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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

HIGHLIGHTS

1. Revenue for 2024 was approximately RMB442.0 million, representing an increase of 38.2% from approximately RMB319.8 million for 2023, mainly attributable to the increased revenue from liquor sales and education-related training services with our active business expansion.

2. Gross profit margin for 2024 was 26.7%, while that for 2023 was 19.3%.

3. Operating loss for 2024 was approximately RMB2,218.7 million, while there was an operating profit of approximately RMB85.4 million for 2023.

4. Loss for 2024 was approximately RMB2,226.9 million, while there was profit of approximately RMB53.7 million for 2023.

The board (the "**Board**") of directors (the "**Directors**") of China Qidian Guofeng Holdings Limited (the "**Company**") is pleased to present the audited consolidated results of the Company and its subsidiaries (collectively the "**Group**") for the year ended 31 December 2024 together with the comparative figures for the year ended 31 December 2023.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Notes	**2024**	2023
		RMB'000	*RMB'000*
Revenue	4	**441,994**	319,813
Cost of sales and services		**(324,173)**	(258,063)
Gross profit		**117,821**	61,750
Other income		**5,255**	5,903
Other gains and losses, net		**6,681**	4,712
Impairment loss on goodwill	9	**(2,183,408)**	—
Impairment loss on loan receivables		**(3,498)**	—
Impairment loss on trade receivables		**(379)**	(158)
(Impairment loss)/reversal of impairment loss on prepayments, other receivables and deposits		**(1,098)**	326
(Loss)/gain on disposal of subsidiaries, net	14	**(246)**	104,185
Share of result of an associate		**362**	—
Selling and marketing expenses		**(85,469)**	(62,270)
Administrative expenses		**(74,768)**	(29,004)
Operating (loss)/profit		**(2,218,747)**	85,444
Finance costs		**(13,615)**	(31,947)
Finance income		**2,834**	292
Net finance costs		**(10,781)**	(31,655)
(Loss)/profit before tax		**(2,229,528)**	53,789
Income tax	5	**2,662**	(79)
(Loss)/profit and total comprehensive (expense)/ income for the year	6	**(2,226,866)**	53,710
Total comprehensive (expense)/income attributable to:			
– Owners of the Company		**(2,221,688)**	55,854
– Non-controlling interests		**(5,178)**	(2,144)
		(2,226,866)	53,710
(Loss)/earnings per share for (loss)/profit attributable to owners of the Company (expressed in RMB per share)			
– Basic	7	**(2.519)**	0.255
– Diluted	7	**(2.519)**	0.255

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Notes	**2024**	2023
		RMB'000	*RMB'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**7,750**	7,423
Right-of-use assets		**19,111**	14,544
Investment property		**—**	24,189
Goodwill	9	**301,628**	—
Interest in an associate		**374**	—
Loan receivables		**127,470**	—
Deferred tax assets		**4,100**	—
Equity instruments at fair value through other comprehensive income ("**FVTOCI**")		**333**	—
Total non-current assets		**460,766**	46,156
Current assets			
Inventories		**44,875**	56,392
Trade receivables	10	**8,397**	3,760
Prepayments, deposits and other receivables		**43,567**	40,033
Restricted bank deposits		**10,850**	5,020
Cash and cash equivalents		**27,676**	162,301
Total current assets		**135,365**	267,506
Total assets		**596,131**	313,662

	Notes	2024	2023
		RMB'000	RMB'000
Equity			
Share capital	11	**253,128**	29,174
Reserves		**(54,244)**	(461,822)
Equity attributable to owners of the Company		**198,884**	(432,648)
Non-controlling interests		**11,368**	16,546
Total equity		**210,252**	(416,102)
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities		**259**	—
Borrowings		**100,287**	471,192
Other payables		**20,158**	—
Lease liabilities		**10,591**	11,317
Provision for reinstatement costs		**282**	282
Total non-current liabilities		**131,577**	482,791
Current liabilities			
Trade and bills payables	12	**33,564**	36,557
Accruals and other payables		**77,141**	97,703
Contract liabilities		**71,666**	48,484
Lease liabilities		**8,892**	10,434
Borrowings		**9,479**	—
Other current liabilities		**53,560**	53,560
Provision for reinstatement costs		**—**	235
Total current liabilities		**254,302**	246,973
Total liabilities		**385,879**	729,764
Total equity and liabilities		**596,131**	313,662
Net current (liabilities)/assets		**(118,937)**	20,533

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

For the year ended 31 December 2024

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 Act (2009 Revision as amended, supplemented or otherwise modified) of the Cayman Islands. The shares of the Company were listed on The Stock Exchange of Hong Kong Limited ("**Stock Exchange**") on 25 March 2010. The address of its registered office is the offices of Vistra (Cayman) Limited, P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands.

