings may be convened by the Board on the written requisition of any two or more shareholders (or one shareholder which is a recognised clearing house) holding not less than one-tenth of the paid up capital of the Company or by such shareholder(s) who made the requisition (the "Requisitionist(s)") (as the case may be) pursuant to article 12.3 of the Articles of Association. The objects of the meeting must be stated in the requisition which must be signed by the Requisitionist(s) and deposited at the principal office of the Company in Hong Kong. If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 21 days, the Requisitionist(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the Requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

Shareholders may send written enquiries to the Company for putting forward any enquiries or proposals to the Board of the Company. Contact details are as follows:

Address: Units 1504, 15/F, Block 5, No. 19 Beiyuan East Road, Chaoyang District, Beijing, PRC
Tel: 86-755-60845987
Email: qidianir@guofengjiuye.com

Shareholder(s) must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) together with their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

Any shareholder who wishes to put forward proposals at general meetings of the Company shall submit such proposals to the Board of the Company in writing for the Board's consideration not less than 7 days prior to the date of a general meeting. Contact details of the Board are the same as set forth above in this section.

All resolutions put forward at shareholders' meetings will be voted by poll pursuant to the Listing Rules and the Articles of Association and the poll voting results will be posted on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.qidianguofeng.cn) immediately after the relevant general meetings.

GOING CONCERN

There are no material uncertainties relating to events or conditions that would cast significant doubt upon the Company's and the Group's ability to continue as a going concern.

An analysis of the financial risk on liquidity of the Group is included in note 2 to the consolidated financial statements.

Report of the Directors

The Board is pleased to present this annual report of the Directors together with the audited consolidated financial statements of the Group for the year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The principal activities of the Group include the retail of household appliance, mobile phones, computers, imported and general merchandise and provision of maintenance and installation services for household appliance, the liquor business and provision of education-related training services in the People's Republic of China (the "PRC").

BUSINESS REVIEW

The business review of the Group during the year and a discussion on the Group's future business development are set out in the sections headed "Chairman's Statement" and "Management Discussion and Analysis" of this annual report. Description of possible risks and uncertainties that the Group may be facing can be found in the section headed "Management Discussion and Analysis" section of this annual report. The financial risk management objectives and its valuation processes of the Group are set out in note 43(b) to the consolidated financial statements. The review forms part of this annual report.

ENVIRONMENTAL POLICY

The Group has endeavored to protect the environment by minimizing environmental adverse impacts in daily operations, such as investing in energy-efficient lighting and equipment, enhancing paper recycling to reduce consumption and waste, and raising the environmental awareness of our people. The Group will continue to seek for better environmental practices and promote the right environmental attitudes within the organization.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

The Company was incorporated in the Cayman Islands with its shares listed on the Main Board of Stock Exchange. The Group mainly carries out retail of household appliance, mobile phones, computers, imported and general merchandise and provision of maintenance and installation services for household appliance, the liquor business and provision of education-related training services in the PRC. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Group has complied in material respects with the relevant laws and regulations in the Cayman Islands, Hong Kong and the PRC during the year.

KEY RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

Details of the key relationships between the Company and its employees, customers and suppliers are set out in the paragraphs headed "Employment and Remuneration Policy", "Human Resources" and "Major Customers and Suppliers" in this annual report.



Report of the Directors

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 December 2025 and the state of affairs of the Company and of the Group at that date are set out in the financial statements on pages 51 to 139 of this annual report.

The Company has not declared any interim dividend during the year. The Directors do not recommend any payment of final dividend for the year.

RESERVES

Details of the movements in the reserves of the Group and the Company during the year are set out in the Consolidated Statement of Changes in Equity on page 54 and in note 29 to the consolidated financial statements respectively.

DISTRIBUTABLE RESERVES

Details of the movements in the reserves of the Group and Company are set out in Notes 29 and 46 to the consolidated financial statements.

Under the Companies Law, a company may make distribution to its shareholders out of the share premium account under certain circumstances.

As at 31 December 2025, there are no reserves available for distribution to shareholders.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Group during the year are set out in note 16 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association or the applicable laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro rata basis to the existing shareholders.

TAX RELIEF AND EXEMPTION

The Directors are not aware of any tax relief and exemption available to the shareholders of the Company by reason of their holding of the Company's securities.

SUBSIDIARIES

Details of the Company's principal subsidiaries as at 31 December 2025 are set out in note 45 to the consolidated financial statements.

Report of the Directors

DIRECTORS

The Directors during the year and up to the date of this annual report have been:

Executive Directors

Mr. Yuan Li
Mr. Sun Yue
Mr. Yuan Lijun
Mr. Zhuang Liangbao

Non-executive Director

Mr. Wang Xianfu

Independent Non-executive Director

Mr. Zhang Yihua
Mr. Chen Rui (Resigned on 18 December 2025)
Mr. Kong Xiangming (Appointed on 18 December 2025)
Ms. Tang Chung Kwan Brenda

DIRECTORS' SERVICE CONTRACTS

None of the Directors proposed for re-election at the annual general meeting has entered into or has proposed to enter into any service contracts with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

BIOGRAPHICAL INFORMATION OF DIRECTORS AND SENIOR MANAGEMENT

Brief biographical information of the Directors of the Company are set out in the section headed "Directors' and Senior Management's Profile" section on pages 40 to 43 of this annual report.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year ended 31 December 2025 and up to the date of this annual report, no Directors are considered to have interests, either directly or indirectly, in a business which competes or is likely to compete with the businesses of the Group, as defined in the Listing Rules.



Report of the Directors

CONNECTED TRANSACTION IN RELATION TO THE AGENCY AGREEMENT

On 28 August 2023, Shenzhen Qidian Education Technology Co., Ltd. (深圳奇點求學科技有限公司) (“**Shenzhen Co**”) entered into the agency agreement (the “**Agency Agreement**”) with Beijing Shengshang Entrepreneurial Technology Co., Ltd. (北京聖商創業科技有限公司) (“**Beijing Shengshang**”), pursuant to which Beijing Shengshang authorised Shenzhen Co to act as its agent for sales and promotion of Beijing Shengshang’s training courses and services.

As at 28 August 2023, Mr. Yuan Li is an executive Director and a substantial shareholder of the Company, controlling 65,001,624 Shares (representing approximately 29.64% of the issued share capital of the Company). Meanwhile, Mr. Yuan Li together with parties acting in concert pursuant to an acting in concert arrangement collectively control 58.47% of the issued share capital of Beijing Shengshang. Therefore, Beijing Shengshang is an associate of Mr. Yuan Li and a connected person of the Company. As such, the transaction contemplated under the Agency Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules and is subject to the reporting, announcement and Independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

In accordance with Rule 14A.53 of the Listing Rules, the Company is required to set an annual cap on the total amount of transaction fees under the Agency Agreement. The Annual Caps on the aggregate transaction fees under the Agency Agreement payable to Beijing Shengshang for the financial years ending 31 December 2023, 31 December 2024 and 31 December 2025, respectively are RMB10 million, RMB55 million and RMB58 million, respectively.

The principal activities of the Group include the retail of household appliance, mobile phones, computers, imported and general merchandise and provision of maintenance and installation services for household appliance and the liquor business in the PRC. Meanwhile, the Group has been actively exploring investment and business opportunities to broaden its assets and revenue base. Beijing Shengshang has a long history and a successful record of operating its training services business in the PRC. Beijing Shengshang promotes its training programs and enhances its overall brand recognition among prospective students with extensive sales channels. Marketing activities of Beijing Shengshang are mainly conducted through the sales agencies, which are supported by the sales and marketing team and monitored by the monitoring and surveillance team of Beijing Shengshang. Given the strong record of Beijing Shengshang’s training services business, Shenzhen Co, acting as an agent to Beijing Shengshang, will bring in a new source of income to the Group. The Company is positive about the prospects of the Shenzhen Co also because the management team Shenzhen Co has rich experience in sales and marketing of similar business. Most of the members of the management team of Shenzhen Co have more than ten years of experience in the education and training industry, good management skills, sales channel development capabilities, as well as technical support capabilities. Taking all the factors into consideration, it is beneficial to the Group to introduce this new business.

The details were disclosed in the announcements of the Company dated 28 August 2023 and 10 November 2023, and the circular of the Company dated 24 October 2023.

During the year, the total transaction fees payable by the Group amounted to RMBNil (2024: RMB5,904,000).

The independent non-executive Directors have reviewed the continuing connected transaction described above and confirmed that such continuing connected transaction has been entered into:

- a) in the ordinary and usual course of business of the Group;
- b) on normal commercial terms or better; and
- c) in accordance with the relevant agreement governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

Report of the Directors

The price and the terms of the Agency Agreement have been determined in accordance with the pricing policies and guideline set out in the announcements of the Company dated 28 August 2023 and dated 10 November 2023, and the circular of the Company dated 24 October 2023.

The Company's auditor, Rongcheng (Hong Kong) CPA Limited, was engaged to report on the Group's continuing connected transactions in accordance with "Hong Kong Standard on Assurance Engagements 3000" Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued an unqualified letter containing the findings and conclusions in respect of the continuing connected transaction disclosed by the Group in accordance with Rule 14A.56 of the Listing Rules.

Details of the related party transactions of the Group for the year ended 31 December 2025 are set out in note 44 to the audited consolidated financial statements. With regard to the related party transactions which constitute continuing connected transactions, the Company has complied with the annual review and disclosure requirements in accordance with Chapter 14A of the Listing Rules.

RELATED PARTY TRANSACTIONS

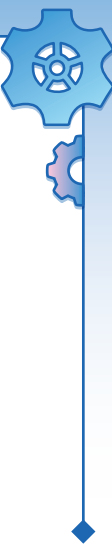
The significant related party transactions are set out in note 44 to the consolidated financial statements. For those related party transactions that constituted connected transactions or continuing connected transactions under Chapter 14A of the Listing Rules, the Company has disclosed such connected transactions in accordance with the disclosure requirements in Chapter 14A of the Listing Rules. Save as disclosed in this section, other related party transactions disclosed in note 45 to the consolidated financial statements are not considered as connected transactions, or are exempted from the reporting, announcement and independent shareholders' approval requirements under the Listing Rules.

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2025, the interests or short positions of the Directors and chief executives of the Company in the equity or debt securities of the Company or any associated corporations (within the meaning of part XV of the SFO which had to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") under Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions which they are taken or deemed to have under such provisions of the SFO), or which was required, under Section 352 of the SFO, to be entered in the register referred to in that section, or under the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), to be notified to the Company and the Stock Exchange, were as follows:

Name	Name of corporation	Capacity and nature of interest	Aggregate number of ordinary shares or underlying shares	Approximate percentage of interest in the corporation
Yuan Li ^(Note 1)	The Company	Interest of controlled corporation	604,600,366 shares (L)	31.30%
Sun Yue	The Company	Beneficial owner	3,965,678 shares (L)	0.21%
Zhuang Liangbao ^(Note 2)	The Company	Interest of controlled corporation	11,460,928 shares (L)	0.59%
Yuan Lijun ^(Note 3)	The Company	Interest of controlled corporation	36,114,570 shares (L)	1.87%
Wang Xianfu	The Company	Beneficial owner	1,800,000 shares (L)	0.09%

(L) Denotes long position



Notes:

- (1) First, 327,553,334 shares were held by Greatssjy Co., Ltd. as beneficial owner. Greatssjy Co., Ltd. was wholly-owned by Mr. Yuan Li. Second, 277,047,032 shares were held by Noble Trade International Holdings Limited* (聖行國際集團有限公司) (formerly known as Noble Trade International Holdings Limited (聖商國際集團有限公司)) ("Noble Trade International") as beneficial owner. Noble Trade International was wholly-owned by Mogen Ltd. ("Mogen"). Mogen was 100.00% owned by Mr. Yuan Li through Greatssjy Co., Ltd.
- (2) The 11,460,928 shares were held by Zhuanglb Co., Ltd. as beneficial owner. Zhuanglb Co., Ltd. was 100% wholly-owned by Mr. Zhuang Liangbao.
- (3) The 36,114,570 shares were held by WZQi Ltd. as beneficial owner. WZQi Ltd. was controlled as to 99.99% by Mr. Yuan Lijun.

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

As at 31 December 2025, the interests or short positions of those persons (other than Directors or chief executives whose interests are disclosed above) in the ordinary shares of the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name	Name of corporation	Capacity and Nature of interest	Aggregate number of ordinary shares	Approximate percentage of interest in the corporation
Greatssjy Co., Ltd. ^(Note 1)	The Company	Beneficial owner	327,553,334 shares (L)	16.96%
		Interest of controlled corporation	277,047,032 shares(L)	14.34%
Mogen Ltd. ^(Note 2)	The Company	Interest of controlled corporation	277,047,032 shares (L)	14.34%
Noble Trade International Holdings Limited* (聖行國際集團有限公司) ^(Note 2)	The Company	Beneficial owner	277,047,032 shares (L)	14.34%

(L) Denote long position

Notes:

- (1) First, 327,553,334 shares were held by Greatssjy Co., Ltd. as beneficial owner. Greatssjy Co., Ltd. was wholly-owned by Mr. Yuan Li. Second, 277,047,032 shares were held by Noble Trade International as beneficial owner. Noble Trade International was wholly-owned by Mogen. Mogen was 100.00% owned by Mr. Yuan Li through Greatssjy Co., Ltd.
- (2) 277,047,032 Shares were held by Noble Trade International as beneficial owner. Noble Trade International was wholly-owned by Mogen. Mogen was 100.00% owned by Mr. Yuan Li through Greatssjy Co., Ltd.

Report of the Directors

SHARE CAPITAL AND SHARE SCHEME

Details of the movements in the share capital of the Company during the year are set out in note 28 to the consolidated financial statements.

THE 2023 SHARE AWARD SCHEME

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

The specific objectives of the 2023 Share Award Scheme are:

- (i) to incentivise the eligible participants in boosting the sales target(s) for the sale of liquor;
- (ii) to award certain selected participants with Shares for achieving certain sales target(s) for the sale of liquor; and
- (iii) to recognise the contributions by certain Selected Participants (as defined below) and to provide them with incentives in order to retain them for continual operation, development and growth of the Group as a whole.

If a certain sales revenue is met, the service providers (as defined below) will receive a certain percentage of sales rebate from Guizhou Renhuai Guofeng Liquor Co., Ltd.* (貴州仁懷國峰酒業有限公司) (“**Renhuai Guofeng**”), an indirect wholly-owned subsidiary of the Company, in the form of goods. It allows Renhuai Guofeng to have a better control in its cash flows.

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



Report of the Directors

Eligible Participants include:

- (i) any employees of Renhuai Guofeng at all levels (including but not limited to officers, directors and chief executives) who are responsible for the daily management and administrative services ("**Employee Participant(s)**"); and
- (ii) any regional or designated dealers, distributors or sales channels who signed definitive service contracts within six months after entering into the memorandum of understanding with and provided distribution and promotion services for the sale of liquor to Renhuai Guofeng in relation to the liquor business on a continuing or recurring basis in its ordinary and usual course of business which are in the interest of long-term growth of the Group ("**Service Provider(s)**"). There are two types of Service Providers, namely regional and designated Service Providers. Both types of Service Providers provide similar services as sales channels of liquor, except that the provision of services by regional Service Providers is restricted to a certain area of the PRC whereas designated Service Providers can sell liquor in any parts of the PRC. Designated Service Providers can also enjoy the supporting services provided by regional Service Providers, such as training, management, promotional and marketing activities.

For the avoidance of doubt, the Service Providers exclude customers purchasing goods from the Group; other service providers or suppliers save as those set out in (ii) above; placing agents or financial advisers providing advisory services to the Group for fundraising, mergers or acquisitions; and professional service providers such as auditors or valuers who provide assurance or are required to perform their services to the Group with impartiality and objectivity. The Board (including the independent non-executive Directors) is of the view that the categories of the Service Providers are in-line with the industry norm.

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

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

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

Report of the Directors

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

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

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

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

- (i) the potential and/or actual contribution of the relevant Selected Participant(s) to the financial performance of the Group;
- (ii) the sales performance and sales revenue of the Group by the end of each of the financial year of the Group;
- (iii) the performance of the relevant Selected Participants;
- (iv) the general financial condition of the Group;
- (v) the Group's overall business objectives and future development plan; and
- (vi) any other matter which the Board considers relevant.

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



Report of the Directors

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

- (a) to provide competitive terms and conditions to Selected Employees and individuals who the Board considers are valuable talent for the development and growth of the businesses of the Group in order to attract and induce them in accepting the employment offer made by the Group to them;
- (b) in the event that a Selected Employee retired at his or her normal retirement date, that is, 60 of age for male employees and 50-55 of age for female employees, all the Awarded Shares of the relevant Selected Employee, as determined by the Board in its absolute discretion, shall be deemed to be vested on the day immediately prior to his or her normal retirement or such earlier or later date by agreement with the relevant member of the Group;
- (c) in the event of the death of a Selected Employee at any time prior to a Vesting Date, the Awarded Shares of such Selected Employee shall be deemed to be vested on the day immediately prior to his or her death;
- (d) in the event of a change in control of the Company as defined in the Code on Takeovers and Merges and Share Buy-back prior to the Vesting Date, the Board shall determine at its absolute discretion whether such Awarded Shares shall vest to the Selected Employees; or
- (e) in the event that a notice is duly given by the Company to its Shareholders to convene a general meeting for the purpose of considering a resolution for the voluntary winding-up of the Company or an order of winding up of the Company is made, the Board shall determine at its discretion whether such Awarded Shares shall vest to the Selected Employees and the time at which such Awarded Shares shall vest.

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

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

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

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

As at the date of this annual report, the total number of shares available for issue under the 2023 Share Award Scheme is 95,176,283, being 4.93% of the issued share capital of the Company (excluding treasury shares) as at the date of this annual report.

At 1 January 2025, 82,068,605 Shares and 61,068,398 Shares were available for grant under the Scheme Mandate Limit and the Service Provider Sublimit, respectively.

As at 31 December 2025, 57,467,985 Shares and 37,667,778 Shares were available for grant under the Scheme Mandate Limit and the Service Provider Sublimit, respectively.

Report of the Directors

24,600,620 shares that may be issued in respect of options and awards granted under all schemes of the Company during the Reporting Period divided by the weighted average number of shares in issue (excluding treasury shares) for the twelve months ended 31 December 2025 is 1.32%.

The table below sets out the details of movements of the Award Shares granted during the period from 1 January 2025 to 31 December 2025 under the 2023 Share Award Scheme:

Name or category of selected participants	Position	Date of grant	Vesting period	Number of Award Shares						Outstanding as at 31 December 2025	Purchase price (HKD per Share)	Closing price immediately before the date of grant (HKD per Share)	Fair value of Shares at the date of grant (HKD per Share) (Note 3)	Weighted average closing price immediately before the vesting date (HKD per Share)	Performance target
				Outstanding as at 1 January 2025	Granted during the Reporting Period	Vested during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Number of Award Shares						
Director of the Company Wang Xianfu	Non-executive Director	31 October 2024	31 October 2025	1,800,000	0	1,800,000	0	0	0	0	—	2.44	4.68	—	
		31 October 2025	31 October 2026	—	1,200,000	0	0	0	0	0	4.73	4.68	—	Note 1	
Senior management of the Group Yu Kun	executive director and general manager of Guizhou Huarui Guofeng Co., Ltd.	27 May 2024	From 27 May 2024 to 26 May 2025	100,000	0	100,000	0	0	0	0	—	0.84	3.66	—	
Wang Zhaoyun	Vice-president of Shenzhen Qidian Education Technology Co., Ltd. (深圳奇點教育科技有限公司)	31 October 2024	31 October 2025	1,000,000	0	0	0	0	1,000,000	0	—	2.44	—	—	
Employees of the Group Employee participants		27 May 2024	From 27 May 2024 to 26 May 2025	687,000	0	687,000	0	0	0	0	—	0.84	3.66	—	
Service Providers		27 May 2024	From 27 May 2024 to 26 May 2025	5,540,000	0	5,540,000	0	0	0	0	—	0.84	3.66	—	
		29 July 2025	From 29 July 2025 to 28 July 2026	—	23,400,620	0	0	0	0	0	3.85	3.75	—	Note 2	
Total				9,127,000	24,600,620	8,127,000	0	1,000,000	0	24,600,620					

Notes:

- There is no performance target. In considering the Grant made to Mr. Wang Xianfu, the Remuneration Committee has taken into account the following factors: (i) the expected value of the Award Shares subject to the future market price of the Shares, which in turn depends on the business performance of the Group; and (ii) the profound experience of Mr. Wang Xianfu in the education and training industry.
- There is no performance target for the Grantees. In considering the Grants made to the Grantees, the Remuneration Committee has taken into account the following factors: (i) the expected value of the Award Shares subject to the future market price of the Shares, which in turn depends on the business performance of the Group; and (ii) the sales performance and contributions made by the Grantees during the year 2024.
- The fair value of the Award Shares was calculated based on market price of the Company's Shares as at the respective grant date.



Report of the Directors

DISCLOSEABLE TRANSACTION IN RELATION TO THE ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF THE TARGET COMPANY INVOLVING ISSUE OF CONSIDERATION SHARES UNDER GENERAL MANDATE

On 7 September 2025, the Company entered into the Acquisition Agreement with the Vendors of the Target Company, pursuant to which the Company has conditionally agreed to acquire and the Vendors have conditionally agreed to sell the Sale Shares, representing the entire issued share capital of the Target Company which is an AI technology company with AI-driven enablement services for the interest-based e-commerce sector as core Business. The consideration for the Acquisition Agreement is **HK\$460,000,000**, and will be settled by the issue of the Consideration Shares under general mandate. For more details, please refer to the Company's announcements dated **10 July 2025, 8 August 2025, 7 September 2025**, and the Company's supplemental announcement dated **11 December 2025**.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBT SECURITIES

Other than as disclosed in the paragraph headed "Share Capital and Share Option Scheme" in this annual report, at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the Directors or chief executives of the Company (including their spouses or children under 18 years of age) to have any right to subscribe for securities of the Company or any of its associated corporations as defined in the SFO or to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

During the reporting period, save as the transaction in the paragraph headed "CONTINUING CONNECTED TRANSACTION IN RELATION TO THE AGENCY AGREEMENT", there was no transaction, agreement or contract of significance in relation to the Company's business, to which the Company or any of its subsidiaries was a party, subsisted, and in which a Director or his connected entity had, whether directly or indirectly, a material interest.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of any business of the Group was entered into or existed during the year.