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

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

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 Hong Kong Financial Reporting Standards ("**HKFRSs**") 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 (Cap 622).

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 and investment property which are transacted at fair value and a valuation technique that unobservable inputs is to be used 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.

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

(b) Going concern assessment

The Group incurred a net loss of RMB2,226,866,000 during the year ended 31 December 2024 and, as of that date, the Group's current liabilities exceeded its current assets by RMB118,937,000. 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 these circumstances, the Directors of the Company have given careful consideration to the impact of the current and anticipated future liquidity of the Group. The ability of the Group to operate as a going concern is dependent upon the outcomes of the Group's actions to (i) attain profitable and positive cash flows from operations by exploiting business development and implementing effective cost control measures; and (ii) to obtain continuous financial support from the ultimate substantial shareholder of the Company to enable the Group to meets its obligations when due. The Directors of the Company have prepared a cash flow forecast covering the year ending 31 December 2025 and are satisfied, after taking into account the factors as mentioned above, that the Group will have sufficient working capital for at least the next 12 months from 31 December 2024. Hence, the consolidated financial statements have been prepared on a going concern basis.

3. APPLICATION OF NEW AND AMENDMENTS TO HKFRSs

Amendments to HKFRSs that are mandatorily effective for the current year.

In the current year, the Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the annual periods beginning on or after 1 January 2024 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HK Int 5 (Revised)	Hong Kong Interpretation 5 (Revised) Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial position and performance for the current and prior years and/or on the disclosures set out in the consolidated financial statements.

3. APPLICATION OF NEW AND AMENDMENTS TO HKFRSs *(continued)*

The application of the amendments in the current year had no material impact on the consolidated financial statements.

New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs 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[3]
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature — dependent Electricity[3]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards — Volume 11[1]
Amendments to HKAS 21 and HKFRS 1	Lack of Exchangeability[2]
HKFRS 18	Presentation and Disclosure in Financial Statements[4]
HK Int 5	Amendments to Hong Kong Interpretation 5 Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause (amendments)[4]

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 2025.

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

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

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

3. APPLICATION OF NEW AND AMENDMENTS TO HKFRSs *(continued)*

HKFRS 18 Presentation and Disclosure in Financial Statements ("HKFRS 18")

HKFRS 18 sets out requirements on presentation and disclosures in financial statements and will replace HKAS 1 Presentation of Financial Statements. HKFRS 18 introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management - defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. Minor amendments to HKAS 7 Statement of Cash Flows and HKAS 33 Earnings per Share are also made. HKFRS 18, and the consequential amendments to other HKFRSs, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the HKFRS 18 is not expected to have material impact on the financial position of the Group. The Directors of the Company are in the process of making an assessment of the impact of HKFRS 18, but is not yet in a position to state whether the adoption would have a material impact on the presentation and disclosures of consolidated financial statements of the Group.

4. REVENUE AND SEGMENT INFORMATION

(i) REVENUE

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

	2024	2023
	RMB'000	*RMB'000*
Types of goods and services		
Sales of home appliances	**271,790**	239,848
Sales of liquor	**102,296**	52,380
Provision of education service	**67,908**	27,585
	441,994	319,813
Timing of revenue recognition		
A point in time	**374,086**	292,228
Over time	**67,908**	27,585
	441,994	319,813

4. REVENUE AND SEGMENT INFORMATION *(continued)*

(ii) SEGMENT INFORMATION

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

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

Liquor business — trading of liquor.

Education business — education-related training services.

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

4. **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*	**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				**(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 on goodwill	**—**	**—**	**2,183,408**	**2,183,408**
Impairment loss/(reversal of impairment loss) on trade receivables	**395**	**10**	**(26)**	**379**
Impairment loss/(reversal of impairment loss) on prepayments, other receivables and deposits	**229**	**(10)**	**890**	**1,109**
Impairment loss 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)**

4. 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 2023				
Revenue sales to external customer	239,848	52,380	27,585	319,813
Segment results	2,816	(5,343)	(754)	(3,281)
Unallocated income				40
Unallocated expenses				(47,155)
Gain on disposal of subsidiaries, net				104,185
Profit before tax				53,789
Other segment items are as follows:				
Depreciation of property,plant and equipment	2,023	5	—	2,028
Depreciation of right-of-use assets	2,333	270	474	3,077
Impairment loss on trade receivables	131	—	27	158
(Reversal of impairment loss)/ impairment loss on prepayments, other receivables and deposits	(862)	477	59	(326)
Net reversal of write down of inventories	(2,212)	—	—	(2,212)
Gain on disposal of property, plant and equipment and right-of-use assets	(2,155)	—	—	(2,155)

4. 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 2024

Segment assets and liabilities	**Household appliance business**	**Liquor business**	**Education business**	**Total**
	RMB'000	***RMB'000***	***RMB'000***	***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**

As at 31 December 2023

Segment assets and liabilities	**Household appliance business**	**Liquor business**	**Education business**	**Total**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***
Segment assets	123,652	59,482	36,358	219,492
Unallocated assets				94,170
Total assets				313,662
Segment liabilities	571,600	44,658	42,787	659,045
Unallocated liabilities				70,719
Total liabilities				729,764

4. REVENUE AND SEGMENT INFORMATION *(continued)*

(b) Segment assets and liabilities *(continued)*

Segment assets consist primarily of property, plant and equipment, right-of-use assets, investment properties, goodwill, interest in an associate, deferred tax assets, loan receivables, equity instruments of 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.

(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 2024 and 2023.

(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.

5. INCOME TAX

	2024	2023
	RMB'000	*RMB'000*
Current tax:		
PRC Enterprise Income Tax		
Provision for the year	**1,500**	79
	1,500	79
Deferred tax – current year	**(4,162)**	—
Income tax (credit)/expenses	**(2,662)**	79

(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 (2023: 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 Shengshang Entrepreneurial Technology Co., Ltd ("**Beijing Shengshang**"), 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.

6. (LOSS)/PROFIT FOR THE YEAR

	2024	2023
	RMB'000	*RMB'000*
(Loss)/profit for the year has been arrived at after charging/(crediting):		
Cost of inventories sold	**280,675**	239,047
Cost of services rendered	**43,498**	19,016
Cost of sales and services	**324,173**	258,063
Taxes and levies on main operations (note)	**1,358**	628
Employee benefit expenses (including directors' and chief executive's emoluments)		
Salaries and allowances	**38,560**	24,715
Pension scheme contributions	**10,460**	9,680
Other benefits	**1,310**	1,240
Equity settled share-based payment expenses	**8,671**	—
	59,001	35,635
Depreciation of right-of-use assets	**6,191**	3,077
Depreciation of property, plant and equipment	**608**	2,028
Depreciation of investment property	**788**	1,574
Provision of litigation	**—**	20
Net reversal of write down of inventories	**(251)**	(2,212)
Auditor's remuneration		
– Audit services	**1,600**	2,000
– Non-audit services	**900**	180
Loss/(gain) on disposal of property, plant and equipment and right-of-use assets	**78**	(2,155)
Gain on early termination of lease agreement	**(300)**	—

Note: Included in cost of sales

7. (LOSS)/EARNINGS PER SHARE

Basic

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

	2024	2023
(Loss)/profit attributable to owners of the Company (RMB'000)	**(2,221,688)**	55,854
Weighted average number of ordinary shares in issue ('000)	**882,081**	219,280
Basic (loss)/earnings per share (RMB)	**(2.519)**	0.255

Diluted

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2024 and 2023. Accordingly, the diluted (loss)/earning per share is computed to be the same as the basic (loss)/earning per share for the years ended 31 December 2024 and 2023.

8. DIVIDEND

No dividend was paid or proposed for ordinary shareholders of the Company during the year ended 31 December 2024, nor has any dividend been proposed since the year ended 31 December 2024 (2023: Nil).

9. GOODWILL

	Education business 2024 *RMB'000*
Cost	
At 1 January 2024	—
Addition from acquisition of subsidiaries (note 13)	**2,485,036**
At 31 December 2024	**2,485,036**
Impairment	
At 1 January 2024	—
Impairment loss for the year	**2,183,408**
At 31 December 2024	**2,183,408**
Carrying amount	
As at 31 December 2024	**301,628**

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.