PERMITTED INDEMNITY PROVISION

Under the articles of association of the Company, every director of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities incurred or sustained by him as a director of the Company in defending any proceedings, whether civil or criminal, in which judgment is given in his favour, or in which he is acquitted. The Company has arranged appropriate insurance cover in respect of legal action against its directors of the Company.

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

During the year, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares).

As at 31 December 2025, there were no treasury shares held by the Company.

Report of the Directors

BANK LOANS AND OTHER BORROWINGS

Details of the Group's bank loans and other borrowings as at 31 December 2025 are set out in note 31 to the consolidated financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

The aggregate sales to the five largest customers of the Group accounted for approximately 12.07% of the Group's total revenue and sales to the largest customer accounted for approximately 3.01% of the Group's total revenue for year 2025. The aggregate purchases from the five largest suppliers of the Group accounted for approximately 44.73% of the Group's total purchases and purchases from the largest supplier accounted for approximately 13.64% of the Group's total purchases for year 2025.

None of the Directors, their close associates, or any shareholder (which to the knowledge of the Directors own more than 5% of the Company's issued share capital) has any interest in the Group's five largest suppliers or the Group's five largest customers.

RETIREMENT BENEFIT SCHEMES

Details of the retirement benefit schemes of the Group are set out in note 13 to the consolidated financial statements.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors at the latest practicable date prior to the issue of this annual report, there was a sufficient prescribed public float of the issued share of the Company under the Listing Rules.

CHANGES IN DIRECTOR'S INFORMATION

Mr. Kong Xiangming was appointed as an independent non-executive Director of the Company on 18 December 2025. Mr. Chen Rui, the independent non-executive Director, has resigned on 18 December 2025.

AUDIT COMMITTEE

The Audit Committee of the Company currently comprises three members, all of whom are independent non-executive Directors, Mr. Zhang Yihua and Mr. Kong Xiangming, who possess professional accounting qualifications or accounting or related financial management expertise, and Ms. Tang Chung Kwan Brenda. Mr Zhang Yihua is the Chairman of the Audit Committee. As of the date of this annual report, the composition of the Audit Committee was complied with the relevant requirements of the Listing Rules. The Audit Committee has adopted the terms of reference in line with the CG Code issued by the Stock Exchange. The principal duties of the Audit Committee are to assist the Board in reviewing the internal audit function, financial information and reporting process, internal control procedures and risk management system, audit plan and relationship with external auditors, and arrangements to enable employees of the Company, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters of the Company. The Audit Committee of the Company has in conjunction with management reviewed the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a review of the audited consolidated financial statements of the Group for the year ended 31 December 2025 and the auditor's report thereon.



Report of the Directors

AUDITOR

Crowe (HK) CPA Limited retired upon expiration of its term of office at the annual general meeting of the Company held on 26 June 2024. Elite Partners CPA Limited (“**Elite Partners**”) was appointed as the new auditor of the Company to fill the vacancy arising from the retirement of Crowe at the conclusion of the said annual general meeting of the Company. Elite Partners has resigned as the auditors of the Company with effect from 30 October 2024 as Elite Partners is no longer able to undertake audit services for Mainland enterprises listed outside the Mainland for a period of 5 years following a regulatory decision from a regulator in the PRC. At the extraordinary general meeting of the Company held on 6 December 2024, CL Partners CPA Limited (“**CL**”) was appointed as the new auditor of the Company until the conclusion of the next annual general meeting of the Company. The Company’s Hong Kong auditor has changed its English name from “CL Partners CPA Limited” to “Rongcheng (Hong Kong) CPA Limited” and its Chinese name from “先機會計師行有限公司” to “容誠(香港)會計師事務所有限公司” with effect from 30 June 2025.

The financial statements for the year ended 31 December 2025 were audited by Rongcheng (Hong Kong) CPA Limited.

MATTERS AFTER THE REPORTING PERIOD

On 2 February 2026, the Group entered into a disposal agreement with Mogen Ltd., which is owned by Mr. Yuan Li, an executive director and ultimate controller of the Company. Pursuant to the disposal agreement, the Company has conditionally agreed to sell, and Mogen Ltd. has conditionally agreed to purchase, the entire issued share capital of China Yinrui (HK) Investment Holding Company Limited at nil consideration. The gain on disposal is calculated to be approximately RMB47,597,000. On 3 February 2026, the Group completed a deed of settlement with the independent third party, China Ruike, to settle the outstanding indebtedness of RMB5,057,000 by allotting and issuing shares of the Company to China Ruike.

On behalf of the Board

Yuan Li

Chairman

Hong Kong, 31 March 2026

Directors' and Senior Management's Profile

(1) MEMBERS OF THE BOARD OF THE COMPANY DURING THE YEAR AND UP TO THE DATE OF THIS ANNUAL REPORT ARE SET OUT BELOW:

Name	Position	Age	Term of office
Mr. Yuan Li	Chairman of the Board, Executive Director	43	26 August 2017-Now: Executive Director; 29 December 2017-Now: Chairman of the Board
Mr. Sun Yue	Executive Director, Vice-chairman, Chief Executive Officer	58	27 May 2024-Now: Executive Director; 27 May 2024-Now: Vice-chairman, Chief Executive Officer
Mr. Yuan Lijun	Executive Director, Vice-chairman, Co-Chief Executive Officer	60	15 October 2024-Now: Executive Director; 15 October 2024-Now: Vice-chairman, Chief Executive Officer
Mr. Zhuang Liangbao	Executive Director	64	28 August 2023-Now
Mr. Wang Xianfu	Non-Executive Director	39	27 May 2024-Now
Mr. Zhang Yihua	Independent Non-Executive Director	44	23 August 2022-Now
Mr. Chen Rui	Independent Non-Executive Director	51	4 July 2018-18 December 2025
Ms. Tang Chung Kwan Brenda	Independent Non-Executive Director	36	6 November 2024-Now
Mr. Kong Xiangming	Independent Non-Executive Director	43	18 December 2025-Now

(2) DIRECTORS' AND SENIOR MANAGEMENT'S PROFILE

(a) Executive Directors

Mr. Yuan Li (袁力先生), aged 43, joined the Board of the Company on 26 August 2017 as an executive Director, and was appointed as the Chairman of the Board of and a member of the Remuneration Committee in December of the same year. Mr. Yuan received his bachelor's degree from Jilin University (吉林大學) and EMBA of Cheung Kong Graduate School of Business (長江商學院) and a DBA student at Cheung Kong Graduate School of Business (長江商學院). He has undertaken further studies in programmes at the National School of Development at Peking University, Tsinghua PBC School of Finance and ICC-Yale.

Mr. Yuan has been deeply involved in the integration of the technology and consumer industries, with extensive experience in serial entrepreneurship. He led the Company's strategic transformation and upgrading, and established the dual-business model of "AI + Maotai-flavour liquor". In terms of social positions, he serves as a member of the 13th and 14th Chinese People's Political Consultative Conference of Chaoyang District, Beijing, a deputy to the 19th People's Congress of Zhongjiang County, Sichuan Province, and Deputy Director of the Science and Education Committee of the 12th Central Committee of the China Democratic National Construction Association* (民建中央).



Directors' and Senior Management's Profile

Mr. Sun Yue (孫躍先生), aged 58, was appointed to the Board on 27 May 2024 as an executive Director, Vice-chairman and chief executive officer of the Company. Mr. Sun has over 30 years of management experience in the Chinese baijiu and beer industry. Mr. Sun has been the chairman of the board of directors of Sishijiufang Liquor Co., Ltd.* (肆拾玖坊酒業有限公司) since November 2021. Prior to that, from October 2009 to September 2021, Mr. Sun held various positions in Luzhou Laojiao Group Co., Ltd.* (瀘州老窖集團有限責任公司) ("Laojiao Group") and its subsidiary, Laojiao Co., Ltd.* (瀘州老窖股份有限公司) (stock code: 000568, whose shares are listed on the Shenzhen Stock Exchange) ("Laojiao Co."). From October 2009 to June 2010 and from June 2010 to June 2015, Mr. Sun served as a deputy general manager and special assistant of the general manager of Laojiao Co, respectively. From June 2015 to December 2015, he served as a vice president of Laojiao Group. Mr. Sun served as a vice chairman and president of Laojiao Group from December 2015 to September 2021.

Before joining Laojiao Group, Mr. Sun served as various roles in Tsingtao Brewery Company Limited (青島啤酒股份有限公司) ("Qingdao Brewery") and its subsidiaries from July 1993 to October 2009. The shares of Qingdao Brewery are listed on the Shanghai Stock Exchange (stock code: 600600) and The Stock Exchange of Hong Kong Limited ("Stock Exchange") (stock code: 0168). During his employment with Qingdao Brewery and its subsidiaries, his last positions were the chairman and general manager of Tsingtao Brewery (Chengdu) Co., Ltd.* (青島啤酒(成都)有限公司) and Tsingtao Brewery (Luzhou) Co., Ltd.* (青島啤酒(瀘州)有限公司).

Mr. Sun graduated from Qingdao University of Science and Technology with a bachelor's degree in engineering in July 1993 and obtained a doctoral degree in business administration from Southwestern University of Finance and Economics in July 2008.

Mr. Yuan Lijun (袁麗軍先生), aged 60, was appointed as a vice chairman, an executive Director and the co-chief executive officer of the Company on 15 October 2024. He has over 16 years of experience in the training related industry. Prior to joining the Group, Mr. Yuan served as the director and president of Shenzhen Huayi Century Enterprise Management Consulting Co., Ltd.* (深圳市華一世紀企業管理顧問有限公司) from April 2024 to October 2024. From December 2019 to April 2024, Mr. Yuan served as a director and president of Entrepreneur Universe Bright Group (創業天下光明集團*), a company principally engaged in digital marketing consultation, the shares of which are traded in the US OTC market (Quote: EUBG).

From March 2017 to November 2019, Mr. Yuan served as a director and president of Beijing Shengshang Entrepreneurial Technology Co., Ltd.* (北京聖商創業科技有限公司), formerly known as Beijing Shengshang Education Technology Co., Ltd.* (北京聖商教育科技股份有限公司). Prior to that, Mr. Yuan was the director and president of Shanghai Lingteng Commerce Service Co., Ltd.* (上海領騰商務服務有限公司) (formerly known as Shanghai Huiju Investment Co., Ltd.* (上海匯聚投資有限公司) from November 2011 to August 2014. From November 2005 to September 2009, Mr. Yuan worked for each of Xi'an Jucheng Enterprise Management Consulting Co., Ltd.* (西安聚成企業管理顧問有限公司) ("Xi'an Jucheng") and Shenzhen City Jucheng Enterprise Management Consulting Co., Ltd.* (深圳市聚成企業管理顧問股份有限公司) ("Jucheng Group"), formerly known as Jucheng Enterprise Management Consulting Co., Ltd.* (聚成企業管理顧問有限公司). He started as a salesperson at Xi'an Jucheng and, through his accumulated work experience and efforts, was promoted to vice president of marketing at Jucheng Group.

Mr. Yuan has received various accolades, including "Top Ten Innovators of Shaanxi Province in 2006* (2006陝西省十大創新人物)" awarded by Shaanxi Provincial Enterprise Credit Association* (陝西省企業信用協會) in March 2007.

Mr. Yuan obtained his master of business administration diploma from Xi'an Jiaotong University branch of Shaanxi Master of Business Administration Institute (陝西工商管理碩士學院) in July 2003.

Directors' and Senior Management's Profile

Mr. Zhuang Liangbao (莊良竇先生), aged 64, was appointed as an executive Director on 28 August 2023. He is currently the executive director and chief financial officer of Shenzhen Qidian Education Technology Co., Ltd*. (深圳奇點求學科技有限公司), a non-wholly owned subsidiary of the Company.

Prior to joining the Group, Mr. Zhuang served as a secretary to the board, a deputy general manager and a director of Beijing Shengshang Entrepreneurial Technology Co., Ltd*. (北京聖商創業科技有限公司) from November 2020 to July 2023. He held the positions as a deputy general manager and a director of Suzhou Gold Mantis Construction Decoration Co., Ltd* (蘇州金螳螂建築裝飾股份有限公司), whose shares are listed on the Shenzhen Stock Exchange (stock code: 002081), from April 2004 to April 2013. From December 2000 to September 2003, Mr. Zhuang worked as the board secretary, head of finance department and deputy general manager at Zhejiang Huahai Pharmaceutical Co., Ltd*. (浙江華海藥業股份有限公司), whose shares are listed on the Shanghai Stock Exchange (stock code: 600521). From October 1995 to December 2000, he served as the finance manager and finance director at Suzhou New District Hi-Tech Industrial Co., Ltd*. (蘇州新區高新技術產業股份有限公司), whose shares are listed on the Shanghai Stock Exchange (stock code: 600736).

Mr. Zhuang was the director of Suzhou Jinchi Commercial Development Co., Ltd*. (蘇州金池商業發展有限公司), which was established in the PRC and was deregistered on 14 December 2010.

Mr. Zhuang received a master's degree in Regional Economics at East China Normal University (華東師範大學) in July 2001 and has held the title of a senior economist (高級經濟師) since October 2010.

(b) Non-executive Director

Mr. Wang Xianfu (王賢福先生), aged 39, was appointed as the Non-executive Director on 27 May 2024, and has extensive management experience in the fields of education and corporate management. Mr. Wang founded and has served as the chairman of the board of directors of Shenzhen City Huashi Brothers Education Technology Co., Ltd*. (深圳市華師兄弟教育科技有限公司) since November 2008, which focuses on provision of lecturers and training products to training institutions. He served as the general manager of Guangzhou City Zhongxing Corporate Management Co., Ltd*. (廣州市眾行企業管理有限公司) (currently known as Guangzhou City Tongxuequan Internet Technology Co., Ltd*. (廣州市童學圈網路科技有限公司)) from May 2008 to November 2008. From January 2006 to April 2008, he served as the manager of Shenzhen City Times Bright CreSuccess Education Development Co., Ltd*. (深圳市時代光華教育發展有限公司).

Mr. Wang graduated from Nankai University with a bachelor's degree in Business Administration through a junior college to bachelor's degree transfer program via online learning in July 2018.

(c) Independent Non-executive Directors

Mr. Zhang Yihua (張軼華先生), aged 44, was appointed as an independent non-executive Director, the chairman of each of the audit committee and remuneration committee of the Company and a member of the nomination committee of the Company on 23 August 2022. Mr. Zhang has over 17 years of experience in finance and accounting. From August 2005 to August 2014, Mr. Zhang was employed by Ernst & Young, a firm principally engaged in the provision of financial auditing and consulting services, where his last position was senior manager in the assurance department and where he was primarily responsible for providing accounting services. From September 2014 to August 2017, Mr. Zhang was employed by China Greenland Broad Greenstate Group Company Limited (中國綠地博大綠澤集團有限公司) (formerly known as Broad Greenstate International Company Limited (博大綠澤國際有限公司)), a company principally engaged in the provision of landscape design services and listed on the Stock Exchange (Stock Code: 1253). In August 2015, he became



Directors' and Senior Management's Profile

the vice president and the chief financial officer of China Greenland Broad Greenstate Group Company Limited (中國綠地博大綠澤集團有限公司), where he was primarily responsible for the daily financial operation and compliance matter of the company. Since February 2018, Mr. Zhang has served as an independent non-executive director of Dook Media Group Limited* (讀客文化股份有限公司), a publishing agent listed on the Shenzhen Stock Exchange (Stock Code: 301025), where he is primarily responsible for providing independent opinions to the board of the company. Since December 2021, Mr. Zhang has served as the vice president and chief financial officer of Lihe Flavor (Qingdao) Food Co., Ltd.* (利和味道(青島)食品產業股份有限公司), a company principally engaged in the production and sales of foods and food additives, where he is primarily responsible for the daily financial operation and compliance matter of the company.

Mr. Zhang obtained a bachelor's degree in professional accounting from Shanghai University (上海大學) in July 2005 and a master's degree in business administration from Shanghai Jiaotong University (上海交通大學) in June 2018. Mr. Zhang is a member of The Chinese Institute of Certified Public Accountants, a certified internal auditor and a holder of the independent director qualification certificate of a listed company on the Shenzhen Stock Exchange.

Ms. Tang Chung Kwan Brenda (鄧仲君女士), aged 36, was appointed as the Independent Non-executive Director, a member of Audit Committee and Nomination Committee on 6 November 2024. Ms. Tang is currently the managing partner of Talentine Limited. Ms. Tang has over 14 years of talent consulting, board advisory and executive search experiences in the fields of capital management, consumer, technology, property, hospitality and education sector. Prior to joining Talentine Limited, she served as a senior consultant at aimHigher Consultancy Limited from June 2012 to July 2016, and a director at HamptonTCI Limited from June 2018 to April 2023.

Ms. Tang obtained her bachelor degree in hospitality and event management from Swiss Hotel Management School and University of Derby in January 2010 and November 2010, respectively. She has completed the Oxford Executive Leadership Programme from Said Business School University of Oxford in October 2021.

Mr. Kong Xiangming (孔祥明先生), aged 44, was appointed as the Independent Non-executive Director, a chairman of Nomination Committee and a member of each Audit Committee and Remuneration Committee on 18 December 2025. Mr. Kong has amassed nearly two decades of experience in international capital markets and investment management. He has served as a Managing Director of Righteous Capital Limited (Hong Kong) since 2017. Prior to this, from 2007 to 2016, he successively held various positions including Consultant at KPMG LLP (London, UK), Analyst in the Global Banking Division of HSBC (Hong Kong), Associate in the Corporate Finance Department at ICBC International Holdings Limited (Hong Kong), and Senior Associate in the Corporate Finance Department at CITIC CLSA Limited (Hong Kong). Mr. Kong graduated with Distinction from the Executive Diploma in Financial Strategy program at the University of Oxford, UK. He also received a master's degree in Economics from the University of Warwick, UK, and a bachelor's degree with honors in Economics from the University of Nottingham, UK. Mr. Kong holds multiple international professional qualifications, including Chartered Financial Analyst (CFA), Certified Practising Accountant (CPA Australia), Chartered Alternative Investment Analyst (CAIA), Certified ESG Analyst (CESGA), Fellow Chartered Management Accountant (FCMA), and Global Chartered Management Accountant (CGMA).

(d) Senior Management

Mr. Jin Zhenlin (靳真林先生), aged 59, now is the chairman of Anhui Sihai, a holding subsidiary of the Group. He has more than 30 years of working experience in the home appliances industry. He has fine management, global thinking ability and strong team charisma. He can effectively lead the team to achieve the set goals.

Independent Auditors' Report

容诚 | RCHK

TO THE SHAREHOLDERS OF CHINA QIDIAN GUOFENG HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of China Qidian Guofeng Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 51 to 139, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 2 in the consolidated financial statements, which indicates that the Group incurred a net loss of RMB428,249,000 during the year ended 31 December 2025 and, as of that date, the Group's current liabilities exceeded its current assets by RMB48,875,000. As stated in note 2, these events or conditions, along with other matters as set forth in note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.



Independent Auditors' Report

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p>Accounting For Business Combination</p> <p>Refer to note 38(a) to the consolidated financial statements</p> <p>During the year ended 31 December 2025, the Group acquired the entire equity interest in Hong Kong HuiLiu Limited ("HuiLiu") for a total consideration of approximately RMB302,430,000 (equivalent to approximately HK\$333,947,000), which was settled by the allotment and issue of 94,069,530 shares of the Company (the "Consideration Shares"). Upon completion of the acquisition, HuiLiu became a wholly owned subsidiary of the Group. HuiLiu and its subsidiaries are principally engaged in data analytics and livestream e-commerce.</p> <p>Goodwill arising from this acquisition amounted to approximately RMB238,596,000, which represented the excess of the consideration paid over the Group's share of the fair value of the identifiable net assets of the acquired business of HuiLiu. The Group engaged an external valuation firm to assist with the determination of the fair values of the acquired identifiable assets and liabilities, which required the exercise of significant judgment and estimation, particularly in relation to the discount rate, forecast gross profit margin, and forecast sales growth rate.</p> <p>We identified the accounting for the business combination as a key audit matter because of the significant impact the acquisition has on the consolidated financial statements and because the valuation of the identifiable assets and liabilities acquired can be inherently subjective, requiring significant judgment and estimation, which increases the risk of material misstatement or potential management bias.</p>	<p>Our audit procedures in relation to the accounting for the business combination included, but not limited to:</p> <ul style="list-style-type: none"> inspecting the equity purchase agreement and evaluating management's accounting for the acquisition with reference to the terms set out in the equity purchase agreement and the requirements of the prevailing accounting standards; evaluating the competence, capabilities, and objectivity of the external valuation firm engaged by the Group; challenging the reasonableness of the key assumptions adopted, including forecast sales growth rate and the forecast gross profit margin, with reference to future operating plans, our understanding of the related industry and market data; assessing, with the assistance of our internal valuation specialists, the reasonableness of the discount rate; evaluating the mathematical accuracy of management's allocation of consideration to the identifiable assets and liabilities acquired and any goodwill arising from the business combination; and assessing the reasonableness of the disclosures related to the business combination with reference to the requirements of the prevailing accounting standards.

Independent Auditors' Report

Key audit matter	How our audit addressed the key audit matter
<p>Impairment Assessments of Property, Plant and Equipment, Right-of-Use Assets and Goodwill</p> <p>Refer to notes 16, 17 and 19 to the consolidated financial statements</p> <p>As of 31 December 2025, the Group has property, plant and equipment of approximately RMB2,762,000, right-of-use assets of approximately RMB13,898,000 and goodwill of approximately RMB238,596,000.</p> <p>The Group engaged an external valuation firm to perform the impairment assessments of property, plant and equipment, right-of-use assets and goodwill by comparing the carrying values of cash generating units ("CGU"s) with their respective recoverable amounts using discounted cash flow method.</p> <p>The preparation of discounted cash flow forecasts for the purpose of assessing recoverable amount of property, plant and equipment, right-of-use assets and goodwill involves significant estimation, including forecast sales growth rates, forecast profit margins and discount rates applied.</p> <p>We identified the assessments of potential impairment of property, plant and equipment, right-of-use assets and goodwill as a key audit matter because the balances of property, plant and equipment, right-of-use assets and goodwill as of 31 December 2025 are material to the consolidated financial statements and the Group's impairment assessment involves significant judgements, and estimation.</p>	<p>Our audit procedures in relation to the impairment assessments of property, plant and equipment, right-of-use assets and goodwill included, but not limited to:</p> <ul style="list-style-type: none"> • evaluating the reasonableness of management's identification of CGUs and the allocation of assets to each CGU with reference to the requirements of prevailing accounting standards; • evaluating the appropriateness of the methodology adopted by management in its impairment assessments; • assessing and challenging with the assistance of our internal valuation specialists, the reasonableness of the key assumptions adopted including discount rates, forecast sales growth rate and forecast gross profit margins; • performing sensitivity analyses on forecast sales growth rates, forecast gross profit margins and discount rates, and considering the resulting impact of changes in the key assumptions and whether there were any indicators of management bias; • evaluating the competence, capabilities, and objectivity of the external valuation firm engaged by the Group; and • considering the reasonableness of the disclosures in the consolidated financial statements with reference to the requirements of prevailing accounting standards.



Independent Auditors' Report

Key audit matter	How our audit addressed the key audit matter
<p>Loss allowance for expected credit loss (“ECL”) on trade receivables and deposits and other receivables</p> <p>Refer to notes 24, 25 and 42(b)(ii) to the consolidated financial statements</p> <p>As at 31 December 2025, the carrying value of trade receivables and deposits and other receivables (net of loss allowances) were RMB70,075,000 and RMB13,950,000 respectively. Impairment losses of RMB297,000 and RMB344,000 on trade receivables and deposits and other receivables respectively have been recognised during the year.</p> <p>Management engaged an external valuation firm to assess the provision for ECL of trade receivables and prepayments, deposits and other receivables based on probability weighted estimate of credit losses over the expected life of these receivables and whether there are any events or changes in circumstances indicating a detrimental impact on the estimated future cash flows of these balances.</p> <p>We consider this matter to be a key audit matter because of their significance to the consolidated financial statements and the assessment of ECL for trade receivables and deposits and other receivables requires the use of management's judgement and estimates.</p>	<p>Our procedures in relation to the allowance for ECL on trade receivables and deposits and other receivables included, but not limited to:</p> <ul style="list-style-type: none"> • understanding the policies of the Group's allowance for ECL on trade receivables and deposits and other receivables and the method adopted by the management for assessing the amount of expected credit losses; • evaluating the competence, capabilities, and objectivity of the external valuation firm engaged by the Group; • assessing management's judgement made in relation to the ECL and creditworthiness of the debtors by assessing the available information, such as background information of the debtors, past collection history of debtors, concentration risk of debtors, the Group's actual loss experience, forward-looking information and subsequent settlement of the trade receivables, deposits and other receivables; • testing the aging of trade receivables and deposits and other receivables at the end of the reporting period on a sampling basis; and • reviewing the adequacy of disclosures of ECL on trade receivables and deposits and other receivables with reference to the requirement of prevailing accounting standards. • Assessing the reasonableness of ECL by testing the calculation of historical default rate and evaluating the reasonableness of the forward-looking adjustments made to reflect current and forecast future economic condition that applied in the provision matrix, with the assistance of internal valuation experts.

Independent Auditors' Report

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.



Independent Auditors' Report

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

Independent Auditors' Report

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Rongcheng (Hong Kong) CPA Limited

Certified Public Accountants

Leung Man Kit

Practising Certificate Number: P08413

Hong Kong,

31 March 2026

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Revenue	6	356,585	441,994
Cost of sales and services		(272,920)	(324,173)
Gross profit		83,665	117,821
Other income	7	2,251	5,255
Other gains and losses, net	8	(6,041)	6,681
Impairment loss recognised on goodwill		(301,628)	(2,183,408)
Impairment loss recognised on property, plant and equipment	16	(5,592)	—
Impairment loss reversed/(recognised) on loan receivables	21	3,498	(3,498)
Impairment loss recognised on trade receivables, net	42(b)(ii)	(297)	(379)
Impairment loss recognised on deposits and other receivables	25	(344)	(1,098)
Loss on disposal of subsidiaries, net	39	—	(246)
Share of result of an associate	20	(310)	362
Selling and marketing expenses		(134,427)	(85,469)
Administrative expenses		(60,635)	(74,768)
Operating loss		(419,860)	(2,218,747)
Finance costs	9	(4,698)	(13,615)
Finance income	9	279	2,834
Net finance costs		(4,419)	(10,781)
Loss before tax		(424,279)	(2,229,528)
Income tax (expense)/credit	10	(3,970)	2,662
Loss for the year	11	(428,249)	(2,226,866)
Other comprehensive expense			
Item that will not be reclassified to profit or loss:			
Fair value loss on equity instruments at fair value through other comprehensive income ("FVTOCI")		(333)	—
Total comprehensive expense for the year		(428,582)	(2,226,866)
Loss for the year attributable to:			
– Owners of the Company		(418,391)	(2,221,688)
– Non-controlling interests		(9,858)	(5,178)
		(428,249)	(2,226,866)
Total comprehensive expense attributable to:			
– Owners of the Company		(418,724)	(2,221,688)
– Non-controlling interests		(9,858)	(5,178)
		(428,582)	(2,226,866)
Loss per share for loss attributable to owners of the Company (expressed in RMB per share)	15		
– Basic		(0.232)	(2.519)
– Diluted		(0.232)	(2.519)

Consolidated Statement of Financial Position

As at 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment	16	2,762	7,750
Right-of-use assets	17	13,898	19,111
Intangible assets	18	42,742	—
Goodwill	19	238,596	301,628
Interest in an associate	20	64	374
Loan receivables	21	—	127,470
Deferred tax assets	30	1,362	4,100
Equity instruments at FVTOCI	22	—	333
Total non-current assets		299,424	460,766
Current assets			
Inventories	23	35,779	44,875
Trade receivables	24	70,075	8,397
Prepayments, deposits and other receivables	25	54,514	43,567
Restricted bank deposits	26	4,116	10,850
Cash and cash equivalents	27	36,150	27,676
Total current assets		200,634	135,365
Total assets		500,058	596,131
Equity			
Share capital	28	270,906	253,128
Reserves	29	(135,971)	(54,244)
Equity attributable to owners of the Company		134,935	198,884
Non-controlling interests		1,510	11,368
Total equity		136,445	210,252



Consolidated Statement of Financial Position

As at 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities	30	11,408	259
Borrowings	31	74,207	100,287
Other payables	32	20,758	20,158
Lease liabilities	33	7,498	10,591
Provision for reinstatement costs	34	233	282
Total non-current liabilities		114,104	131,577
Current liabilities			
Trade and bills payables	35	39,131	33,564
Accruals and other payables	32	58,177	77,141
Contract liabilities	36	83,246	71,666
Lease liabilities	33	6,430	8,892
Borrowings	31	1,448	9,479
Other current liabilities	37	61,077	53,560
Total current liabilities		249,509	254,302
Total liabilities		363,613	385,879
Total equity and liabilities		500,058	596,131
Net current liabilities		(48,875)	(118,937)

The consolidated financial statements on page 51 to 139 were approved and authorised for issue by the board of directors on 31 March 2026 and are signed on its behalf by:

YUAN LI
Director

ZHUANG LIANGBAO
Director

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

	Share capital RMB'000	Share premium RMB'000 (notes 29(a))	Treasury stock RMB'000 (note 29(b))	Statutory reserves RMB'000 (note 29(c))	FVTOCI reserves RMB'000	Other reserves RMB'000 (note 29(d))	Accumulated losses RMB'000	Sub-total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
1 January 2024	29,174	1,885,248	—	28,007	—	55,395	(2,430,472)	(432,648)	16,546	(416,102)
Loss and total comprehensive expense for the year	—	—	—	—	—	—	(2,221,688)	(2,221,688)	(5,178)	(2,226,866)
Allotment of shares (note 28(b))	28,852	73,205	—	—	—	—	—	102,057	—	102,057
Allotment of shares - capitalisation of loan from a shareholder (note 28(c))	75,368	93,526	—	—	—	—	—	168,894	—	168,894
Issuance of award shares (note 28(d))	563	2,468	—	—	—	(3,031)	—	—	—	—
Issuance as consideration for acquisition of the issued share capital of a subsidiary (note 38(b))	119,171	2,454,427	—	—	—	—	—	2,573,598	—	2,573,598
Transfer	—	—	—	149	—	—	(149)	—	—	—
Equity settled share-based payment expenses	—	—	—	—	—	8,671	—	8,671	—	8,671
As at 31 December 2024 and 1 January 2025	253,128	4,508,874	—	28,156	—	61,035	(4,652,309)	198,884	11,368	210,252
Loss for the year	—	—	—	—	—	—	(418,391)	(418,391)	(9,858)	(428,249)
Fair value loss on equity instrument at FVTOCI	—	—	—	—	(333)	—	—	(333)	—	(333)
Loss and total comprehensive expense for the year	—	—	—	—	(333)	—	(418,391)	(418,724)	(9,858)	(428,582)
Settlement in shares (note 29(b))	—	—	(75,955)	—	—	30,332	—	(45,623)	—	(45,623)
Issuance of award shares (note 28(e))	1,168	29,398	—	—	—	(30,566)	—	—	—	—
Issuance of treasury stock for share award granted (note 28(f))	3,317	76,713	(80,030)	—	—	—	—	—	—	—
Issuance as consideration for acquisition of the issued share capital of a subsidiary (note 38(a))	13,293	289,137	—	—	—	—	—	302,430	—	302,430
Transfer	—	—	—	60	—	—	(60)	—	—	—
Capital contribution from a related party (note 31(c)(v))	—	—	—	—	—	13,947	—	13,947	—	13,947
Equity settled share-based payment expenses	—	—	—	—	—	84,021	—	84,021	—	84,021
As at 31 December 2025	270,906	4,904,122	(155,985)	28,216	(333)	158,769	(5,070,760)	134,935	1,510	136,445

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
OPERATING ACTIVITIES			
Loss before tax		(424,279)	(2,229,528)
Adjustments for:			
– Net foreign exchange changes		(1,651)	3,368
– Amortisation of intangible assets	11	915	—
– Depreciation of right-of-use assets	11	9,404	6,191
– Depreciation of property, plant and equipment	11	782	608
– Depreciation of investment property	11	—	788
– Loss on disposal of property, plant and equipment	11	50	78
– Finance income	9	(279)	(2,834)
– Interest expenses		4,698	10,492
– Write down/(reversal of write down) of inventories		87	(251)
– Impairment loss on trade receivables	42(b)(ii)	297	379
– Impairment losses on deposits and other receivable		344	1,097
– (Reversal of impairment loss)/impairment loss on loan receivables	21	(3,498)	3,498
– Impairment loss on goodwill		301,628	2,183,408
– Impairment loss on property, plant and equipment		5,592	—
– Gain on early termination of lease agreement		(275)	(300)
– Provision of contingent consideration		7,517	—
– Loss on disposal of subsidiaries		—	246
– Gain on extension of interest payables		—	(4,384)
– Reversal of reinstatement costs, net		(49)	(235)
– Share-based payment expenses		84,021	8,671
– Share of result of an associate		310	(362)
Operating cash flows before movements in working capital		(14,386)	(19,070)
– Change in inventories		9,009	11,768
– Change in trade receivables		(12,427)	(4,046)
– Change in prepayments, deposits and other receivables		4,360	(3,192)
– Change in restricted bank deposits		6,734	(5,830)
– Change in trade and bills payables		(5,983)	(5,463)
– Change in accruals and other payables		(24,468)	(1,757)
– Change in contract liabilities		(5,813)	(3,043)
Cash used in operations		(42,974)	(30,633)
Interest paid		—	(14,824)
Income taxes paid		(804)	(1,500)
NET CASH USED IN OPERATING ACTIVITIES		(43,778)	(46,957)

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	16	(2,073)	(1,111)
Net cash outflow arising from disposal of subsidiaries	39	—	(6)
Net cash inflow arising from acquisition of subsidiaries	38	166	2,702
Net proceed from disposal of property, plant and equipment		637	96
Interest received		279	518
Acquisition of equity instruments at fair value through other comprehensive income		—	(333)
NET CASH (USED IN) GENERATED FROM INVESTING ACTIVITIES		(991)	1,866
FINANCING ACTIVITIES			
Advance from borrowings		87,097	20,704
Repayment of borrowings		(23,717)	(16,773)
Repayment of loan from shareholders		—	(181,280)
Repayment of lease liabilities		(10,137)	(14,242)
Net proceeds from issue of shares		—	102,057
NET CASH GENERATED FROM (USED IN) FINANCING ACTIVITIES		53,243	(89,534)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		8,474	(134,625)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		27,676	162,301
CASH AND CASH EQUIVALENTS AT END OF YEAR		36,150	27,676



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

1. GENERAL INFORMATION

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

The address of the Company's principal place of business in the People's Republic of China (the "PRC") is located at Room 1504, 15/F, Building 5, Beiyuan East Road No. 19 Yard, Chaoyang District, Beijing, PRC, whereas, its principal place of business in Hong Kong is located at Room 1928, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong. In the opinion of the directors of the Company, Greatssjy Co., Ltd., a company incorporated in the British Virgin Islands, is the immediate and ultimate holding company of the Company. Mr. Yuan Li is the ultimate controlling party of the Company.

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

The consolidated financial statements are presented in Renminbi ("RMB"), which is also the functional currency of the Company.

2. BASIS OF PREPARATION AND PRESENTATION

(a) Basis of preparation

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards, which includes all Hong Kong Financial Reporting Standards ("HKFRS"), Hong Kong Accounting Standards ("HKAS") and HK (IFRIC) Interpretations, HK Interpretations and HK (SIC) Interpretations (collectively referred to as "Interpretations"), issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange (the "Listing Rules") and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial instruments which are transacted at fair value and a valuation technique that uses unobservable inputs to measure fair value in subsequent periods, the valuation technique is calibrated so that at initial recognition the results of the valuation technique equals the transaction price.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2. BASIS OF PREPARATION AND PRESENTATION *(Continued)*

(b) Going concern assessment

The Group incurred a net loss of RMB428,249,000 during the year ended 31 December 2025 and, as of that date, the Group's current liabilities exceeded its current assets by RMB48,875,000. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

In view of such circumstances, the directors of the Company have given careful consideration to the future liquidity and operating performance of the Group and its available sources of financing to assess whether the Group will have sufficient financial resources to fulfil its financial obligations to continue as a going concern. The following plans and measures have been taken to mitigate the liquidity pressure and to improve its financial position, including but not limited to those described below:

- (i) on 26 January 2026, the Group had entered into a non-exclusive leading channel distributor cooperation agreement (the "Agreement") for a term of one-year with MetaX Integrated Circuits (Shanghai) Co., Ltd. (沐曦集成电路(上海)股份有限公司) ("MetaX") (Stock Code: 688802.SH), an independent third party not connected to the Group. Pursuant to the Agreement, a subsidiary of the Group had been appointed as a non-exclusive leading channel distributor of MetaX in the PRC (excluding Hong Kong, Macau and Taiwan) for the sale and promotion of MetaX's authorised products comprising MetaX's full series of graphics processing unit (GPU) products. The Group believes that its cooperation with MetaX would develop and expand the Group's AI-related business revenue and enhance operating cash inflow;
- (ii) the Group plans to divest underperforming subsidiaries engaging in home appliance business in order to reduce operating losses, lower the scale of related liabilities, and improve the Group's financial condition;
- (iii) the Group considers to partially settle outstanding indebtedness of the Group by way of issuance of shares to creditors in order to eliminate outstanding liability without any immediate cash outflow, thereby to strengthen the Group's balance sheet and improve its gearing ratio; and
- (iv) the ultimate substantial shareholder of the Company will provide financial support to the Group to enable it to meet its obligations as and when needed and the Company has received the financial support of RMB12,000,000 from the ultimate substantial shareholder of the Company before the date of authorization of these consolidated financial statements.

The directors of the Company have reviewed the Group's cash flow projections, which cover a period not less than 12 months from the date of approval of consolidated financial statements. In the opinion of the directors of the Company, in light of the above and taking into account the anticipated cash flows to be generated from the Group's operations as well as the above plans and measures, the Group will have sufficient financial resources to satisfy its future working capital requirements in the 15 months immediately after 31 December 2025. Accordingly, the directors of the Company consider that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Notwithstanding the above, a material uncertainty exists as to whether the Group is able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon the Group's ability to generate adequate cash flows through:

- (i) successful development of AI-related business through collaboration with MetaX;
- (ii) successful divestment of underperforming subsidiaries engaging in home appliance business; and
- (iii) successful settlement of outstanding indebtedness of the Group by way of issuance of shares to creditors.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2. BASIS OF PREPARATION AND PRESENTATION *(Continued)*

(b) Going concern assessment *(Continued)*

Should the Group be unable to achieve the above plans and measures such that it would not be able to operate as a going concern, adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to recognize further financial liabilities which might arise with higher interest rate, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. Such adjustments have not been reflected in these consolidated financial statements.

3. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

Amendments to an HKFRS Accounting Standard that are mandatorily effective for the current year

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

Amendments to HKAS 21	Lack of Exchangeability
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The application of the amendments to an HKFRS Accounting Standard in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to HKFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards - Volume 11 ²
HKFRS 18	Presentation and Disclosure in Financial Statements ³
HKAS 21	Translation to a Hyperinflationary Presentation Currency ³

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2026.

³ Effective for annual periods beginning on or after 1 January 2027.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS *(Continued)*

New and amendments to HKFRS Accounting Standards in issue but not yet effective *(Continued)*

Except for the new and amendments to HKFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 18 Presentation and Disclosure in Financial Statements (“HKFRS 18”)

HKFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 Presentation of Financial Statements. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provides disclosures on management-defined performance measures (MPMs) in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (the title of which will be changed to “Basis of Preparation of Financial Statements” upon effective of HKFRS 18) and HKFRS 7. Minor amendments to HKAS 7 Statement of Cash Flows and HKAS 33 Earnings per Share are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. HKFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss.

4. MATERIAL ACCOUNTING POLICY INFORMATION

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Basis of consolidation *(Continued)*

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Business combinations

A business is an integrated set of activities and assets which includes an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired processes are considered substantive if they are critical to the ability to continue producing outputs, including an organised workforce with the necessary skills, knowledge, or experience to perform the related processes or they significantly contribute to the ability to continue producing outputs and are considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

The identifiable assets acquired and liabilities assumed must meet the definitions of an asset and a liability in the Conceptual Framework for Financial Reporting (the "Conceptual Framework") except for transactions and events within the scope of HKAS 37 Provisions, Contingent Liabilities and Contingent Assets or HK(IFRIC)-Int 21 Levies, in which the Group applies HKAS 37 or HK(IFRIC)-Int 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination. Contingent assets are not recognised.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 Income Taxes and HKAS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 Share-based Payment at the acquisition date;
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard; and
- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in HKFRS 16 Leases) as if the acquired leases were new leases at the acquisition date. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after re-assessment, the net amount of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Business combinations *(Continued)*

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets or at fair value. The choice of measurement basis is made on a transaction-by-transaction basis.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured to fair value at subsequent reporting dates, with the corresponding gain or loss being recognised in profit or loss.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or group of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of cash-generating units).

On disposal of the relevant cash-generating unit or any of the cash-generating unit within the group of cash-generating units, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal. When the Group disposes of an operation within the cash-generating unit (or a cash-generating unit within a group of cash-generating units), the amount of goodwill disposed of is measured on the basis of the relative values of the operation (or the cash-generating unit) disposed of and the portion of the cash-generating unit (or the group of cash-generating units) retained, unless the Group can demonstrate that some other method better reflects the goodwill associated with the operation disposed of.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Investments in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is or the portion so classified is accounted for in accordance with HKFRS 5. Any retained portion of an investment in an associate or a joint venture that has not been classified as held for sale continues to be accounted for using the equity method. The financial statements of associates used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances.

The associate uses accounting policies that differ from those of the Group for like transactions and events in similar circumstances. Appropriate adjustments have been made to conform the associate's accounting policies to those of the Group. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. Changes in net assets of the associate other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the interest in an associate may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Investments in associates *(Continued)*

When the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former associate and the retained interest is a financial asset within the scope of HKFRS 9, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate and the fair value of any retained interest and any proceeds from disposing of the relevant interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal/partial disposal of the relevant associate.

When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Sale with a right of return

For a sale of products with a right of return for dissimilar products, the Group recognises all of the following:

- (a) revenue for the transferred products in the amount of consideration to which the Group expects to be entitled (therefore, revenue would not be recognised for the products expected to be returned/exchanged);
- (b) a refund liability/contract liability; and
- (c) an asset (and corresponding adjustment to cost of sales) for its right to recover products from customers and are presented as right to returned goods asset.

Further details of the Group's revenue and other income recognition policies are as follows:

(a) Sales of goods - Bulk distribution

Revenue from the sales of goods by bulk distribution directly to the customers (other retailers and distributors) is recognised at the point that the control of the inventory have passed to the customers, which is primarily upon the acceptance of the goods by the customers. The customers have full discretion over the goods, and there is no unfulfilled obligation that could affect the customers' acceptance of the products. The Group collects cash or bank acceptance notes from the customers before or upon deliveries of goods through banks. Cash or bank acceptance notes collected from the customers before goods delivery is recognised as contract liabilities. No element of financing is deemed present as the sales are made with a credit term of 30 to 90 days, which is consistent with the market practice.