9. GOODWILL *(continued)*

Impairment tests on goodwill

For the purposes of impairment testing, goodwill with indefinite useful lives have been allocated to the education business operating segment, 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.

The goodwill arising from the acquistion of Shengshang Group represented the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of Shengshang Group. In connection with the acquisition of Shengshang Group, 850,000,000 consideration shares at the issue price of HK$0.40 each were issued and allotted to the vendors to acquire the entire equity interest in Shengshang Group. The difference between (i) the acquisition date fair value of the consideration shares for the acquisition of Shengshang Group as determined based on the closing price of HK$3.36 per share of the Company on the completion date and (ii) the issue price of HK$0.40 per consideration share pursuant to the sale and purchase agreement for the acquisition of Shengshang Group, has resulted in unexpected increase in the total consideration transferred for the acquisition of Shengshang Group from approximately HK$340,000,000 (equivalent to approximately RMB330,000,000), being the consideration as stipulated in the sale and purchase agreement for the acquisition of Shengshang Group, to approximately HK$2,856,000,000 (equivalent to approximately RMB2,573,598,000), being the fair value of the consideration at the date of acquisition.

9. **GOODWILL** *(continued)*

The recoverable amount of the education 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 13.52%. The education 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 education business's past performance and management's expectations for the market development.

The 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 RMB2,183,408,000 has been recognised and included in the consolidated statement of profit or loss and other comprehensive income.

10. TRADE RECEIVABLES

	2024	2023
	RMB'000	*RMB'000*
Trade receivables	**9,491**	4,475
Less: Allowance for credit loss	**(1,094)**	(715)
Trade receivables	**8,397**	3,760

The credit terms granted to customers by the Group range from 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:

	2024	2023
	RMB'000	*RMB'000*
Within 90 days	**7,805**	3,474
91 - 365 days	**1,089**	555
1 - 2 years	**103**	94
2 - 3 years	**158**	72
Over 3 years	**336**	280
Total	**9,491**	4,475

As at 31 December 2024, included in the Group's trade receivables balance are debtors with aggregate carrying amount of approximately RMB1,708,000 (2023: RMB1,001,000) which are past due as at the reporting date.

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

The maximum exposures of the Group to credit risk from trade receivables as at the end of the reporting period were the carrying value of trade receivables mentioned above. The Group does not hold any collateral as security.

11. 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 2023, 31 December 2023, 1 January 2024		600,000	12,000	72,444
Increase on 21 May 2024	(a)	4,400,000	88,000	625,407
As at 31 December 2024		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 2023, 31 December 2023 and 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 in consideration for acquisatioin of the issued share capital of a subsidiary (note 13)		850,000,000	17,000	119,171
As at 31 December 2024		1,805,728,508	36,115	253,128

11. 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 (亞悦隆特有限公司) (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, respectively 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$81,393,000 (equivalent to approximately RMB74,569,000), which will be applied for repayment of debts, general working capital and corporate expenses of the Group.

11. SHARE CAPITAL OF THE COMPANY *(continued)*

(c) On 18 March 2024, the Company and Noble Trade International Holdings Limited ("**Noble Trade International**"), entered into a subscription agreement, pursuant to which, Noble Trade International, a shareholder of the Company, 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$185.50 million (equivalent to approximately RMB168,894,000), which shall be satisfied by way of offsetting HK$185.50 million (equviuant to approximately RMB168,894,000) of the outstanding principal amount of the loans payable to Noble Trade International.

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.

12. TRADE AND BILLS PAYABLES

	Notes	**2024**	2023
		RMB'000	*RMB'000*
Trade payables		**22,714**	27,847
Bills payable	**(a)**	**10,850**	8,710
		33,564	36,557

Note:

(a) At 31 December 2024, the bills payable were secured by restricted bank deposits of approximately RMB10,850,000 (2023: RMB5,020,000).

12. TRADE AND BILLS PAYABLES *(continued)*

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.

	2024	2023
	RMB'000	*RMB'000*
0 - 30 days	**13,928**	21,877
31 - 90 days	**8,324**	5,365
91 - 365 days	**8,630**	6,525
1 - 2 years	**795**	—
2 -3 years	**480**	327
Over 3 years	**1,407**	2,463
Total	**33,564**	36,557

13. ACQUISITION OF SUBSIDIARIES

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.