(b) Sales of goods - Retail

The Group operates a chain of retail stores for selling household appliances and import and general merchandises. Revenue from the sales of goods directly to the customers is recognised at the point that the control of the inventory have passed to the customers, which is primarily upon the acceptance of the goods by the customers. The customers have full discretion over the goods, and there is no unfulfilled obligation that could affect the customers' acceptance of the products. Revenue from retail sales are usually settled in cash or by credit or payment card. Cash or credit/payment settlement collected from the customers before goods delivery is recognised as contract liabilities.

(c) Sales of goods - Online sales

Revenue from the sales of goods directly to the customers is recognised at the point that the control of the inventory have passed to the customers, which is primarily upon the acceptance of the goods by the customers. The customers have full discretion over the goods, and there is no unfulfilled obligation that could affect the customers' acceptance of the products. Revenue from online sales are usually settled in cash or by credit or payment card. Cash or credit/payment settlement collected from the customers before goods delivery is recognised as contract liabilities.

Under the standard sale contract terms, customers have a right to return products within 7 days. The Group uses its accumulated historical experience to estimate the number of returns on a portfolio level using the expected value method. Revenue is recognised for sales which are considered highly probable that a significant reversal in the cumulative revenue recognised will not occur given the steady level of returns over previous years.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Sale with a right of return *(Continued)*

(d) *Provision of services*

The Group renders maintenance and installation services to end customers. Revenue from such services is recognised when services have been provided and the collectability of the related service receivables is reasonably assured.

(e) *Training service fees*

Training service fees are derived from organizing seminars and the provision of training services. Training service fees are generally received in advance prior to the program seminars or lessons. Training service fees are recognised proportionately over the relevant course schedule in which the services are rendered. The portion of training services fees received from customers but not yet earned is recorded as contract liabilities, and the portion of which that will be earned beyond one year is reflected as non-current liability.

(f) *Livestream e-commerce commission income*

The Group provides product promotion to merchants via livestream in third party online platform. Commission income is recognised when the Group satisfies its performance obligation, which is upon directing customers to the merchant's page and the delivery of the products to the customer's specific location. Such income is calculated based on the predetermined percentage of the sales amounts.

Under the merchants' standard sale contract terms, customers have a right to return products within 7 days and the Group has to refund the commission to merchants for the corresponding sales return. The Group uses its accumulated historical experience to estimate the number of returns on a portfolio level using the expected value method. Revenue is recognised for sales which are considered highly probable that a significant reversal in the cumulative revenue recognised will not occur.

Leases

The Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Leases *(Continued)*

The Group as a lessee *(Continued)*

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets (such as tablets and personal computers, small items of office furniture and telephones). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis or another systematic basis over the lease term.

Right-of-use assets

The cost of right-of-use assets includes:

- the amounts of the initial measurement of the lease liabilities;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Leases *(Continued)*

The Group as a lessee *(Continued)*

Lease liabilities (Continued)

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise the option; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. RMB) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of exchange reserve.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Borrowings and borrowing cost

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Borrowing costs are recognised in profit or loss in the period in which they are incurred.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under "other income".

Employee benefits

(a) Short term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS Accounting Standard requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Employee benefits *(Continued)*

(b) Pension obligations (defined contribution plan)

A defined contribution plan is a pension plan under which the Group pays contributions into a separate fund. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to the employee service in the current and prior periods. The contributions are recognised as employee benefit expense when they are due.

The employee of the Company's subsidiaries which operate in the PRC are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of its payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme. The Group's employer's contributions vest fully with the employees when contributed in the central pension scheme. The Group has no forfeiture of pension scheme contributions (i.e. contributions processed by the employer on behalf of the employee who has exited the scheme prior to vesting of such contributions).

(c) Share-based payments

Equity-settled share-based payment transactions

Shares granted to employees

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (other reserves). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the other reserves. For shares that vest immediately at the date of grant, the fair value of the shares granted is expensed immediately to profit or loss.

When shares granted are vested, the amount previously recognised in other reserves will be transferred to share capital and share premium.

Shares granted to non-employees

Equity-settled share-based payment transactions with parties other than employees; including service providers, are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service. The fair values of the goods or services received are recognised as expenses (unless the goods or services qualify for recognition as assets).

The unidentifiable goods or services received (or to be received) is measured as the difference between the fair value of the share-based payment and the fair value of any identifiable goods or services received (or to be received). The unidentifiable goods or services received is measured at the grant date.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from loss before taxation because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences..

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Property, plant and equipment

Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition. To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land is presented as "right-of-use assets" in the consolidated statement of financial position except for those that are classified and accounted for as investment properties under the fair value model. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Property, plant and equipment *(Continued)*

Depreciation is recognised so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

	Estimated useful lives	Residual value
Buildings	40 years or unexpired term of the leases, whichever is shorter	5%
Motor vehicles	5 years	5%
Electronics and office equipment	5 years	5%
Leasehold improvements	5 to 7 years or the remaining term of any non-renewable lease, whichever is shorter	—

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are reported at costs less accumulated amortisation and any accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Intangible assets acquired in a business combination with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Impairment on property, plant and equipment, right-of-use assets and intangible assets other than goodwill

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets with finite useful lives to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of property, plant and equipment, right-of-use assets and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Impairment on property, plant and equipment, right-of-use assets and intangible assets other than goodwill *(Continued)*

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Inventories – merchandise held for resale

Inventories comprise merchandise purchased for resale, and are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale. Cost of merchandise, representing its purchase cost, is determined by using the first-in-first-out basis for household appliance merchandise.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised.

The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Provision

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both selling and collecting contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value through profit or loss ("FVTPL"), except that at initial recognition of a financial asset, the Group may irrevocably elect to present subsequent change in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 Business Combinations applies.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Classification and subsequent measurement of financial assets (Continued)

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

(ii) Equity instruments designated as FVTOCI

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in other reserves; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will be transferred to accumulated losses. Dividends from these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the other income line item in profit or loss.

Impairment of financial assets

The Group performs impairment assessment under expected credit loss ("ECL") model on financial assets (including trade and bills receivables, other receivables, deposits, prepayments, loan receivables, restricted bank deposits and bank balances) which are subject to impairment assessment under HKFRS 9. The amount of ECL is updated at the end of each reporting period to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the end of the reporting period. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the end of the reporting period as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables without significant financing component. The ECL on these assets are assessed individually for debtors with credit-impaired balances and/or collectively using a provision matrix with appropriate groupings.

For all other instruments, the Company measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets (Continued)

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the end of the reporting period with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; or
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets (Continued)

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- (e) the disappearance of an active market for that financial asset because of financial difficulties; or
- (f) the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

(iv) Write-off policy

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group uses a practical expedient in estimating ECL on trade and bills receivables using a provision matrix taking into consideration historical credit loss experience, adjusted for forward looking information that is available without undue cost or effort.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets (Continued)

(v) Measurement and recognition of ECL *(Continued)*

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Lifetime ECL for certain trade receivables are considered on a collective basis taking into consideration past due information and relevant credit information such as forward looking macroeconomic information. For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount where the corresponding adjustment is recognised through a loss allowance account.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Financial liabilities at amortised cost

Financial liabilities including borrowings, trade and bills payables, other payables, other current liabilities and lease liabilities are subsequently measured at amortised cost, using the effective interest method.

Derecognition/modification of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Financial instruments *(Continued)*

Financial liabilities and equity *(Continued)*

Modification of financial liabilities

When the contractual terms of a financial liability are modified, the Group assess whether the revised terms result in a substantial modification from original terms taking into account all relevant facts and circumstances including qualitative factors. If qualitative assessment is not conclusive, the Group considers that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received, and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. Accordingly, such modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. The exchange or modification is considered as non-substantial modification when such difference is less than 10%.

For non-substantial modifications of financial liabilities that do not result in derecognition, the carrying amount of the relevant financial liabilities will be calculated at the present value of the modified contractual cash flows discounted at the financial liabilities' original effective interest rate. Transaction costs or fees incurred are adjusted to the carrying amount of the modified financial liabilities and are amortised over the remaining term. Any adjustment to the carrying amount of the financial liability is recognised in profit or loss at the date of modification.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 4, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated selling expenses. These estimates are based on the current market condition and the historical experience of selling products of similar nature. It could change significantly as a result of competitor actions in response to severe industry cycles. The Group will reassess the estimations by each reporting date.

Estimated impairment of non-financial assets

The Group follows HKAS 36 to determine whether non-financial assets have suffered any impairment. The recoverable amount of an asset is determined based on the higher of the asset's fair value less cost of disposal and value in use. The value in use calculations require the use of estimates. In case the recoverable amount is determined with reference to fair value less costs of disposal, when the fair value less cost of disposal are less than expected or there are unfavourable events and changes in facts and circumstances which result in revision of fair value less costs of disposal, a material impairment may arise.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

Estimated impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating unit to which goodwill has been allocated. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, or there is a change in facts and circumstances which results in downward revision of future cash flows or upward revision of discount rate, a material impairment loss or further impairment loss may arise.

Provision of ECL for trade receivables and other financial assets at amortised cost included in prepayments, deposits and other receivables

The Group uses provision matrix to calculate ECL for the trade receivables and other financial assets at amortised cost included in prepayments, deposits and other receivables. The provision rates are based on internal credit ratings as groupings of various debtors that have similar loss patterns. The provision matrix is based on the Group's historical default rates taking into consideration forward-looking information that is reasonable, supportable and available without undue costs or effort. At the end of the reporting period, the historical observed default rates are reassessed and changes in the forward-looking information are considered. In addition, trade receivable and other financial assets at amortised cost included in prepayments, deposits and other receivables which are credit-impaired are assessed for ECL individually.

The provision of ECL is sensitive to changes in estimates. The information about the ECL are disclosed in note 42(b)(ii).

Revenue and profit recognition

Revenue from the provision of education service is recognised over time. Such revenue and profit recognition on uncompleted services is dependent on estimating the total outcome of the contract, as well as the work done to date.

Based on the Group's recent experience and the nature of the training activities undertaken by the Group, the Group has made estimates of the point at which it considered the work was sufficiently advanced such that the outcome of the contract can be reasonably measured.

In addition, actual outcomes in terms of total cost or revenue may be higher or lower than estimated at the end of the reporting period, which would affect the revenue and profit recognised in future years as an adjustment to the amounts recorded to date.

RMB57,394,000 (2024: RMB67,908,000) of revenue from provision of education services were recognised for the year ended 31 December 2025.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

6. REVENUE AND SEGMENT INFORMATION

(i) REVENUE

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

	2025 RMB'000	2024 RMB'000
Types of goods and services		
Sales of home appliances	236,098	271,790
Sales of liquor	60,011	102,296
Provision of education-related training services	57,394	67,908
Livestream e-commerce commission income	3,082	—
	356,585	441,994
Timing of revenue recognition		
A point in time	299,191	374,086
Over time	57,394	67,908
	356,585	441,994

(ii) SEGMENT INFORMATION

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

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

Liquor business — trading of liquor.

Education business — education-related training services.

Livestream e-commerce — commission income earned through sale of goods during livestream.

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

6. REVENUE AND SEGMENT INFORMATION *(Continued)*

(a) Segment revenue and results

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

	Household appliance business RMB'000	Liquor business RMB'000	Education business RMB'000	Livestream e-commerce RMB'000	Total RMB'000
Year ended 31 December 2025					
Revenue from external customer	236,098	60,011	57,394	3,082	356,585
Segment results	(16,202)	(3,574)	(313,015)	1,578	(331,213)
Unallocated income					57
Unallocated expenses					(92,813)
Share of result of an associate					(310)
Loss before tax					(424,279)
Other segment items are as follows:					
Depreciation of property, plant and equipment	189	11	582	—	782
Depreciation of right-of-use assets	6,877	1,279	1,248	—	9,404
Amortisation of intangible assets	—	—	—	915	915
Impairment loss recognised on goodwill	—	—	301,628	—	301,628
Impairment loss recognised on property, plant and equipment	—	—	5,592	—	5,592
Impairment loss (reversed)/recognised on trade receivables, net	(132)	396	—	33	297
Impairment loss recognised/(reversed) on deposits and other receivables	359	647	(720)	58	344
Impairment loss reversed on loan receivables	—	—	(3,498)	—	(3,498)
Write down of inventories	87	—	—	—	87
Loss on disposal of property, plant and equipment	—	—	50	—	50
Gain on early termination of lease agreement	—	—	(275)	—	(275)

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

6. REVENUE AND SEGMENT INFORMATION *(Continued)*

(a) Segment revenue and results *(Continued)*

	Household appliance business RMB'000	Liquor business RMB'000	Education business RMB'000	Total RMB'000
Year ended 31 December 2024				
Revenue sales to external customer	271,790	102,296	67,908	441,994
Segment results	(215)	2,294	(2,201,326)	(2,199,247)
Unallocated income				5,854
Unallocated expenses				(36,251)
Loss on disposal of subsidiaries, net (notes 39(a) and (b))				(246)
Share of result of an associate				362
Loss before tax				(2,229,528)
Other segment items are as follows:				
Depreciation of property, plant and equipment	329	8	271	608
Depreciation of right-of-use assets	4,469	359	1,363	6,191
Impairment loss recognised on goodwill	—	—	2,183,408	2,183,408
Impairment loss recognised/(reversed) on trade receivables, net	395	10	(26)	379
Impairment loss recognised/(reversed) on deposits and other receivables	229	(10)	890	1,109
Impairment loss recognised on loan receivables	—	—	3,498	3,498
Net reversal of write down of inventories	(251)	—	—	(251)
(Gain)/loss on disposal of property, plant and equipment and right-of-use assets	(60)	138	—	78
Gain on early termination of lease agreement	(300)	—	—	(300)

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

6. REVENUE AND SEGMENT INFORMATION *(Continued)*

(b) Segment assets and liabilities

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

As at 31 December 2025

Segment assets and liabilities	Household appliance business RMB'000	Liquor business RMB'000	Education business RMB'000	Livestream e-commerce RMB'000	Total RMB'000
Segment assets	88,144	39,530	4,308	345,970	477,952
Unallocated assets					22,106
Total assets					500,058
Segment liabilities	118,524	39,274	49,850	42,125	249,773
Unallocated liabilities					113,840
Total liabilities					363,613

As at 31 December 2024

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

Segment assets consist primarily of property, plant and equipment, right-of-use assets, goodwill, other intangible assets, interest in an associate, deferred tax assets, equity instruments at FVTOCI, inventories, trade receivables, prepayments, deposits and other receivables and operating cash (including restricted bank deposits) and exclude assets of investment holding companies.

Segment liabilities comprise operating liabilities and exclude items such as other current liabilities, corporate liabilities of management companies and investment holding companies.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

6. REVENUE AND SEGMENT INFORMATION *(Continued)*

(c) Information about major customers

None of customers had contributed over 10% of the total revenue of the Group for the years ended 31 December 2025 and 2024.

(d) Geographic information

All the revenue and operating results of the Group are derived from the PRC based on location of the operations. All the Group's non-current assets are located in PRC based on geographical location of the assets.

7. OTHER INCOME

	2025 RMB'000	2024 RMB'000
Rental income from investment property	—	1,137
Rental income from subletting stores	—	1,183
Consultant income	—	30
Government subsidy (note)	107	362
Activities income	879	1,294
Others	1,265	1,249
	2,251	5,255

Note: There were no unfulfilled conditions or contingencies relating to government grants.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

8. OTHER GAINS AND LOSSES, NET

	2025 RMB'000	2024 RMB'000
Loss on disposal of property, plant and equipment	(50)	(78)
Gain on early termination of lease agreement	275	300
(Write down)/reversal of write down of inventories	(87)	251
Provision on consideration payable (note 37)	(7,517)	—
Sale of scrap products	—	10
Others	1,338	1,814
Gain on extension of interest payables (note 31(c)(ii) and note 32(a))	—	4,384
	(6,041)	6,681

9. NET FINANCE COST

	2025 RMB'000	2024 RMB'000
Finance costs		
– Interest on lease liabilities	666	1,074
– Interest on borrowings from independent third parties	855	1,052
– Interest on loans from shareholders	1,796	8,321
– Interest on loan from a related party	1,381	45
– Loss on foreign exchange from borrowings	—	3,123
	4,698	13,615
Finance income		
– Interest income on bank deposits	(279)	(518)
– Interest income on loan receivables	—	(2,316)
	(279)	(2,834)
Net finance costs	4,419	10,781

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

10. INCOME TAX EXPENSE/(CREDIT)

	2025 RMB'000	2024 RMB'000
Current tax:		
PRC Enterprise Income Tax		
Provision for the year	231	1,500
Underprovision for prior year	573	—
	804	1,500
Deferred tax – current year (note 30)	3,166	(4,162)
Income tax expense/(credit)	3,970	(2,662)

(a) Hong Kong Profits Tax

The Group is not subject to Hong Kong profits tax as it has no assessable income arising in or derived from Hong Kong during the year (2024: Nil).

(b) PRC Enterprise Income Tax

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

Beijing Qidian Guofeng Intelligent Computing Technology Co., Ltd (formerly known as Beijing Shengshang Entrepreneurial Technology Co., Ltd), a subsidiary of the Company, obtained the Certificate of High and New Technology Enterprise in October 2023, which is valid for three years. Enterprise income tax is levied at a rate of 15%.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The tax expenses for the year can be reconciled to loss before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	2025 RMB'000	2024 RMB'000
Loss before tax	(424,279)	(2,229,528)
Tax at domestic income tax rates	(106,070)	(469,137)
Tax effects of expenses not deductible for tax purpose	79,173	550,123
Tax effects of income not taxable for tax purpose	(965)	(620)
Tax effects of utilisation of tax losses previously not recognised	—	(80,351)
Tax effects of deferred tax previously not recognised	—	(2,481)
Tax effects of tax losses not recognised	30,813	—
Underprovision for prior year	573	—
Tax effects of deductible temporary difference not recognised	446	(196)
Income tax expense/(credit) for the year	3,970	(2,662)

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

11. LOSS FOR THE YEAR

	2025 RMB'000	2024 RMB'000
Loss for the year has been arrived at after charging/(crediting):		
Cost of inventories sold	232,114	280,675
Cost of services rendered	40,806	43,498
Cost of sales and services	272,920	324,173
Taxes and levies on main operations (note a)	1,051	1,358
Employee benefit expenses (including directors' and chief executives emoluments (note 12)) (note b)		
Salaries and other allowances	29,547	38,560
Pension scheme contributions	3,452	10,460
Other benefits	2,646	1,310
Equity settled share-based payment expenses	4,078	4,425
	39,723	54,755
Equity settled share-based payment expenses for service providers (note c)	79,943	4,246
Marketing expenses (note c)	16,305	30,056
Depreciation of right-of-use assets (note 17) (note d)	9,404	6,191
Depreciation of property, plant and equipment (note 16) (note d)	782	608
Depreciation of investment property (note d)	—	788
Amortisation of intangible assets (note 18) (note d)	915	—
Write down/(reversal of write down) of inventories	87	(251)
Auditor's remuneration (note d)		
— Audit services	1,600	1,600
— Non-audit services	180	900
Loss on disposal of property, plant and equipment	50	78
Gain on early termination of lease agreement	(275)	(300)

Note a: Included in cost of sales

Note b: RMB26,943,000 (2024: RMB36,710,000) of employee benefit expenses is included in administrative expenses, and RMB12,780,000 (2024: RMB18,045,000) of employee benefit expenses is included in selling and marketing expenses

Note c: The expense is included in selling and marketing expenses

Note d: The expenses are included in administrative expenses

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

12. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

Directors' and chief executive's remuneration for the year, disclosed pursuant to the applicable Listing Rules and the Hong Kong Companies Ordinance, is as follows:

For the year ended 31 December 2025

	Salaries, allowances and benefit in kind RMB'000	Discretionary bonuses RMB'000	Pension Scheme Contributions RMB'000	Equity-settled share-based payment expenses RMB'000	Directors' fees RMB'000	Total RMB'000
Executive directors (note (k))						
– Mr. Yuan Li (Chairman)	778	—	164	—	650	1,592
– Mr. Zhuang Liangbao	392	—	—	—	—	392
– Mr. Sun Yue (note (a))	756	—	69	—	—	825
– Mr. Yuan Lijun (note (b))	679	—	27	—	—	706
Independent non-executive directors (note (l))						
– Mr. Zhang Yihua	91	—	—	—	—	91
– Mr. Chen Rui (note (c))	87	—	—	—	—	87
– Ms. Tang Chung Kwan Brenda (note (d))	91	—	—	—	—	91
– Mr. Kong Xiangming (note (e))	3	—	—	—	—	3
Non-executive director (note (m))						
– Mr. Wang Xianfu (note (f))	91	—	—	4,210	—	4,301
	2,968	—	260	4,210	650	8,088

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

12. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (Continued)

For the year ended 31 December 2024

	Salaries, allowances and benefit in kind RMB'000	Discretionary bonuses RMB'000	Pension Scheme Contributions RMB'000	Equity-settled share-based payment expenses RMB'000	Directors' fees RMB'000	Total RMB'000
Executive directors (note (k))						
– Mr. Yuan Li (Chairman)	947	—	163	—	1,932	3,042
– Mr. Zhuang Liangbao	347	—	—	—	—	347
– Mr. Sun Yue (note (a))	506	—	44	3,031	—	3,581
– Mr. Yuan Lijun (note (b))	161	—	4	—	—	165
– Mr. Xu Xinying (note (g))	—	—	—	—	—	—
Independent non-executive directors (note (l))						
– Mr. Zhang Yihua	92	—	—	—	—	92
– Mr. Chen Rui (note (c))	92	—	—	—	—	92
– Mr. Fung Tak Choi (note (h))	78	—	—	—	—	78
– Ms. Tang Chung Kwan Brenda (note (d))	14	—	—	—	—	14
Non-executive directors (note (m))						
– Mr. Gu Changchao (note (i))	68	—	—	—	—	68
– Ms. Xu Honghong (note (j))	—	—	—	—	—	—
– Mr. Wang Xianfu (note (f))	55	—	—	673	—	728
	2,360	—	211	3,704	1,932	8,207

Notes:

- (a) Mr. Sun Yue was appointed as vice chairman of the board of directors, executive director and chief executive officer of the Company on 27 May 2024.
- (b) Mr. Yuan Lijun was appointed as vice chairman of the board of directors, executive director and co-chief executive officer of the Company on 15 October 2024.
- (c) Mr. Chen Rui resigned as an independent non-executive director of the Company on 18 December 2025.
- (d) Ms. Tang Chung Kwan Brenda was appointed as an independent non-executive director of the Company on 6 November 2024.
- (e) Mr. Kong Xiangming was appointed as independent non-executive director of the Company on 18 December 2025.
- (f) Mr. Wang Xianfu was appointed as non-executive director of the Company on 27 May 2024.
- (g) Mr. Xu Xinying resigned as vice chairman of the board of directors and executives director of the Company on 6 November 2024.
- (h) Mr. Fung Tak Choi resigned as an independent non-executive director of the Company on 6 November 2024.
- (i) Mr. Gu Changchao was appointed as non-executive director of the Company on 21 January 2024 and resigned on 15 October 2024.
- (j) Ms. Xu Honghong was removed as non-executive director of the Company on 21 January 2024.
- (k) The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.
- (l) The non-executive directors' emoluments shown above were for their services as directors of the Company and its subsidiaries, if applicable.
- (m) The independent non-executive directors' emoluments shown above were for their services as directors of the Company.

During the years ended 31 December 2025 and 2024, none of the directors or the chief executive (i) received any emolument from the Group as an inducement to join or upon joining the Group; or (ii) received any compensation for loss of office as a director or management of any member of the Group; or (iii) waived or agreed to waive any remuneration.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

13. FIVE HIGHEST PAID EMPLOYEES

The five highest paid individuals of the Group during the year included four directors (2024: three directors), details of whose remuneration are set out in note 12 above. Details of the remuneration for the year of the remaining one (2024: two) highest paid individuals who are neither a director nor chief executive of the Company are as follows:

	2025 RMB'000	2024 RMB'000
Salaries and allowance	426	505
Pension scheme contributions	67	63
Equity settled share-based payment expenses	—	374
	493	942

The number of the highest paid employees who are not Directors whose remuneration fell within the following bands is as follows:

	2025 employee	2024 employee
Nil to HK\$1,000,000	1	2

No emoluments were paid by the Group to these individuals as an inducement to join or upon joining the Group, or as compensation for loss of office.

14. DIVIDEND

No dividend was paid or proposed for ordinary shareholders of the Company during the year ended 31 December 2025, nor has any dividend been proposed since the year ended 31 December 2025 (2024: Nil).

15. LOSS PER SHARE

The calculation of the basic loss per share attributable to owners of the Company is based on the following data:

	2025	2024
Loss attributable to owners of the Company (RMB'000)	(418,391)	(2,221,688)
Weighted average number of ordinary shares in issue ('000)	1,804,179	882,081
Basic loss per share (RMB)	(0.232)	(2.519)

As the Group incurred net losses for the years ended 31 December 2025 and 2024, the potential dilutive ordinary shares were not included in the calculation of dilutive loss per share, as their inclusion would be anti-dilutive. Accordingly, dilutive loss per share for the years ended 31 December 2025 and 2024 are the same as basic loss per share of the respective years.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

16. PROPERTY, PLANT AND EQUIPMENT

	Buildings RMB'000	Electronics and office equipment RMB'000	Motor vehicles RMB'000	Construction in progress RMB'000	Total RMB'000
Cost					
At 1 January 2024	8,548	1,581	602	—	10,731
Additions	—	424	593	94	1,111
Acquired on acquisition of subsidiaries (note 38(b))	6,138	145	571	—	6,854
Disposal	—	(201)	(189)	—	(390)
Disposal through disposal of subsidiaries (note 39(a))	(8,548)	—	—	—	(8,548)
At 31 December 2024 and 1 January 2025	6,138	1,949	1,577	94	9,758
Additions	—	191	1,877	5	2,073
Disposal	—	—	(739)	(99)	(838)
At 31 December 2025	6,138	2,140	2,715	—	10,993
Accumulated depreciation					
At 1 January 2024	1,488	1,376	444	—	3,308
Charge for the year (note 11)	300	71	237	—	608
Eliminated on disposal	—	(54)	(162)	—	(216)
Elimination for disposal of subsidiaries (note 39(a))	(1,692)	—	—	—	(1,692)
At 31 December 2024 and 1 January 2025	96	1,393	519	—	2,008
Charge for the year (note 11)	351	128	303	—	782
Eliminated on disposal	—	—	(151)	—	(151)
At 31 December 2025	447	1,521	671	—	2,639
Accumulated impairment loss					
At 1 January 2024, 31 December 2024 and 1 January 2025	—	—	—	—	—
Impairment loss recognised for the year	4,621	—	971	—	5,592
At 31 December 2025	4,621	—	971	—	5,592
Carrying amount					
At 31 December 2025	1,070	619	1,073	—	2,762
At 31 December 2024	6,042	556	1,058	94	7,750

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

16. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

During the year ended 31 December 2025, depreciation of property, plant and equipment of RMB782,000 (2024: RMB608,000) has been charged to profit or loss and included in administrative expenses.

Impairment tests on property, plant and equipment and right-of-use assets

Due to the significant loss incurred for the year ended 31 December 2025, the management of the Group concluded that there was indication of impairment and conducted impairment assessment on property, plant and equipment and right-of-use assets with carrying amounts (before any impairment) as at 31 December 2025 of approximately RMB8,354,000 (2024: RMB7,750,000) and RMB31,493,000 (2024: RMB36,706,000) respectively. For the purposes of impairment testing, assets are grouped at each operating segment for which there are separately identifiable cash flows (cash-generating-units). An impairment loss was recognised for the amount by which the carrying amount of the assets/CGU exceeds its recoverable amount.

At 31 December 2025, the recoverable amount of the CGU of household appliance business operating segment has been determined based on a value in use ("VIU") calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a 5-year period with a pre-tax discount rate of 12.73% (2024: 10.89%). The household appliance business's cash flows beyond the 5-year period are extrapolated using a steady 3% growth rate. This growth rate is based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry. Other key assumptions for the VIU calculations relate to the estimation of cash inflows/outflows which include budgeted sales and gross margin, such estimation is based on the household appliance business's past performance and management's expectations for the market development.

The estimated recoverable amount of the CGU of household appliance business operating segment is greater than the respective carrying amount of the CGU and no impairment loss (2024: nil) has been recognised on property, plant and equipment and right-of-use assets during the year ended 31 December 2025.

The recoverable amount of the CGU of operating segment education business has been determined based on a VIU calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a 2-year period with a pre-tax discount rate of 13.19% (2024: 13.52%). The key assumptions for the VIU calculations relate to the estimation of cash inflows/outflows which include budgeted sales and gross margin, such estimation is based on the education business's existing contracts and management's expectations for the education business's future development.

The estimated recoverable amount of the CGU of education business operating segment is lower than the respective carrying amount of the CGU. An impairment loss of approximately RMB5,592,000 (2024: nil) has been recognised on property, plant and equipment and an impairment loss of RMB nil (2024: nil) has been recognised on right-of-use assets during the year ended 31 December 2025.



Notes to the Consolidated Financial Statements

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17. RIGHT-OF-USE ASSETS

	Leasehold land RMB'000	Leasehold properties RMB'000	Total RMB'000
Cost			
At 1 January 2024	905	55,588	56,493
Additions	—	10,752	10,752
Acquired on acquisition of subsidiaries (note 38(b))	—	534	534
Disposal through disposal of subsidiaries (note 39(a))	(905)	—	(905)
At 31 December 2024 and 1 January 2025	—	66,874	66,874
Additions	—	5,037	5,037
Early termination	—	(3,397)	(3,397)
At 31 December 2025	—	68,514	68,514
Accumulated depreciation			
At 1 January 2024	332	24,022	24,354
Charge for the year (note 11)	45	6,146	6,191
Elimination for disposal of subsidiaries (note 39(a))	(377)	—	(377)
At 31 December 2024 and 1 January 2025	—	30,168	30,168
Charge for the year (note 11)	—	9,404	9,404
Eliminated on early termination	—	(2,551)	(2,551)
At 31 December 2025	—	37,021	37,021
Accumulated impairment			
At 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	—	17,595	17,595
Carrying amount			
At 31 December 2025	—	13,898	13,898
At 31 December 2024	—	19,111	19,111

	2025 RMB'000	2024 RMB'000
Total cash outflow for leases	10,137	14,242
Additions to right-of-use assets	5,037	10,752

For both years, the Group leases retail shops and office for its operations. Lease contracts are entered into for fixed term of 1 to 7 years (2024: 1 to 8 years). Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

Details of impairment tests on right-of-use assets are set out in note 16.

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18. INTANGIBLE ASSETS

	Data analytics system RMB'000
Cost	
At 1 January 2024, 31 December 2024 and 1 January 2025	—
Acquired on acquisition of subsidiaries (note 38(a))	43,657
At 31 December 2025	43,657
Amortisation	
At 1 January 2024, 31 December 2024 and 1 January 2025	—
Charge for the year (note 11)	915
At 31 December 2025	915
Carrying amount	
At 31 December 2025	42,742
At 31 December 2024	—

Data analytical system arose from acquisition of Hong Kong HuiLiu Limited ("HuiLiu") and its subsidiaries during the year ended 31 December 2025. Data analytical system refers to the deployment of proprietary AI algorithms for user behaviour analysis, automated script generation for short-form videos and livestreaming, and an algorithmic engine that matches products, content, and audiences within interest-based e-commerce ecosystems. The system is built around a multi-dimensional AI agent system, integrating both domestic and international large-scale language models. Services provided by the data analytical system include AI-powered IP persona creation for influencers and brand representatives, consumer behavior analytics, personalized content recommendation engines, and precision marketing AI toolkits.

The above intangible asset has finite useful lives and is amortised on a straight-line basis over the useful lives of 2 years.



Notes to the Consolidated Financial Statements

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19. GOODWILL

	Livestream e-commerce RMB'000 (note (a))	Education business RMB'000 (note (b))	Total RMB'000
Cost			
At 1 January 2024	—	—	—
Addition from acquisition of subsidiaries (note 38(b))	—	2,485,036	2,485,036
At 31 December 2024 and 1 January 2025	—	2,485,036	2,485,036
Addition from acquisition of subsidiaries (note 38(a))	238,596	—	238,596
At 31 December 2025	238,596	2,485,036	2,723,632
Impairment			
At 1 January 2024	—	—	—
Impairment loss recognised for the year	—	2,183,408	2,183,408
At 31 December 2024 and 1 January 2025	—	2,183,408	2,183,408
Impairment loss recognised for the year	—	301,628	301,628
At 31 December 2025	—	2,485,036	2,485,036
Carrying amount			
At 31 December 2025	238,596	—	238,596
At 31 December 2024	—	301,628	301,628

Notes:

- (a) Goodwill arising on acquisition of HuiLiu and its subsidiaries (collectively referred to as "HuiLiu Group") on 15 December 2025 is carried at cost as established at the date of acquisition less accumulated impairment losses, if any.
- (b) Goodwill arising on acquisition of Shengshang Entrepreneurial Services Co., Limited ("Shengshang") and its subsidiaries (collectively referred to as "Shengshang Group") on 27 September 2024 is carried at cost as established at the date of acquisition less accumulated impairment losses, if any.

Impairment tests on goodwill

For the purposes of impairment testing, goodwill of livestream e-commerce business and education business with indefinite useful lives have been allocated to the livestream e-commerce business operating segment and education business operating segment, respectively, as a group of CGUs, that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and is not larger than an operating segment.

Notes to the Consolidated Financial Statements

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19. GOODWILL (Continued)

Impairment tests on goodwill (Continued)

The recoverable amount of the education business operating segment has been determined based on an VIU calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a 2-year period with pre-tax discount rate of 13.19% (2024: 13.52%). The key assumptions for the VIU calculations relate to the estimation of cash inflows/outflows which include budgeted sales and gross margin, such estimation is based on the education business's existing contracts and management's expectations for the education business's future development.

The estimated recoverable amount of the education business operating segment, the CGU to which the goodwill is allocated, is lower than its carrying amount and an impairment loss of approximately RMB301,628,000 (2024: RMB2,183,408,000) has been recognised and included in the consolidated statement of profit or loss and other comprehensive income during the year ended 31 December 2025.

The recoverable amount of the livestream e-commerce business operating segment has been determined based on a VIU calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a 5-year period with pre-tax discount rate of 24.57%. The livestream e-commerce business's cash flows beyond the 5-year period are extrapolated using a steady 3% growth rate. This growth rate is based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry. Other key assumptions for the VIU calculations relate to the estimation of cash inflows/outflows which include budgeted sales and gross margin, such estimation is based on the livestream e-commerce business's past performance and management's expectations for the market development.

The recoverable amount of the livestream e-commerce business operating segment, the CGU to which the goodwill is allocated, is greater than its carrying amount and no impairment loss has been recognised on goodwill of livestream e-commerce business during the year ended 31 December 2025.

20. INTEREST IN AN ASSOCIATE

Interest in an associate represents the Group's 43.33% equity interest in Beijing Guoyan Zhigu Industry Information Technology Research Co., Ltd. (北京國研智谷產業信息技術研究院有限公司) ("Beijing Guoyan"), a limited liability company established in the PRC on 15 August 2018. In view of the composition of the board of directors of Beijing Guoyan, directors of the Company consider that the Group has significant influence over Beijing Guoyan.

	2025 RMB'000	2024 RMB'000
Cost of investment in an associate	12	12
Share of post-acquisition profits	52	362
	64	374

Notes to the Consolidated Financial Statements

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21. LOAN RECEIVABLES

	2025 RMB'000	2024 RMB'000
Unsecured loan and interest receivables	—	130,968
Less: Allowance for credit loss	—	(3,498)
	—	127,470

Loan receivables represented the Group's borrowings to Noble Trade International Holdings Limited ("Noble Trade International"), a shareholder of the Company. Noble Trade International was wholly-owned by Mogen Ltd. ("Mogen"). Mogen was owned by (i) 38.48% by Mr. Yuan Li, executive director of the Company, through Greatssjy Co., Ltd.; (ii) 14.06% by Mr. Xu Xinying, executive director of the Company, through Xu Xinying Co., Ltd.; and (iii) 2.96% by Mr. Zhuang Liangbao, executive director of the Company, through Zhuanglb Co., Ltd..

On 20 June 2025, the Company and Noble Trade International entered into a deed of settlement. Pursuant to the deed of settlement, the loan and interest receivables of approximately RMB130,968,000 due from Noble Trade International were fully repaid by netting off with the amount of approximately RMB85,345,000 of loans from and interest payable to Noble Trade International as disclosed in note 31(a) and the transfer of 21,435,751 of the Company's shares with fair value of approximately RMB75,955,000 based on the quoted price traded in the Stock Exchange on 14 July 2025 of HK\$3.88 per share from Noble Trade International to the Conyers Trustee Services (BVI) Limited (the "Trustee") through Qidian Investment Management Co., Limited (the "Trust") for the purpose of the share award scheme of the Company, as disclosed in note 29(b) (the "Transactions"). The excess amount of RMB30,332,000 was classified as capital contribution from Noble Trade and was included in other reserve in note 29(d). With the legal advice provided to the Company, the Transactions were approved by the board of directors, documented in a formal deed, and completed. Accordingly, the Transactions remain legally valid and binding among the parties as at the date of approval of consolidated financial statements.

Analysis of changes in the corresponding credit loss is as follows:

	2025 RMB'000	2024 RMB'000
At 1 January	3,498	—
Impairment loss (reversed)/recognised	(3,498)	3,498
At 31 December	—	3,498

22. EQUITY INSTRUMENTS AT FVTOCI

	2025 RMB'000	2024 RMB'000
Unlisted equity investment	—	333

The above unlisted equity investment represents the Group's 10.00% (2024: 10.00%) equity interest in a private entity established in the PRC which is engaged in the manufacturing and trading of liquor in the PRC. The directors of the Company have elected to designate these investments as equity instruments at FVTOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

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23. INVENTORIES

	2025 RMB'000	2024 RMB'000
Merchandise held for resale	36,715	45,724
Write-down of inventories for obsolescence	(936)	(849)
	35,779	44,875

24. TRADE RECEIVABLES

	2025 RMB'000	2024 RMB'000
Trade receivables, gross	73,821	9,491
Less: Allowance for credit loss	(3,746)	(1,094)
Trade receivables, net	70,075	8,397

The credit terms granted to customers by the Group range from 30 days to 365 days (2024: 30 days to 90 days).

The ageing analysis of trade receivables based on invoice date, before allowance for credit loss, as at the end of the reporting period is as follows:

	2025 RMB'000	2024 RMB'000
Within 90 days	47,289	7,805
91 - 365 days	26,025	1,089
1 - 2 years	277	103
2 - 3 years	25	158
Over 3 years	205	336
Total	73,821	9,491

As at 31 December 2025, included in the Group's trade receivables balance are debtors with aggregate carrying amount of approximately RMB2,113,000 (2024: RMB1,708,000) which are past due as at the reporting date. Details of impairment of assessment of trade receivables are set out in note 42(b)(ii).

All trade receivables are denominated in RMB and their carrying amounts approximate their fair values as at the reporting period.

The Group does not hold any collateral as security.



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25. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2025 RMB'000	2024 RMB'000
Prepayments to suppliers	39,967	37,952
Livestream account deposits	8,738	—
Other deposits	1,365	1,526
Value added tax recoverable	597	488
Other receivables from third parties, net of provision		
– Staff advances	1,061	1,552
– Others	2,786	2,049
	54,514	43,567

During the year ended 31 December 2025, impairment losses of approximately RMB344,000 (2024: RMB1,098,000) on deposits and other receivables was recognised. At 31 December 2025, the accumulated impairment losses on deposits and other receivables amounted to approximately RMB5,157,000 (2024: RMB3,345,000).

26. RESTRICTED BANK DEPOSITS

Deposits of RMB4,116,000 (2024: RMB10,850,000) have been pledged to banks as collateral for the Group's bills payables as at 31 December 2025. The deposits are expected to be released within twelve months from the end of the reporting period and are classified as current assets.

27. CASH AND CASH EQUIVALENTS

	2025 RMB'000	2024 RMB'000
Cash on hand		
– denominated in RMB	69	2
Cash at bank		
– denominated in RMB	32,927	23,949
– denominated in HK\$	1,554	2,439
– denominated in United States dollars ("US\$")	1,600	1,286
	36,081	27,674
Total cash and cash equivalents	36,150	27,676

Cash at bank earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with credit worthy banks with no recent history of default.

Notes to the Consolidated Financial Statements

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28. SHARE CAPITAL OF THE COMPANY

Ordinary shares of US\$0.02 each

	Notes	Number of ordinary shares '000	Amount US\$'000	Amount equivalent to RMB\$'000
Authorised:				
As at 1 January 2024		600,000	12,000	72,444
Increase on 21 May 2024	(a)	4,400,000	88,000	625,407
At 31 December 2024, 1 January 2025 and 31 December 2025		5,000,000	100,000	697,851

	Notes	Number of ordinary shares	Amount US\$'000	Amount equivalent to RMB\$'000
Issued and fully paid:				
As at 1 January 2024		219,279,744	4,386	29,174
Allotment of shares	(b)	202,483,086	4,050	28,852
Allotment of shares - capitalisation of loan from a shareholder	(c)	530,000,000	10,600	75,368
Issuance of award shares	(d)	3,965,678	79	563
Issuance as consideration for acquisition of the issued share capital of a subsidiary (note 38(b))		850,000,000	17,000	119,171
As at 31 December 2024 and 1 January 2025		1,805,728,508	36,115	253,128
Issuance of award shares	(e)	8,127,000	163	1,168
Issuance of shares held as treasury stock for share award granted	(f)	23,400,620	468	3,317
Issuance as consideration for acquisition of the issued share capital of a subsidiary (note 38(a))		94,069,530	1,881	13,293
As at 31 December 2025		1,931,325,658	38,627	270,906

Notes to the Consolidated Financial Statements

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28. SHARE CAPITAL OF THE COMPANY *(Continued)*

Notes

- (a) Pursuant to a resolution passed by the shareholders of the Company on 21 May 2024, the authorised share capital of the Company increased from US\$12,000,000 divided into 600,000,000 Shares of the Company of US\$0.02 each to US\$100,000,000 divided into 5,000,000,000 Shares of US\$0.02 each by the creation of an additional 4,400,000,000 new Shares.

(b) Allotment of shares on 26 January 2024

On 14 January 2024, the Company and Yayue Longte Co., Limited (亞悅隆特有限公司) (the "Subscriber") entered into a subscription agreement, pursuant to which the Company has conditionally agreed to allot and issue, and the Subscriber has conditionally agreed to subscribe for 43,855,948 shares of the Company at the subscription price of HK\$0.69 per Share.

The completion of the subscription agreement took place on 26 January 2024 and 43,855,948 shares have been allotted and issued to the Subscriber at the subscription price of HK\$0.69 per share. The net proceeds, after deduction of the related expenses, amounted to approximately HK\$29,961,000 (equivalent to approximately RMB27,488,000). The Company intends to apply such net proceeds for general working capital and general corporate expenses of the Group.

Allotment of shares on 9 July 2024

On 28 June 2024, the Company entered into subscription agreements and supplemental subscription agreements with two subscribers, Yayue Longte Co., Limited and Oupu Shanwei International Holdings Limited, pursuant to which, the Company conditionally agreed to allot and issue and the two subscribers conditionally agreed to subscribe for an aggregate of 158,627,138 Shares, representing 20% of the then issued share capital of the Company, at the subscription price of HK\$0.515 per Share. For details, please refer to the announcements of the Company dated 28 June 2024, 2 July 2024 and 9 July 2024.

The completion of the subscription agreements took place on 9 July 2024. An aggregate of 158,627,138 new shares have been allotted and issued to the Two Subscribers at the subscription price of HK\$0.515 per share. The net proceeds from the subscription (after deduction of the related expenses) are approximately HK\$81,693,000 (equivalent to approximately RMB74,569,000), which will be applied for repayment of debts, general working capital and corporate expenses of the Group.