13. ACQUISITION OF SUBSIDIARIES *(continued)*

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 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 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
Guangsuduoer 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

13. ACQUISITION OF SUBSIDIARIES *(continued)*

On 27 September 2024 (the "**Date of Completion**"), the Group acquired the entire equity interest in Shengshang. Shengshang Group, which are principally engaged in education-related training were acquired with the objective of expanding the Group's relevant education business. The acquisition has been accounted for as an acquisition of business using the acquisition method.

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.

13. ACQUISITION OF SUBSIDIARIES *(continued)*

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

13. ACQUISITION OF SUBSIDIARIES *(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 engaged in education business. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

14. DISPOSAL OF SUBSIDIARIES

(a) 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, 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. For details, please refer to the announcement dated 19 June 2024.

Analysis of assets and liabilities over which control was lost:

	RMB'000
Property, plant and equipment	6,856
Rights-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 effect arising on disposal of Yangzhou Laihao.

14. DISPOSAL OF SUBSIDIARIES *(continued)*

(b) 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, 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. For the detail please refer to the announcement dated 29 November 2024.

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

15. LITIGATION

(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 Shengshang, 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 Shengshang 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 Shengshang should bear joint and several liability for the Claim.

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

(ii) Yangzhou Laitai Trading Group Co., Ltd. (楊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 10,013,775.00 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 (揚州滙銀商業連銷有限公司) ("**Yangzhou Huiyin Commercial Chain**"), transferring its long-term equity investment in Anhui Four Seas (valued at RMB32,500,000, 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.

Currently, the equity of Yangzhou Huiyin Commercial Chain has been frozen by the Hanjiang District People's Court of Yangzhou City. 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.

16. EVENT AFTER REPORTING PERIOD

Subsequent to the reporting period, the Group entered into a loan extension agreement with Mr. Wu Jipeng to extend the loan with a principal amount of HKD 9,000,000 (equivalent to RMB 8,334,360) to 31 December 2028.

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET REVIEW

In 2024, China's economic operation generally showed a steady upward trend. On the one hand, with the continuous optimization of the economic structure and the continuous breakthrough of high-quality development, the main macroeconomic indicators have met the desired targets. In particular, since September and October, various indicators have shown marginal improvement and the market vitality has increased. On the other hand, the foundation for a stable economic recovery needs to be further consolidated, as insufficient domestic demand, declining corporate profits and weak social expectations remain prominent, and there is still an obvious temperature difference between macro indicators and micro feelings.

BUSINESS REVIEW

In 2024, the home appliance market ascended after suppression. In the first half of the year, the home appliance market was at a relatively low state, as the home appliance industry encountered challenges from many aspects, including the uncertain global economic environment, reduced purchasing power of consumers and a lack of new markets. In the third quarter, the home appliance market witnessed a significant recovery in the second half of the year as a number of positive factors accumulated, such as the release of favorable policies, product upgrades due to technological innovation, and the gradual recovery of consumer confidence. The Company's home appliance business was also boosted and influenced by the positive trend in the home appliance industry.

In the Maotai-flavor liquor industry where the Company has developed business, it is estimated that by the end of the "14th Five-Year Plan", the liquor industry will have made RMB800,000 million in sales revenue and RMB200,000 million in profits, according to the "14th Five-Year Plan" Development Guide for the Chinese Alcohol Beverage Industry (Draft for Comment) (《中國酒業「十四五」發展指導意見(徵求意見稿)》). However, the development of Maotai-flavor Liquor business has moved into deep waters, with the trend of brand centralization intensifying and the benefits further concentrated in favorable production areas and enterprises. At present, the industry is increasingly competitive, with a well-defined brand split that has created a pattern of "one major player, two minor players, followed by a few comparative smaller but strong players".

As for the training business the Company has engaged in, in recent years, the government has introduced a number of policies such as tax and fee reductions, and optimization of the business environment to encourage and support the development of small and medium-sized enterprises, and continuously invigorate market entities. According to the data of the State Administration for Market Regulation, by the end of 2024, there were 189 million registered business entities nationwide, representing an increase of 3.1% over the end of 2023. In the first three quarters of 2024, 14.024 million self-employed individuals were newly registered nationwide. Among them, the number of newly registered primary, secondary and tertiary industries was 777,000, 658,000 and 12.589 million respectively.