- (c) On 18 March 2024, the Company and Noble Trade International, a shareholder of the Company, entered into a subscription agreement, pursuant to which, Noble Trade International has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 530,000,000 shares at the subscription price of HK\$0.35 per share for a total consideration of HK\$185,500,000 (equivalent to approximately RMB168,894,000), which shall be satisfied by way of offsetting HK\$185,500,000 (equivalent to approximately RMB168,894,000) of the outstanding principal amount of the loans payable to Noble Trade International (note 31(a)(i)).

The completion of the subscription took place on 24 May 2024.

- (d) On 9 September 2024, 3,965,678 shares were issued and granted to Mr. Sun Yue, an executive director of the Company, upon vesting of shares on 8 August 2024. Details of share award scheme are set out in note 40.
- (e) On 28 May 2025, 787,000 and 5,540,000 shares were issued and granted to staff and service providers of the Company respectively, upon vesting of shares on 27 May 2025. Details of share award scheme are set out in note 40.

On 30 October 2025, 1,800,000 shares were issued and granted to Mr. Wang Xianfu, non-executive director of the Company, upon vesting of shares on 31 October 2025. Details of share award scheme are set out in note 40.

- (f) 23,400,620 shares were granted and vested to service providers of the Company on 29 July 2025 and were issued on 29 July 2025, which were held by the Company in treasury stock pending the transfer of shares to service providers on 29 July 2026, in accordance with the grant notice dated on 29 July 2025. Details of share award scheme are set out in note 40.

Notes to the Consolidated Financial Statements

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29. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity.

Notes:

(a) Share premium

Pursuant to Section 34 of the Cayman Companies Law (2003 Revision) and the Articles of Association of the Company, share premium of the Company is available for distribution to shareholders subject to a solvency test on the Company and the provision of the Articles of Association of the Company.

(b) Treasury stock

On 20 June 2025, the Company and Noble Trade International entered into a deed of settlement. Pursuant to the deed of settlement, the loan and interest receivables of approximately RMB130,968,000 due from Noble Trade International as disclosed in note 21, were fully repaid by netting off with the amount of approximately RMB85,345,000 of loans from and interest payable to Noble Trade International as disclosed in note 31(a) and the transfer of 21,435,751 of the Company's shares with fair value of approximately RMB75,955,000 based on the quoted price traded in the Stock Exchange on 14 July 2025 of HK\$3.88 per share from Noble Trade International to the Trustee through the Trust for the purpose of the share award scheme of the Company. The excess amount of RMB30,332,000 was classified as capital contribution from Noble Trade and was included in other reserves.

(c) Statutory reserves

Statutory reserves represent reserves of the PRC incorporated companies which are set aside for future development purpose in accordance with the regulations in the PRC. The allocation is based on 10% of these companies' profit for the year, as reported in their statutory financial statements.

(d) Other reserves

Other reserves mainly represents reserves arising from capital contribution and the grant of share awards and the difference between the amounts of net consideration/contribution from non-controlling interests and the carrying value of non-controlling interests acquired or disposed of.

30. DEFERRED TAX ASSETS/LIABILITIES

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	2025 RMB'000	2024 RMB'000
Deferred tax assets	1,362	4,100
Deferred tax liabilities	(11,408)	(259)
	(10,046)	3,841

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

30. DEFERRED TAX ASSETS/LIABILITIES (Continued)

The following are the major deferred tax assets/(liabilities) recognised and movements thereon during the year:

	Lease liabilities RMB'000	Right-of-use assets RMB'000	Tax losses RMB'000	Impairment of asset RMB'000	Accelerated tax depreciation arising from fair value measurement RMB'000	Total RMB'000
At 1 January 2024	—	—	—	—	—	—
Acquired on acquisition of subsidiaries (note 38(b))	67	(80)	—	(49)	(259)	(321)
(Charge)/credit to profit or loss	3,663	(3,659)	3,511	647	—	4,162
At 31 December 2024 and 1 January 2025	3,730	(3,739)	3,511	598	(259)	3,841
Acquired on acquisition of subsidiaries (note 38(a))	—	—	—	191	(10,912)	(10,721)
(Charge)/credit to profit or loss	(1,337)	1,434	(3,511)	248	—	(3,166)
At 31 December 2025	2,393	(2,305)	—	1,037	(11,171)	(10,046)

The Group has not recognised deferred tax assets in respect of cumulative tax losses of approximately RMB290,515,000 (2024: RMB167,263,000) as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity. Tax losses expire from 2026 to 2030 (2024: 2025 to 2029).

As at 31 December 2025, the Group has deductible temporary differences mainly in respect of impairment of certain assets in aggregate of approximately RMB7,363,000 (2024: RMB5,579,000). No deferred tax asset has been recognised in relation to the deductible temporary differences as it is not probable that taxable profits will be available against which the deductible temporary differences can be utilised.

The Group has no significant unrecognised deferred tax liabilities at 31 December 2025 and 2024.

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For the year ended 31 December 2025

31. BORROWINGS

	2025 RMB'000	2024 RMB'000
Non-current		
Loans from a shareholder (note (a))	10,098	85,010
Loan from a former shareholder (note (b))	3,788	3,219
Other borrowings (note (c))	60,321	12,058
	74,207	100,287
Current		
Other borrowings (note (c))	1,448	9,479
	75,655	109,766
Unsecured	75,655	109,766

At 31 December 2025 and 2024, the borrowings were repayable as follows:

	2025 RMB'000	2024 RMB'000
Within 1 year or demand	1,448	9,479
After 1 year but within 2 years	15,893	—
After 2 years but within 5 years	58,314	100,287
	75,655	109,766

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

31. BORROWINGS (Continued)

(a) Loans from a shareholder

	2025 RMB'000	2024 RMB'000
Noble Trade International	10,098	85,010

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

	2025 RMB'000	2024 RMB'000
At 1 January	85,010	423,652
Repayment to shareholder	—	(181,280)
Netted off with loan receivables (note 21)	(85,345)	—
Advance from a shareholder	10,035	—
Accrual of interest	1,796	8,321
Exchange adjustment	(1,398)	3,211
Capitalisation	—	(168,894)
	10,098	85,010

On 18 March 2024, the Company and Noble Trade International entered into a subscription agreement, pursuant to which, Noble Trade International has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 530,000,000 Shares at the subscription price of HK\$0.35 per Share for a total consideration of HK\$185,500,000 (equivalent to approximately RMB168,894,000), which shall be satisfied by way of offsetting HK\$185,500,000 (equivalent to approximately RMB168,894,000) of the outstanding principal amount of the loans payable to Noble Trade International. The Company's allotment of shares for the capitalisation of the loan was approved by independent shareholders at an extraordinary general meeting held on 21 May 2024.

As at 31 December 2024, the total principal amount of borrowings from Noble Trade International amounted to approximately HK\$80,000,000 (equivalent to approximately RMB74,083,000) and interest payables amounted to approximately HK\$11,800,000 (equivalent to approximately RMB10,927,000). These borrowings are unsecured, interest bearing at 4.5% per annum and repayable on 23 May 2027.

As at 31 December 2025, the total principal amount of borrowings from Noble Trade International amounted to approximately HK\$10,000,000 (equivalent to approximately RMB9,032,000) and US\$130,000 (equivalent to approximately RMB914,000) and interest payables amounted to approximately HK\$168,000 (equivalent to approximately RMB152,000). These borrowings are unsecured, interest bearing at 3.5% per annum and interest free and repayable on 8 July 2028 and 29 October 2028, respectively.

(b) Loan from a former shareholder

	2025 RMB'000	2024 RMB'000
Chongqing Saint	3,788	3,219

As at 31 December 2025, the principal amount of borrowings from Chongqing Saint Information Technology Co., Ltd. (重慶聖商信息科技有限公司), ("Chongqing Saint") amounted to approximately RMB3,510,000 and interest payables amounted to approximately RMB278,000. This borrowing is unsecured, interest bearing at 3% (2024:3%) per annum and repayable on 25 November 2027 and 12 January 2028 (2024: 25 November 2027).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

31. BORROWINGS (Continued)

(c) Other borrowings

	Notes	2025 RMB'000	2024 RMB'000
Loan from independent third parties			
Mr. Wu Jipeng	(i)	1,348	9,479
Guangdong Shengrong	(ii)	11,596	11,087
Mr. Ma Cheng	(iii)	100	—
		13,044	20,566
Related parties			
Mr. Yuan Yang	(iv)	5,172	971
Xinyu Yuanli Awakening Enterprise Management Partnership (Limited Partnership) ("Xinyu")	(v)	43,553	—
		48,725	971
		61,769	21,537

Notes:

- (i) Mr. Wu Jipeng is a friend of the chairman. The directors, to the best of their knowledge, information and belief, considered that Mr. Wu Jipeng is an independent third party of the Group. The loan is unsecured, interest bearing at 5.5% per annum and repayable on 31 December 2026 (2024: unsecured, interest bearing at 5.5% per annum and repayable on 31 December 2025).
- (ii) Guangdong Shengrong Financial Services Holdings Limited (廣東聖融金服控股有限公司) ("Guangdong Shengrong")
- Amount due to Guangdong Shengrong represented principal amount of RMB29,300,000 and accrued interest of approximately RMB11,927,000. The loan was secured, interest bearing at 5% per annum and repayable on or before 13 June 2025.
- On 19 June 2024, the principal amount of RMB29,300,000 was settled by the disposal of the Group's equity interest in Yangzhou Laihao Electrical Appliances Trading Co., Ltd. (揚州來好電器商貿有限公司) ("Yangzhou Laihao"), a subsidiary of the Group. For details, please refer to note 39(a).
- On 25 November 2024, the Group entered into an extension agreement with Guangdong Shengrong, pursuant to which, the repayment date of interest payable of approximately RMB12,613,000, with amortised cost of RMB11,087,000, has been extended to 26 November 2027 and gain on extension of interest payables of RMB1,574,000 was recognised accordingly.
- (iii) At 31 December 2025, the loan is unsecured, interest-free and repayable on 29 December 2026.
- (iv) Mr. Yuan Yang (袁揚), is the brother of Mr. Yuan Li, the ultimate controlling party of the Company. As at 31 December 2025, the borrowings from Mr. Yuan Yang amounted to approximately HK\$5,727,000 (equivalent to approximately RMB5,172,000) (2024: approximately HK\$1,048,000 (equivalent to approximately RMB971,000)). This borrowing is unsecured, interest bearing at 4% per annum and repayable on 12 October 2027 (2024: unsecured, interest bearing at 4% per annum and repayable on 12 October 2027).
- (v) Xinyu is a related party of the Group. 82% of shares of Xinyu were held by Mr. Yuan Li, the ultimate controlling party of the Company.
- On 13 July 2025, 1 August 2025 and 1 December 2025, Xinyu lend the principal amounts of RMB18,600,000, RMB36,400,000 and RMB2,500,000 respectively to the Group which are interest-free, unsecured and repayable on 12 July 2028, 31 July 2028 and 30 November 2028 respectively. The effective interest rates of the loans are 11.36% per annum. The discounting effect of RMB13,947,000 between the present value of the loans and the principal amount of the loans was recognised as capital contribution and was included in the consolidated statement of changes in equity.

Notes to the Consolidated Financial Statements

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32. ACCRUALS AND OTHER PAYABLES

	2025 RMB'000	2024 RMB'000
Non-current liabilities		
Interest payables (notes (a))	20,758	20,158
Current liabilities		
Salary and welfare payables	3,376	5,300
Accrued expenses	24,547	27,324
Interest payables (notes (a))	—	20
Deposits (notes (b))	21,793	32,934
VAT and other tax payables	3,404	2,606
Amount due to a former shareholder (notes (c))	5,057	5,057
Amount due to a shareholder (notes (d))	—	3,900
	58,177	77,141

Notes:

- (a) At 1 January 2024, the Group had interest payables totalling RMB32,424,000 owed to Chongqing Saint, in which Mr. Yuan Li, is the ultimate controlling party of the Company. This interest payables were repayable on 10 March 2024.

On 25 November 2024, the Group entered into an extension agreement with Chongqing Saint, pursuant to which, the repayment date of interest payable of approximately RMB22,513,000, with amortised cost of RMB20,158,000, has been extended to 26 November 2027 and gain on extension of interest payables of RMB2,810,000 was recognised accordingly.

- (b) Included in deposits are mainly performance guarantee deposits received for the purpose of securing the deliveries of satisfactory goods and services by service providers.
- (c) At 31 December 2025, the amount due to a former shareholder represented an advance made from a former shareholder, China Ruike of RMB5,057,000 (2024: RMB5,057,000) in 2017. The amount is unsecured, interest free and repayable on demand.
- (d) At 31 December 2025, the amount due to a shareholder of RMB nil (2024: RMB3,900,000) represented an advance made by a shareholder, Mr. Yuan Li. The amount is unsecured, interest-free and repayable on demand.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

33. LEASE LIABILITIES

The following table shows the remaining contractual maturities of the Group's lease liabilities at the end of the year:

	2025 RMB'000	2024 RMB'000
Within 1 year	6,430	8,892
After 1 year but within 2 years	4,866	5,090
After 2 years but within 5 years	2,632	5,501
	13,928	19,483
Less: Amount due for settlement within 12 months presented under current liabilities	(6,430)	(8,892)
Amount due for settlement presented under non-current liabilities	7,498	10,591

The weighted average incremental borrowing rates applied to lease liabilities range from 2.0% to 7.5% (2024: from 2.9% to 9.6%).

34. PROVISIONS

	Provision for reinstatement costs (note (a)) RMB'000
At 1 January 2024	517
Reversed for the year	(235)
At 31 December 2024 and 1 January 2025	282
Reversed for the year	(49)
At 31 December 2025	233

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

34. PROVISIONS (Continued)

Notes:

- (a) The provision for the reinstatement costs represents the directors' estimate of the liabilities associated with the removal and disposal of leasehold improvements at the end of lease terms when the Group is contractually obliged to restore the rented premises to the condition specified in the lease agreements.
- (b) Litigations made by other parties against the Group

- (i) During the year ended 31 December 2024, there was litigation claim (the "Claim") brought by an individual (the "Claimant") in the PRC against each of Sichuan Shengli Aesthetic Medical Hospital Co., Ltd. (四川聖麗整形美容醫院有限公司) ("Sichuan Shengli"), Sichuan Youjieshang Hospital Management Co., Ltd. (四川優潔商醫院管理有限公司), Chongqing Ruishang Hospital Management Co., Ltd. (重慶瑞商醫院管理有限公司), Luo Fan (羅帆) (collectively the "Other Defendants") and Beijing Qidian Guofeng Intelligent Computing Technology Co., Ltd (formerly known as Beijing Shengshang Entrepreneurial Technology Co., Ltd ("Beijing Qidian")), a subsidiary of the Company, in relation to personal injury and damages the Claimant suffered from the accidents happened during an aesthetic surgery procedure performed by Sichuan Shengli. Beijing Qidian is alleged by the Claimant to be the actual controller of Sichuan Shengli. The court of the Chengdu High-tech Industrial Development Zone ruled on 19 February 2024 that the Claimant's total loss was amounted to approximately RMB1,787,000. Sichuan Shengli should be held responsible for the Claimant's loss, and the Other Defendants and Beijing Qidian should bear joint and several liability for the Claim.

Beijing Qidian has filed an appeal with the Chengdu Intermediate People's Court for such ruling as Beijing Qidian is not the actual controller of Sichuan Shengli.

On 7 November 2025, the Chengdu Intermediate People's Court rendered its judgment and rejected all the claims from the claimant against Beijing Qidian. Accordingly, Beijing Qidian is not liable for any compensation arising from this claim. As of 31 December 2025, the Company was aware of further appeal filed by the claimant against the said judgment.

In light of the aforementioned judgment, the directors of the Company are in the opinion that this litigation and claim will not have a material adverse effect on the Group's financial position, financial performance, or cash flows.

- (ii) Yangzhou Laitai Trading Group Co., Ltd. (揚州來泰商貿集團有限公司) ("Laitai Trading") was a former wholly owned subsidiary of the Company and had been disposed of by the Group during the year ended 31 December 2023. On 16 March 2023, the Hanjiang District People's Court of Yangzhou City ruled that Laitai Trading was insolvent and clearly lacked the ability to repay its debts, meeting the conditions for bankruptcy declaration. Accordingly, the court legally adjudicated Laitai Trading as bankrupt.

Nanjing Haihuitong Supply Chain Service Co., Ltd. (南京海滙通供應鏈服務有限公司) ("Nanjing Haihuitong") is a creditor of Laitai Trading, with an outstanding debt of RMB 10,013,775 owed by Laitai Trading.

On 11 May 2020, the Pukou District People's Court of Nanjing City accepted the bankruptcy application of Nanjing Haihuitong, filed by Nanjing Xuanshutai Trading Co., Ltd. (南京宣數泰商貿有限公司). Through reviewing the business registration records of Anhui Four Seas Huiyin Household Appliances Sales Co., Ltd. (安徽四海滙銀家電銷售有限公司) ("Anhui Four Seas"), Nanjing Haihuitong discovered that on 22 May 2020, Laitai Trading entered into an equity transfer agreement ("Equity Transfer Agreement") with Yangzhou Huiyin Commercial Chain Co., Ltd (揚州滙銀商業連鎖有限公司) ("Yangzhou Huiyin Commercial Chain", a subsidiary of the Group), transferring its long-term equity investment in Anhui Four Seas (valued at RMB 32,500,000, representing a 65% equity stake) to Yangzhou Huiyin Commercial Chain for zero consideration. This gratuitous transfer of assets by Laitai Trading rendered Nanjing Haihuitong unable to realize its claims.

Nanjing Haihuitong has filed an application with the Hanjiang District People's Court of Yangzhou City requesting (1) the revocation of the Equity Transfer Agreement signed between Laitai Trading and Yangzhou Huiyin Commercial Chain on 22 May 2020; and (2) the restoration of the 65% equity stake in Anhui Sihai Huiyin, currently registered under Yangzhou Huiyin Commercial Chain, back to the name of Laitai Trading.

The Yangzhou Hanjiang District People's Court rendered its first-instance judgment on April 18, 2025, and its second-instance judgment on September 17, 2025. Both judgments rejected all claims from Nanjing Haihuitong. Before the date of authorization of these financial statements, the Company has been informed of further appeal filed by Nanjing Haihuitong against the aforementioned judgments.

In the opinion of the Directors of the Company, such litigations and claims are uncertain and will not have a material adverse effect on the Group's financial position, financial performance or cash flows.

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35. TRADE AND BILLS PAYABLES

	Note	2025 RMB'000	2024 RMB'000
Trade payables		35,015	22,714
Bills payable	(a)	4,116	10,850
		39,131	33,564

Note:

- (a) At 31 December 2025, the bills payable were secured by restricted bank deposits of approximately RMB4,116,000 (2024: RMB10,850,000). These relate to trade payables in which the Group has issued bills to the relevant suppliers for settlement of trade payables. The suppliers can obtain the invoice amounts from the bank on the maturity date of the bills. The Group continues to recognise these trade payables as the Group are obliged to make payments to the relevant banks on due dates of the bills, under the same conditions as agreed with the suppliers without further extension. In the consolidated statement of cash flows, settlements of these bills by the Group are included within operating cash flows based on the nature of the arrangements.

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

	2025 RMB'000	2024 RMB'000
0 - 30 days	18,117	13,928
31 - 90 days	13,192	8,324
91 - 365 days	3,540	8,630
1 - 2 years	1,300	795
2 - 3 years	1,152	480
Over 3 years	1,830	1,407
Total	39,131	33,564

36. CONTRACT LIABILITIES

	2025 RMB'000	2024 RMB'000
Receipts in advance of delivery of products/performance obligation	83,246	71,603
Prepaid card (note)	—	63
	83,246	71,666

Note:

The prepaid card is a kind of cash advance from customers for redeeming of goods. The prepaid card has no expiry date and the prepaid card holder can only redeem the money stored in the prepaid card by purchase of goods.

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36. CONTRACT LIABILITIES (Continued)

Advances from customers include the non-refundable payment received from customers, for which the Group has obligation to transfer goods or services to customers.

	2025 RMB'000	2024 RMB'000
Movements in contract liabilities		
At 1 January	71,666	48,484
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities	(164,828)	(396,284)
Increase in contract liabilities as a result of receiving consideration in advance from the customers	159,015	393,241
Acquired on acquisition of subsidiaries (note 38(a))	17,393	26,225
At 31 December	83,246	71,666

The following shows how much of the revenue recognised relates to carried-forward contract liabilities.

	RMB'000
For the year ended 31 December 2025	
Revenue recognised that was included in the contract liability balance at the beginning of the year	71,666

	RMB'000
For the year ended 31 December 2024	
Revenue recognised that was included in the contract liability balance at the beginning of the year	46,183

37. OTHER CURRENT LIABILITIES

	2025 RMB'000	2024 RMB'000
Payable to the former owner of acquired subsidiary	61,077	53,560

The other liabilities arising from the consideration payable arrangements represented payable to the former owner, Huainan Jianle Investment Co., Ltd of an acquired subsidiary, Anhui Four Seas Huiyin Household Appliances Sales Co., Ltd ("Anhui Four Seas"), in 2010. The contingent period was passed and on 22 May 2020, the Company entered into an equity pledge agreement to pledge 65% of the equity interest of Anhui Four Seas against the consideration to the former owner. Under the civil ruling issued by the People's Court of Tianjiaan District, Huainan City dated 23 October 2025 in relation to the legal dispute on the amount of consideration payable between Yangzhou Huiyin Commercial Chain, who held 65% ownership of Anhui Four Seas, and the former owner of Anhui Four Seas, the court has rendered the judgement in favour of the former owner of Anhui Four Seas, which has ordered Yangzhou Huiyin Commercial Chain to pay the amount of approximately RMB61,077,000 of the consideration payable to the former owner of Anhui Four Seas and has ordered the assets (mainly included the shares of Anhui Four Seas) owned by Yangzhou Huiyin Commercial Chain up to a value of approximately RMB61,077,000 be frozen.

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38. ACQUISITION OF SUBSIDIARIES

(a) Acquisition of HuiLiu

On 7 September 2025, the Company entered into an acquisition agreement with the vendors (the "Vendors") set out below, pursuant to which the Company has conditionally agreed to acquire and the Vendors have conditionally agreed to sell the entire equity interest in HuiLiu. The Company's acquisition of HuiLiu is completed on 15 December 2025.

HuiLiu and its subsidiaries (collectively referred to as the "HuiLiu Group") are principally engaged in data analytics and livestream e-commerce and provide data-driven analytics and livestream e-commerce enablement services. This includes the deployment of proprietary AI algorithms for user behaviour analysis, automated script generation for short-form videos and livestreaming, and an algorithmic engine that matches products, content, and audiences within interest-based e-commerce ecosystems. The acquisition of HuiLiu Group is for the purpose of pursuing a comprehensive plan to integrate HuiLiu Group's AI capabilities into the Group's existing business operations, particularly in the liquor and education-related training service segments. By deploying AI-based recommendation systems in online distribution channels, the Company aims to boost private domain engagement and repurchase rates. AI-enabled behavioral analysis will help identify and retain high-value customers, while providing personalized product recommendations for online shoppers. AI-powered behavioral analytics will be introduced to enhance the Group's education-related training offerings, enabling real-time customization and recommendation of course modules. Such personalization seeks to increase enrollment, improve user engagement, and support effective learning outcomes.

The vendors are as follows:

Name of the Vendors	Ownership
PH YXS Limited	Wholly owned by an independent third party
PH MC Limited	Wholly owned by an independent third party
PH LB Limited	Wholly owned by an independent third party
PH WY Limited	Wholly owned by an independent third party
PH YN Limited	Wholly owned by an independent third party
Wulirainy Limited	Wholly owned by an independent third party
Plus Force Enterprise Ltd.	Wholly owned by an independent third party
HK LongYang Co., Limited	Wholly owned by independent third parties
HK Pujiang Co., Limited	Wholly owned by independent third parties
XinYuZhe Limited	Wholly owned by independent third parties
Beauty Creation Era Ltd	Wholly owned by independent third parties
Mr. Yang	An independent third party

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38. ACQUISITION OF SUBSIDIARIES *(Continued)*

(a) Acquisition of HuiLiu *(Continued)*

Pursuant to the acquisition agreement, the consideration for the acquisition of HuiLiu was HK\$460,000,000 and was settled by the allotment and issue of 94,069,530 shares of the Company at HK\$4.89 per share (the "Consideration Shares").

	RMB'000
Consideration transferred	
Fair value of the Consideration Shares (based on quoted price at acquisition date of HK\$3.55)	302,430

Acquisition-related costs amounting to approximately RMB770,000 have been excluded from the consideration transferred and have been recognised as an expense in the current year, within the "administrative expenses" line item in the consolidated statement of profit or loss and other comprehensive income.

Assets acquired and liabilities recognised at the date of acquisition

	RMB'000
Intangible asset(s)	43,657
Deferred tax assets	191
Cash and cash equivalents	166
Trade receivables	51,903
Less: allowance for credit loss	(2,355)
Prepayments, deposits and other receivables	17,119
Less: allowance of credit loss	(1,468)
Trade payables	(11,550)
Accruals and other payables	(5,524)
Contract liabilities	(17,393)
Deferred tax liabilities	(10,912)
	63,834

Goodwill arising on acquisition:

	RMB'000
Consideration transferred	302,430
Less: recognised amounts of net assets acquired	(63,834)
Goodwill arising on acquisition	238,596

Goodwill arose on the acquisition of HuiLiu because the acquisition included the assembled workforce of HuiLiu. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

None of the goodwill arising on the acquisition is expected to be deductible for tax purposes.

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38. ACQUISITION OF SUBSIDIARIES *(Continued)*

(a) Acquisition of HuiLiu *(Continued)*

Assets acquired and liabilities recognised at the date of acquisition *(Continued)*

Net cash inflow on acquisition of HuiLiu

	RMB'000
Cash consideration paid	—
Less: cash and cash equivalents balances acquired	166
	166

Impact of the acquisition on the results of the Group

Included in the loss for the year are profit of RMB1,578,000 attributable to the additional business generated by HuiLiu and commission income for the year of RMB3,082,000 generated by HuiLiu.

Had the acquisition of HuiLiu been completed on 1 January 2025, revenue for the year of the Group from continuing operations would have been RMB60,515,000, and profit for the year from continuing operations would have been RMB33,331,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2025, nor is it intended to be a projection of future results.

In determining the 'pro-forma' revenue and profit of the Group had HuiLiu been acquired at the beginning of the current year, the directors of the Company calculated depreciation of intangible asset based on the recognised amounts of intangible asset at 1 January 2025.

Pursuant to the acquisition agreement, the Vendors made the following performance commitments to the Company and guarantee the fulfillment during the two full fiscal years of 2025 and 2026 (the 'Performance Commitment Period'):

- (a) The audited revenue from principal activities of HuiLiu for 2025 shall not be less than RMB50,000,000, and for 2026 shall not be less than RMB60,000,000;
- (b) The cumulative audited net profit during the Performance Commitment Period shall not be less than RMB44,000,000.

If HuiLiu fails to achieve the revenue or net profit target, the Vendors agree to unconditionally return seventy percent (70%) of their Consideration Shares. Based on the revenue and net profit in FY25 and the management's profit forecast, the fair value of the contingent consideration is minimal as at 31 December 2025.

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38. ACQUISITION OF SUBSIDIARIES *(Continued)*

(b) Acquisition of Shengshang

On 26 July 2024, the Company entered into an acquisition agreement with the vendors (the "Vendors") set out below, pursuant to which the Company has conditionally agreed to acquire and the Vendors have conditionally agreed to sell the entire equity interest in Shengshang.

Shengshang and its subsidiaries (collectively referred to as the "Shengshang Group") are MSME and IB entrepreneurship training services provider in the PRC which targets entrepreneurs and senior executives in MSMEs, as well as individual businesses and customers who are interested in establishing start-up enterprises. The Shengshang Group provides a variety of training programmes for its customers aiming to enhance their management capabilities in aspects such as business management, fiscal and tax optimisation, employee incentives, human resource management, supply chain management, marketing and sales. The training programmes cover topics such as business models, shareholding structures, capital structures, entrepreneurial thinking, business management, investment logic, macroeconomic analysis and policy interpretation, equity investment skills and the design of equity incentive schemes. The Group has in collaboration with Shengshang Group by acting as its agent since 2023 which proved to be successful. The acquisition of Shengshang Group is for the purpose of expanding the Group's existing education-related training services. Shengshang Group has been a prominent player in the training industry for nearly a decade, with strong brand marketing capabilities and extensive resources. The acquisition will significantly expand the Group's influence and reputation within the training industry. This increased recognition will help the Group to secure more resources and establish a well-known brand in the industry.

The Vendors are as follows:

Name of the Vendors	Ownership
Greatssjy Co., Ltd.	Wholly owned by Mr. Yuan Li, an executive director of and controlling shareholder of the Company
Xu Xinying Co., Ltd.	Wholly owned by Mr. Xu Xinying, a shareholder of the Company
Zhuanglb Co., Ltd.	Wholly owned by Mr. Zhuang Liangbao, an executive director of and shareholder of the Company
Dopoint Co., Ltd.	Wholly owned by an independent third party
Top Vanguard Linkage Innotech Co., Ltd.	Wholly owned by an independent third party
Energystone Co., Ltd.	Wholly owned by Mr. Yuan Yang, brother of Mr. Yuan Li
Shengshangmingyue Co., Ltd.	80% owned by Mr. Yuan Yang and 20% owned by Mr. Xu Xinying
Chengshan Co., Ltd.	Wholly owned by independent third parties
Heimazhidi Co., Ltd.	Wholly owned by independent third parties
Guangsudoer Co., Ltd.	75.46% by its general partner, Xinyu Northern Dingyuan, which is owned as to 14.46% by Mr. Yuan Yang. The remaining equity interests are held by independent third parties
Dixingjingliu Co., Ltd.	Wholly owned by independent third parties
Houyishengrong Co., Ltd.	Wholly owned by independent third parties

Notes to the Consolidated Financial Statements

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38. ACQUISITION OF SUBSIDIARIES *(Continued)*

(b) Acquisition of Shengshang *(Continued)*

On 27 September 2024, the Group acquired the entire equity interest in Shengshang. Shengshang and the Group, which are principally engaged in education-related training business and was acquired with the objective of expanding the Group's relevant education business.

No contractual arrangements were noted among the shareholders of the Company and Shengshang evidencing that the same shareholder or same group of shareholders collectively have the power to govern the financial and operating policies of the Company and Shengshang so as to obtain benefits from their activities. Since the Company and Shengshang were not entities under common control by the same shareholder or same group of shareholders, the Company's acquisition of Shengshang had been accounted for as an acquisition of business using the acquisition method.

Pursuant to the acquisition agreement, the consideration for the acquisition of Shengshang was HK\$340,000,000, and was settled by the allotment and issue of 850,000,000 shares of the Company at HK\$0.4 per share (the "Consideration Shares").

	RMB'000
Consideration transferred	
Fair value of the Consideration Shares (based on quoted price at acquisition date of HK\$3.36)	2,573,598

Acquisition-related costs amounting to approximately RMB3,919,000 have been excluded from the consideration transferred and have been recognised as an expense in the current year, within the "administrative expenses" line item in the consolidated statement of profit or loss and other comprehensive income.

Assets acquired and liabilities recognised at the date of acquisition

	RMB'000
Property, plant and equipment	6,854
Right-of-use assets	534
Interest in an associate	12
Trade receivables	970
Loan receivables	128,652
Prepayments, deposits and other receivables	2,461
Cash and cash equivalents	2,702
Borrowings	(3,000)
Trade and bills payables	(2,470)
Accruals and other payables	(21,159)
Contract liabilities	(26,225)
Lease liabilities	(448)
Deferred tax liabilities	(321)
	88,562

Notes to the Consolidated Financial Statements

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38. ACQUISITION OF SUBSIDIARIES *(Continued)*

(b) Acquisition of Shengshang *(Continued)*

Assets acquired and liabilities recognised at the date of acquisition *(Continued)*

Goodwill arising on acquisition:

	RMB'000
Consideration transferred	2,573,598
Less: recognised amounts of net assets acquired	(88,562)
Goodwill arising on acquisition	2,485,036

Goodwill arose on the acquisition of Shengshang because such acquisition bring synergy effect. Shengshang's expertise in the education-related training industry, established IT systems, and experienced team of lecturers and tutors can be directly leveraged by Shenzhen Qidian Education Technology Co., Ltd. (深圳奇點求學科技有限公司) ("Shenzhen Co"), a subsidiary of the Company which is engaging in education business. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

None of the goodwill arising on the acquisition is expected to be deductible for tax purposes.

Net cash inflow on acquisition of Shengshang

	RMB'000
Cash consideration paid	—
Less: cash and cash equivalents balances acquired	2,702
	2,702

Impact of the acquisition on the results of the Group

Included in the loss for the year ended 31 December 2024 was a loss of RMB2,188,423,000 (including impairment loss on goodwill of RMB2,183,408,000) attributable to the additional business generated by Shengshang. Revenue for the year ended 31 December 2024 which included revenue of RMB3,503,000 generated by Shengshang.

Had the acquisition of Shengshang been completed on 1 January 2024, revenue for the year ended 31 December 2024 of the Group from continuing operations would have been RMB469,421,000, and loss for the year ended 31 December 2024 from continuing operations would have been RMB2,213,837,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2024, nor is it intended to be a projection of future results.

In determining the 'pro-forma' revenue and profit of the Group had Shengshang been acquired at the beginning of the current year, the directors of the Company calculated depreciation of property, plant and equipment based on the recognised amounts of property, plant and equipment at 1 January 2024.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

39. DISPOSAL OF SUBSIDIARIES

(a) Disposal of Yangzhou Laihao Electrical Appliances Trading Co., Ltd (揚州來好電器商貿有限公司) (“Yangzhou Laihao”)

On 19 June 2024, Beijing Qidian New Business Technology Co., Ltd. (北京奇點新商業科技有限公司) (“Beijing Qidian New Business Technology”), an indirect wholly owned subsidiary of the Company, as the seller, and Guangdong Shengrong Financial Services Holdings Limited (廣東聖融金服控股有限公司) (“Guangdong Shengrong”), as the purchaser, an independent third party, entered into an equity transfer agreement, pursuant to which Beijing Qidian New Business Technology agreed to dispose the entire issued share capital of Yangzhou Laihao at a consideration of RMB29,300,000 as part of the settlement arrangement of the borrowings (the “Borrowings”) payable by Beijing Qidian New Business Technology to Guangdong Shengrong.

Analysis of assets and liabilities over which control was lost:

	RMB'000
Property, plant and equipment	6,856
Right-of-use assets	528
Investment property	23,401
Other receivables	1,022
Accruals and other payables	(254)
Net assets disposed of	31,553
Loss on disposal of Yangzhou Laihao:	
Offset the Borrowings	29,300
Less: Net assets disposed of	(31,553)
Loss on disposal	(2,253)

No cash inflow or outflow arising on disposal of Yangzhou Laihao.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

39. DISPOSAL OF SUBSIDIARIES *(Continued)*

(b) Disposal of Beijing Qidian New Business Technology

On 29 November 2024, China Yinrui (HK) Investment Holding Company Limited ("China Yinrui"), a directly wholly owned subsidiary of the Company as the vendor, and Guangzhou Fanpuxin Technology Co., Ltd. (廣州凡甫信科技有限公司) ("Guangzhou Fanpuxin"), as the purchaser, an independent third party, entered into an equity transfer agreement, pursuant to which China Yinrui has agreed to sell and Guangzhou Fanpuxin has agreed to acquire the entire equity interest of Beijing Qidian New Business Technology at the consideration of RMB1.

Analysis of assets and liabilities over which control was lost:

	RMB'000
Cash and cash equivalents	6
Tax payables	(2,013)
Net liabilities disposed of	(2,007)
Gain on disposal of Beijing Qidian New Business Technology:	
Consideration received and receivable	—
Net liabilities disposed of	2,007
Gain on disposal	2,007
Net cash outflow arising on disposal:	
Consideration	—
Cash and cash equivalents	(6)
	(6)

40. SHARE-BASED PAYMENT TRANSACTIONS

The Share Award Scheme (the "Scheme") was adopted by the Company on 15 June 2023 pursuant to a resolution passed on 15 June 2023 for the primary purpose of providing incentives to directors, eligible employees and service providers of the Group (the "Service Providers"). The Scheme was amended on 25 January 2024 and 8 August 2024. The Scheme shall be valid and effective for a term of 10 years commencing on 15 June 2023.

The maximum number of shares of the Company (the "Award Shares") which may be purchased, issued, allotted and allocated as Award Shares under the Scheme must not in aggregate exceed 95,176,283 representing 10% of the shares of the Company (the "Shares") in issue (excluding treasury shares) as at 8 August 2024 (the "Amendment Date") (the "Scheme Mandate Limit").

The maximum number of Award Shares which may be purchased, issued, allotted and allocated as Award Shares in respect of all awards to be granted to service providers of the Group (the "Service Providers") under the Scheme, must not in aggregate exceed 66,623,398, representing 70% of the Scheme Mandate Limit ("Service Provider Sublimit").

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40. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

Details of share award are as follows:

Date of grant	Participants	Vesting period	Number of Award Shares	Fair value per shares at date of grant RMB
(A) 27 May 2024	Director	27 May 2024 to 19 August 2024	3,965,678	0.76
(B) 27 May 2024	Staff	27 May 2024 to 27 May 2025	787,000	0.76
(C) 27 May 2024	Service Providers	27 May 2024 to 27 May 2025	5,555,000	0.76
(D) 31 October 2024	Director	31 October 2024 to 31 October 2025	1,800,000	2.24
(E) 31 October 2024	Staff	31 October 2024 to 31 October 2025	1,000,000	2.24
(F) 29 July 2025	Service Providers	N/A	23,400,620	3.42
(G) 31 October 2025	Director	31 October 2025 to 31 October 2026	1,200,000	4.27

The following table discloses movements of the Scheme during the year

	Outstanding at 1 January 2024	Granted during the year	Vested during the year	Forfeited during the year	Outstanding at 31 December 2024 and 1 January 2025	Granted during the year	Vested during the year	Forfeited during the year	Outstanding at 31 December 2025
(A)	0	3,965,678	(3,965,678)	—	—	—	—	—	—
(B)	0	787,000	—	—	787,000	—	(787,000)	—	—
(C)	0	5,555,000	—	(15,000)	5,540,000	—	(5,540,000)	—	—
(D)	0	1,800,000	—	—	1,800,000	—	(1,800,000)	—	—
(E)	0	1,000,000	—	—	1,000,000	—	—	(1,000,000)	—
(F)	0	0	—	—	—	23,400,620	(23,400,620)	—	—
(G)	0	0	—	—	—	1,200,000	—	—	1,200,000
	0	13,107,678	(3,965,678)	(15,000)	9,127,000	24,600,620	(31,527,620)	(1,000,000)	1,200,000

The number of exercisable share as at 31 December 2025 is nil (2024: Nil).



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40. SHARE-BASED PAYMENT TRANSACTIONS *(Continued)*

During the Year ended 31 December 2025, shares were granted on 29 July 2025 and 31 October 2025. The estimated fair values of the shares granted on those dates were approximately RMB80,030,000 and RMB5,124,000 respectively. The closing price of the Company's shares immediately before 29 July 2025 and 31 October 2025, the dates of grant, were HK\$3.75 (approximately RMB3.42) and HK\$4.68 (approximately RMB4.27) respectively.

During the Year ended 31 December 2024, shares were granted on 27 May 2024 and 31 October 2024. The estimated fair values of the shares granted on those dates are approximately RMB7,877,000 and RMB6,263,000 respectively. The closing price of the Company's shares immediately before 27 May 2024 and 31 October 2024, the dates of grant, was HK\$0.76 and HK\$2.24 respectively.

The Group recognised the total expense of approximately RMB84,021,000 (2024: RMB8,671,000) for the year ended 31 December 2025 in relation to Award Shares granted by the Company.

In accordance with the grant notice dated on 29 July 2025, the awarded shares granted to the service provider were vested on the grant date as the issue of shares was unconditional.

In accordance with the vesting conditions set out in the grant notice dated on 31 October 2025, the awarded shares granted to the Director and staff become vested after the vesting period stated in note 40 as the issuance of shares is subject to the Director and staff remaining in office during the vesting period.

41. CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Group's overall strategy remains unchanged from prior year.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

At 31 December 2025, the capital structure of the Group consists of cash and cash equivalents of approximately RMB36,150,000 (2024: RMB27,676,000) and equity attributable to owners of the Company of approximately RMB134,935,000 (2024: RMB198,884,000).

The Directors review the capital structure on an annual basis. As part of this review, the directors consider the cost of capital and the risks associated with its capital.

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42. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	2025 RMB'000	2024 RMB'000
Financial assets		
Equity instrument at FVTOCI	—	333
Financial assets at amortised cost		
- Loan receivables	—	127,470
- Trade receivables	70,075	8,397
- Deposits and other receivables	13,950	5,127
- Restricted bank deposits	4,116	10,850
- Cash and bank balances	36,150	27,676
	124,291	179,520

	2025 RMB'000	2024 RMB'000
Financial liabilities		
Financial liabilities at amortised cost		
- Borrowings	75,655	109,766
- Trade and bills payable	39,131	33,564
- Accruals and other payables	75,531	94,693
- Other current liabilities	61,077	53,560
	251,394	291,583

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

42. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial Risk Management Objectives and Policies

The Group's major financial instruments include borrowings, trade receivables, deposits and other receivables, restricted bank deposits, cash and bank balances, trade and bills payables, accruals and other payables and other current liabilities. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

(i) Market risk

Currency risk

The Group operates mainly in the PRC and is exposed to currency risk with respect to primarily HK\$ and US\$. Foreign exchange risk arises from recognised assets and liabilities. The Group did not enter into any forward contract to hedge its exposure to foreign currency risk for the years ended 31 December 2025 and 2024.

At 31 December 2025 and 2024, the carrying amounts of the Group's monetary assets and liabilities that are denominated in currency other than functional currencies of the respective group entities are as follows:

	2025		2024	
	HK\$ RMB'000	US\$ RMB'000	HK\$ RMB'000	US\$ RMB'000
Cash and bank balances	1,554	1,600	2,439	1,286
Accruals and other payables	(19,432)	—	(12,512)	—
Borrowings	(15,704)	(914)	(98,679)	—
	(33,582)	686	(108,752)	1,286

Sensitivity analysis

At 31 December 2025, if RMB had weakened/strengthened by 5% (2024: 5%), against HK\$ with all other variables held constant, pre-tax loss for the year would have been approximately RMB1,679,000 higher/lower (2024: RMB5,438,000 higher/lower), mainly as a result of foreign exchange losses/gains on translation of HK\$ denominated cash and bank balances, accruals and other payables, and borrowings.

At 31 December 2025, if RMB had weakened/strengthened by 5% (2024: 5%), against US\$ with all other variables held constant, pre-tax loss for the year would have been approximately RMB34,000 lower/higher (2024: RMB64,000 lower/higher), mainly as a result of foreign exchange losses/gains on translation of US\$ denominated cash and bank balances.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

42. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial Risk Management Objectives and Policies *(Continued)*

(i) Market risk *(Continued)*

Interest rate risk

Other than bank deposits with stable interest rate (Notes 26 and 27), the Group has no other significant interest-bearing assets. The Group does not anticipate significant impact to interest-bearing assets resulted from the changes in interest rates, as the interest rates of bank deposits are not expected to change significantly.

The Group's interest-rate risk mainly arises from borrowings. At 31 December 2025, borrowings was RMB75,655,000 (2024: RMB109,766,000). Borrowings at fixed rates exposed the Group to fair value interest rate risk. The Group did not hedge its cash flow and fair value interest rate risk. The interest rates and terms of repayments of borrowings are disclosed in Note 31.

Sensitivity analysis

No sensitivity analysis for bank balances is performed as the directors of the Company consider that the interest rate fluctuation is not significant.

(ii) Credit risk and impairment assessment

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's credit risk exposures are primarily attributable to trade receivables, restricted bank deposits, bank balances, deposits and other receivables. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

Restricted bank deposits/Bank balances

Credit risk on restricted bank deposits/bank balances is limited because the counterparties are reputable banks with high credit ratings assigned by international credit agencies. The Group assessed 12m ECL for restricted bank deposits/bank balances by reference to information relating to probability of default and loss given default of the respective credit rating grades published by external credit rating agencies. Based on the average loss rates, the 12m ECL on restricted bank deposits/bank balances is considered to be insignificant and therefore no loss allowance was recognised.

Trade receivables

Trade receivables are due from wholesale customers with an appropriate financial strength. The Group grants the average credit term to these customers ranging from 30 days to 90 days, and the balances exceeding the credit term are monitored by the Group. The credit term granted by HuiLiu, newly acquired subsidiary, to customers is 360 days, which is different with the credit term the Group normally granted to customers.

The carrying amount of trade receivables included in the consolidated statement of financial position represents the Group's maximum exposure to credit risk in relation to these financial assets.

The Group has concentration of credit risk as 20% (2024: 46%) and 81% (2024: 75%) of the total trade receivables were due from the Group's largest customer and the five largest customers respectively.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

42. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial Risk Management Objectives and Policies *(Continued)*

(ii) Credit risk and impairment assessment *(Continued)*

Trade receivables (Continued)

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

The following tables provide information about the Group's exposure to credit risk and ECLs for trade receivables as at 31 December 2025 and 2024:

At 31 December 2025	Current (not past due) RMB'000	1 - 180 days past due RMB'000	181 - 365 days past due RMB'000	Over 1 year past due RMB'000	Total RMB'000
Provision on individual basis					
Lifetime ECL rate				100%	
Gross carrying amount of certain debtor(s)	—	—	—	209	209
Loss allowance of certain debtor(s)	—	—	—	(209)	(209)
Provision on collective basis					
Lifetime ECL rate	4.0%	20.9%	49.5%	100%	
Gross carrying amount excluding certain debtor(s)	71,708	1,318	428	158	73,612
Loss allowance excluding certain debtor(s)	(2,892)	(275)	(212)	(158)	(3,537)
Total gross amount	71,708	1,318	428	367	73,821
Total loss allowance	(2,892)	(275)	(212)	(367)	(3,746)
Total net amount	68,816	1,043	216	—	70,075

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For the year ended 31 December 2025

42. FINANCIAL INSTRUMENTS (Continued)

(b) Financial Risk Management Objectives and Policies (Continued)

(ii) Credit risk and impairment assessment (Continued)

Trade receivables (Continued)

At 31 December 2024	Current (not past due) RMB'000	1 - 180 days past due RMB'000	181 - 365 days past due RMB'000	Over 1 year past due RMB'000	Total RMB'000
Provision on individual basis					
Lifetime ECL rate				100%	
Gross carrying amount of certain debtor(s)	—	—	—	336	336
Loss allowance of certain debtor(s)	—	—	—	(336)	(336)
Provision on collective basis					
Lifetime ECL rate	4.5%	16.5%	37.6%	100.0%	
Gross carrying amount excluding certain debtor(s)	7,783	990	221	161	9,155
Loss allowance excluding certain debtor(s)	(351)	(163)	(83)	(161)	(758)
Total gross amount	7,783	990	221	497	9,491
Total loss allowance	(351)	(163)	(83)	(497)	(1,094)
Total net amount	7,432	827	138	—	8,397

ECL rates are based on actual loss experience over the past years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the trade receivables.

The following table shows the movement in lifetime ECL that has been recognised for trade receivables under the simplified approach.

	Lifetime ECL (Credit-impaired)	
	2025 RMB'000	2024 RMB'000
At 1 January	1,094	715
Addition from acquisition of subsidiaries (note 38(a))	2,355	—
Impairment losses recognised	297	379
At 31 December	3,746	1,094

Changes in loss allowance for trade receivables are mainly due to addition from acquisition of subsidiaries and increase in trade receivables with aging not part due resulted in an increase in loss allowance.

Notes to the Consolidated Financial Statements

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42. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial Risk Management Objectives and Policies *(Continued)*

(ii) Credit risk and impairment assessment *(Continued)*

Deposits and other receivables

Deposits and other receivables comprise the rental deposits. Rental deposits are placed with various landlords in the PRC and are due upon the expiry of the tenancy agreements and handover of the leased premises.

The Group assesses the credit quality of deposits and other receivables by taking into account various factors including their financial position, past experience and other factors.

The carrying amount of deposits and other receivables included in the consolidated statement of financial position represents the Group's maximum exposure to credit risk in relation to these financial assets.

Deposits and other receivables are measured at amortised cost. To measure the ECL of financial assets at amortised cost as included in deposits and other receivables, they have been grouped based on credit risk characteristics and internal credit risk assessment.

The Group's internal assessment in respect of deposits and other receivables comprises the following categories:

Internal credit assessment	Description	Deposits and other receivables
Low risk	The counterparty has a low risk of default and does not have any past due amounts	12 month ECL
Medium risk	Debtors frequently repay after due date but usually settle after due date	12 month ECL
Watch list	There have been significant increase in credit risk since initial recognition through internal or external resources	Lifetime ECL – not credit impaired
Doubtful	There is evidence indicating the asset is credit-impaired	Lifetime ECL – credit impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and litigation, and the Group has no realistic prospect of recovery	Amount is written off

The following table provides information about the Group's exposure to credit risk and ECLs for financial assets at amortised cost as included in deposits and other receivables as at 31 December 2025 and 2024.

	Average loss rate		Gross carrying amount		Loss allowance	
	2025 %	2024 %	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
Current (not past due)	10%	1%	2,844	31,922	272	418
1 - 365 days past due	19%	6%	10,393	9,907	2,021	574
Over 1 year past due	49%	51%	5,870	4,595	2,864	2,353

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42. FINANCIAL INSTRUMENTS (Continued)

(b) Financial Risk Management Objectives and Policies (Continued)

(ii) Credit risk and impairment assessment (Continued)

Deposits and other receivables (Continued)

The following table show reconciliation of loss allowances that have been recognised for deposits and other receivables.

	Total RMB'000
At 1 January 2024	2,247
Impairment loss recognised	1,098
At 31 December 2024 and 1 January 2025	3,345
Addition from acquisition of subsidiaries (note 38(a))	1,468
Impairment loss recognised	344
At 31 December 2025	5,157

Loan receivables

The loan receivables represented the borrowings to a shareholder of the Company.

The Group assesses the credit quality of loan receivables by taking into account various factors including their financial position, past experience and other factors.

The following table provides information about the Group's exposure to credit risk and ECLs for loan receivables as at 31 December 2025.

	Average loss rate		Gross carrying amount		Loss allowance	
	2025	2024	2025	2024	2025	2024
	%	%	RMB'000	RMB'000	RMB'000	RMB'000
Current (not past due)	—	3%	—	130,968	—	3,498

	Total RMB'000
At 1 January 2024	—
Impairment loss recognised	3,498
At 31 December 2024	3,498
Impairment loss reversed	(3,498)
At 31 December 2025	—

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42. FINANCIAL INSTRUMENTS (Continued)

(b) Financial Risk Management Objectives and Policies (Continued)

(iii) Liquidity risk

Management of the Group aims to maintain sufficient cash through internally generated sales proceeds and external sources of funds through borrowings from individual third parties and related parties of the Company to meet the operation needs. Actions taken by management of the Group to meet immediate liquidity needs are also described in Note 2.

The following tables show the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group can be required to pay.

	Weighted average interest rate %	Within 1 year or demand RMB'000	More than 1 year but less than 2 years RMB'000	More than 2 years but less than 5 years RMB'000	Total RMB'000	Carrying Amount RMB'000
At 31 December 2025						
Financial liabilities						
Borrowings	0.84%	1,448	16,140	73,422	91,010	75,655
Trade and bills payables	—	39,131	—	—	39,131	39,131
Accruals and other payables	—	54,773	—	22,513	77,286	75,531
Other current liabilities	—	61,077	—	—	61,077	61,077
Lease liabilities	3.84%	6,777	5,031	2,735	14,543	13,928
		163,206	21,171	98,670	283,047	265,322

	Weighted average interest rate %	Within 1 year or demand RMB'000	More than 1 year but less than 2 years RMB'000	More than 2 years but less than 5 years RMB'000	Total RMB'000	Carrying Amount RMB'000
At 31 December 2024						
Financial liabilities						
Borrowings	4.59%	9,937	—	110,153	120,090	109,766
Trade and bills payables	—	33,564	—	—	33,564	33,564
Accruals and other payables	—	74,535	—	22,513	97,048	94,693
Other current liabilities	—	53,560	—	—	53,560	53,560
Lease liabilities	4.64%	9,505	5,283	5,749	20,537	19,483
		181,101	5,283	138,415	324,799	311,066

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42. FINANCIAL INSTRUMENTS (Continued)

(c) Fair value measurement of financial instruments

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

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

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

Financial assets	Fair value as at 31 December 2025	Fair value as at 31 December 2024	Fair value hierarchy	Valuation technique and Significant unobservable input
Equity instruments at FVTOCI	—	333	Level 3	The fair value is determined with reference to the asset approach. Asset approach determines the fair value with reference to the net assets value of the underlying entity adjusted by discount for lack of marketability and control. A slight decrease in the discount for lack of marketability and control used would result in a slight increase in fair value, and vice versa.

There were no transfers between Level 1, 2 and 3 during the year.

- (ii) Reconciliation of Level 3 fair value measurements

	Equity instruments at FVTOCI RMB'000
At 1 January 2024	—
Purchased	333
At 31 December 2024, 1 January 2025	333
Fair value loss on equity instruments at FVTOCI	(333)
At 31 December 2025	—

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43. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Interest Payables RMB'000 (Note 32)	Borrowings RMB'000	Lease liabilities RMB'000	Total RMB'000
At 1 January 2024	—	471,192	21,751	492,943
Advance from borrowings	—	20,704	—	20,704
Repayment of borrowings	—	(16,773)	—	(16,773)
Repayment of loan from shareholders	—	(181,280)	—	(181,280)
Repayment of lease liabilities	—	—	(14,242)	(14,242)
Total change from financing activities	—	(177,349)	(14,242)	(191,591)
Non-cash measurement				
Exchange adjustment	—	3,368	—	3,368
Accrued interest	—	9,323	1,074	10,397
Gain on extension of interest payables	—	(1,574)	—	(1,574)
Gain on early termination of lease agreement	—	—	(300)	(300)
Issue of shares to settle shareholders loans	—	(168,894)	—	(168,894)
Acquired on acquisition of subsidiaries	—	3,000	448	3,448
Disposal of subsidiaries	—	(29,300)	—	(29,300)
Newly entered rental agreement during the year	—	—	10,752	10,752
At 31 December 2024 and 1 January 2025	20,178	109,766	19,483	149,427
Advance from borrowings	—	87,097	—	87,097
Repayment of borrowings	—	(23,717)	—	(23,717)
Repayment of lease liabilities	—	—	(10,137)	(10,137)
Total change from financing activities	—	63,380	(10,137)	53,243
Non-cash measurement				
Exchange adjustment	—	(1,651)	—	(1,651)
Accrued interest	580	3,452	666	4,698
Gain on early termination of lease agreement	—	—	(1,121)	(1,121)
Netted off with loan receivable (note 21)	—	(85,345)	—	(85,345)
Present value discount	—	(13,947)	—	(13,947)
Newly entered rental agreement during the year	—	—	5,037	5,037
At 31 December 2025	20,758	75,655	13,928	110,341

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For the year ended 31 December 2025

44. RELATED PARTY TRANSACTIONS

Other than as disclosed elsewhere in these consolidated financial statements, the Group has the following transactions and balances with related parties:

Balance with related parties

	2025 RMB'000	2024 RMB'000
Loan receivables from Noble Trade International	—	127,470
Loan from Noble Trade International	10,098	85,010
Loan from Mr. Yuan Yang	5,172	971
Loan from Chongqing Saint	3,788	3,219
Loan from Xinyu	43,553	—
Other payables - Chongqing Saint	20,758	20,178

Transactions with related parties

During the year, the Group entered into the following transactions with related parties:

	2025 RMB'000	2024 RMB'000
Interest expenses on loans from Noble Trade International	1,796	8,227
Interest expenses on loans from Chongqing Saint	1,218	94
Interest expenses on loans from Mr. Yuan Yang	163	—
Services expenses from Beijing Shengshang Entrepreneurial Technology Co. Ltd.	—	5,904

In the opinion of the Directors, the above related party transactions were carried out in the normal course of business and at terms mutually negotiated between the Group and the related parties.

The remuneration of directors and other members of key management during the year was as follows:

	2025 RMB'000	2024 RMB'000
Salaries, allowances and other benefits in kind	4,044	4,535
Social security costs	327	212
Equity-settled share-based payment expenses	4,210	3,704
	8,581	8,451

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

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45. PARTICULARS OF SUBSIDIARIES

General information of subsidiaries

Details of the subsidiaries directly and indirectly held by the Company at the end of the reporting period are set out below.

Name of subsidiary	Place of incorporation/ registration and operations	Paid up issued/ registered capital	Proportion of ownership interest and voting power held by the Company		Principal activities
			2025	2024	
Directly owned					
China Yinrui (HK) Investment Holding Company Limited	Hong Kong	HK\$1	100%	100%	Investment holding
Shengshang Entrepreneurial Services Co., Ltd., (note 38(b))	the Cayman Islands	USD50,000	100%	100%	Investment holding
Hong Kong HuiLiu Limited (note 38(a))	Hong Kong	HK\$1	100%	0%	Investment holding
Indirectly owned					
Yangzhou Huiyin Logistic Co., Ltd. 揚州匯銀物流有限公司	The PRC	US\$5,000,000	100%	100%	Bulk distribution sales of Midea air- conditioners
Anhui Four Seas Huiyin Household Appliances Sales Co., Ltd. ("Anhui Four Seas") 安徽四海匯銀家電銷售有限公司	The PRC	RMB50,000,000	65%	65%	Retail sales of household appliances
Yangzhou Huiyin Commercial Chain Co., Ltd. 揚州匯銀商業連鎖有限公司	The PRC	HKD10,000,000	100%	100%	Bulk distribution sales
Yangzhou Huiyin Warehouse Management Co., Ltd. 揚州匯銀倉儲管理有限公司	The PRC	HKD78,500,000	100%	100%	Logistic and Warehouse Service
Guizhou Renhuai Guofeng Liquor Company Limited 貴州仁懷國峰酒業有限公司	The PRC	RMB10,000,000	100%	100%	Operation of liquors
Guofeng Shengjiu Liquor (Shenzhen) Co., LTD 國峰勝酒酒業(深圳)有限公司	The PRC	RMB10,000,000	100%	100%	Operation of liquors

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For the year ended 31 December 2025

45. PARTICULARS OF SUBSIDIARIES (Continued)

General information of subsidiaries (Continued)

Name of subsidiary	Place of incorporation/ registration and operations	Paid up issued/ registered capital	Proportion of ownership interest and voting power held by the Company		Principal activities
			2025	2024	
Shenzhen Singularity Creative Services Consulting Co., Ltd. 深圳奇點創服諮詢有限公司	The PRC	RMB10,000,000	100%	100%	Education-related training
Beijing Qidian Education Technology Co., Ltd. 北京奇點求學科技有限公司	The PRC	RMB2,000,000	51%	51%	Education-related training
Beijing Qidian Chuangfu Consulting Co., Ltd. 北京奇點創服諮詢有限公司 (note 38(b))	The PRC	RMB50,000,000	100%	100%	Investment holding
Beijing Qidian Guofeng Intelligent Computing Technology Co., LTD 北京奇點國峰智算科技有限公司 (note 38(b))	The PRC	RMB30,300,000	100%	100%	Education-related training
Beijing Qidian New Business Consulting Co., Ltd. 北京奇點新商業諮詢有限公司 (note 38(b))	The PRC	RMB5,000,000	100%	100%	Education-related training
Shanghai Hui Liu Network Technology Co., Ltd. 上海繪流網絡科技有限公司 (note 38(a))	The PRC	RMB10,000,000	100%	100%	Date analytics and livestream e-commerce

The above table lists the subsidiaries of the Company which, in the opinion of the directors of the Company, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors of the Company, result in particulars of excessive length.

The table below shows details of non-wholly-owned subsidiaries of the Group that have material non-controlling interests:

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests		Loss allocated to non-controlling interests		Accumulated non-controlling interests	
		2025	2024	2025	2024	2025	2024
Anhui Four Seas	the PRC	35%	35%	(3,089)	(2,531)	11,115	14,204
Individually immaterial subsidiaries with non-controlling interests						(9,605)	(2,836)
						1,510	11,368



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45. PARTICULARS OF SUBSIDIARIES (Continued)

Details of non-wholly owned subsidiaries that have material non-controlling interests

The table below shows details of non-wholly-owned subsidiaries of the Group that have material non-controlling interests ("NCI"):

Anhui Four Seas	2025 RMB'000	2024 RMB'000
NCI percentage	35%	35%
Current assets	61,594	95,328
Non-current assets	11,342	18,629
Current liabilities	(36,148)	(64,506)
Non-current liabilities	(5,031)	(8,868)
	31,757	40,583
Equity attributable to owners of the Company	20,642	26,379
Accumulated NCI	11,115	14,204

Year ended 31 December

	2025 RMB'000	2024 RMB'000
Revenue	179,378	240,117
(Loss)/profit for the year	(8,825)	2,270
Total comprehensive (expense)/income for the year	(8,825)	2,270
Loss for the year attributable to NCI	(3,089)	(2,531)
Cash inflow from operating activities	3,731	15,304
Cash outflows from investing activities	(564)	(400)
Cash outflow from financing activities	(7,310)	(12,734)
Net cash (outflows)/inflow	(4,143)	2,170

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46. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

	2025 RMB'000	2024 RMB'000
ASSETS		
Non-current Assets		
Investments in subsidiaries	303,830	323,293
Current Assets		
Cash and cash equivalents	2,007	1,990
TOTAL ASSETS	305,837	325,283
EQUITY AND LIABILITIES		
Capital and Reserves		
Share capital	270,906	253,128
Share premium	4,904,122	4,508,874
Treasury stock	(155,985)	—
Other reserves	208,902	125,115
Accumulated losses	(5,089,534)	(4,676,865)
Total Equity	138,411	210,252
LIABILITIES		
Non-current Liabilities		
Borrowings	15,270	85,981
Current Liabilities		
Accruals and other payables	150,808	19,571
Borrowings	1,348	9,479
Total Current Liabilities	152,156	29,050
Total Liabilities	167,426	115,031
Net current liabilities	(150,149)	(27,060)
Total Equity and Liabilities	305,837	325,283

The Company's statement of financial position were approved and authorised for issue by the board of directors on 31 March 2026 and are signed on its behalf by:

Yuan Li
Director

Zhuang Liangbao
Director

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

46. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (Continued)

Movement in the Company's reserves

	Share premium RMB'000 (note 29(a))	Treasury stock RMB'000 (note 29(b))	Other reserves RMB'000 (note 29(c))	Accumulated losses RMB'000	Total RMB'000
At 1 January 2024	1,885,248	—	119,475	(2,389,732)	(385,009)
Allotment of shares (note 28(b))	73,205	—	—	—	73,205
Allotment of shares - capitalisation of loan from a shareholder (note 28(c))	93,526	—	—	—	93,526
Issuance of award shares (note 28(d))	2,468	—	(3,031)	—	(563)
Issuance as consideration for acquisition of the issued share capital of a subsidiary (note 38(b))	2,454,427	—	—	—	2,454,427
Equity settled share-based payment expenses	—	—	8,671	—	8,671
Loss and total comprehensive expense for the year	—	—	—	(2,287,133)	(2,287,133)
At 31 December 2024 and 1 January 2025	4,508,874	—	125,115	(4,676,865)	(42,876)
Settlement in shares (note 29(b))	—	(75,955)	30,332	—	(45,623)
Issuance of award shares (note 28(e))	29,398	—	(30,566)	—	(1,168)
Issuance of shares held as treasury stock for share award granted	76,713	(80,030)	—	—	(3,317)
Issuance as shares held as consideration for acquisition of the issued share capital of a subsidiary (note 38(a))	289,137	—	—	—	289,137
Equity settled share-based payment expenses	—	—	84,021	—	84,021
Loss and total comprehensive expense for the year	—	—	—	(412,669)	(412,669)
At 31 December 2025	4,904,122	(155,985)	208,902	(5,089,534)	(132,495)

47. EVENT AFTER THE END OF THE REPORTING PERIOD

At 2 February 2026, the Group entered into a disposal agreement with Mogen Ltd., which is owned by Mr. Yuan Li, an executive director and ultimate controlling party of the Company. Pursuant to the disposal agreement, the Company has conditionally agreed to sell and Mogen Ltd has conditionally agreed to buy the entire issued share capital of China Yinrui (HK) Investment Holding Company Limited at nil consideration. The estimated gain on the disposal is calculated to be approximately RMB47,597,000.

At 3 February 2026, the Group has completed a deed of settlement with independent third party, China Ruike to settle the outstanding payables of RMB5,057,000 by allotment and issuance of the Company's shares to China Ruike.

Financial Summary

Year ended 31 December

	2025	2024	2023	2022	2021
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Results					
Revenue	356,585	441,994	319,813	262,348	301,173
(Loss)/profit attributable to equity holders of the Company	(418,391)	(2,221,688)	55,854	(136,767)	(60,036)
Assets and liabilities					
Total assets	500,058	596,131	313,662	238,437	360,474
Total liabilities	363,613	385,879	729,764	709,153	693,365
Total equity (deficits)	136,445	210,252	(416,102)	(470,716)	(332,891)
Non-controlling interests in equity	1,510	11,368	16,546	17,786	18,844