As a diversified enterprise, the Group continues to develop the home appliance segment and actively deploys and promotes Maotai-flavor liquor and training businesses. During the reporting period, the Group has promoted work in the aspects below:

1、UNDER DIFFERENTIATION OF DOMESTIC DEMAND, FOCUS ON MARKETING AND PAY ATTENTION TO MARKETING BONUS OF EMERGING CHANNELS OF HOME APPLIANCE

Under the macro environment of the slowdown of economic growth and complex international situation, consumer goods companies are facing greater challenges, which brings larger demand for differentiated and refined operations. Sales channels are changing obviously after the pandemic. In terms of online channels, traditional shelves' flow is decreasing, while channels like Douyin are rising rapidly and in the process of the development dividend period, and the content platform of Xiaohongshu has become the recommendation blue ocean of home appliances category. In terms of offline channels, the front-end channels of home appliances are integrated with home construction materials, and the downward channels continue to be intensively cultivated and expanded, constantly refining and expanding lower-tier markets.

The Group's home appliance chain retailing mainly targets consumer groups in the third- and fourth-tier cities. On the one hand, it further explores fragmented channels for marketing, and on the other hand, places more efforts to accelerate the transformation of various channels. In particular, the Group enhances offline customer experience through redecorating all stores, with comfortable and cozy offline experience as a breakthrough point, which speeds up the integration of multiple channels such as live, short video, WeChat community and the like, so as to improve the Group's retail performance.

2. ENHANCING BRAND INFLUENCE AND STEADILY EXPANDING THE SALES MARKET OF MAOTAI-FLAVOR LIQUOR

In 2024, despite the intense competition, China's baijiu market still showed solid risk resistance and continued development resilience. Consumers have decreased their purchases, but not their pursuit of quality, and cost-effectiveness is the core support for consumers' rational choices. In terms of products, popularized liquor products with "high quality and excellent price" have shown strong growth momentum.

During the Reporting Period, the Company paid close attention to and conducted research on the industry development trend, based on which to actively promote Maotai-flavor Liquor business line, strengthen the construction of distributors, vigorously develop Maotai-flavor Liquor business, thus developing a secondary growth curve for business growth and steadily enhancing the profitability of the Company. On one hand, Guizhou Renhuai Guofeng Liquor Company Limited (貴州仁懷國峰酒業有限公司) (Guizhou Guofeng), a subsidiary of the Group, was awarded the Gold Medal at the ISGC2023 International Spirits Grand Challenge. Additionally, with a brand value of RMB8.183

billion, it secured a position on the Huazunbei (華尊杯) rankings. Furthermore, it received two prestigious honours: "2024 Huazunbei Guizhou Province Sauce-flavored Baijiu Quality Pioneer Brand (二零二四年度華樽杯中國貴州省醬酒品質先鋒品牌)" and "Top 10 Cost-effective Maotai-flavor Baijiu Brands in China (中國醬香型白酒十大性價比優勝品牌)", further solidifying its position as a rising star in the Maotai-flavor baijiu sector. Guizhou Guofeng launched the exclusive Guofeng Maotai-flavor Liquor (國峰醬酒), which aims at mid- to high-end market. Being overseen by various China liquor consultants with a background in state-owned enterprises in production technology processes, the Guofeng Maotai-flavor Liquor has guaranteed quality and higher value of collection and tasting. Currently, the Guofeng Maotai-flavor Liquor has gradually formed a multi-channel sales model, which consists of offline distributors + online store, livestreaming, sales on social media communities and private e-commerce. It will grasp the development potential opportunities of Maotai-flavor liquor, attract related distributors and increase sales. During the Reporting Period, the Company launched "Shengjiu Classic ("勝酒"經典)," a benchmark for high-quality and affordable Maotai-flavor baijiu in China, and introduced the "Shengyouhui (勝友薈)" community model. Additionally, the Company entered into a strategic cooperation agreement with BXL Creative Packaging CO. Ltd (stock code: BJ833075), a company listed on the Beijing Stock Exchange, laying a solid foundation for the Company's development in 2025. On the other hand, Yuanli Liquor (Shenzhen) Co., Ltd. (原力酒業 (深圳) 有限公司) (Yuanli Liquor), a subsidiary of the Company in liquor industry, kept optimizing the product design including logo and packages as well as cultivating and improving the operating and marketing capabilities. Maotai- flavor liquor products were released as scheduled.

3. DEEPENING THE TRAINING BUSINESS AND INJECTING NEW GROWTH MOMENTUM

While steadily promoting home appliances and Maotai-flavor Liquor business, the Company is actively exploring new drivers of business growth. The Company relies on two training platforms, Shenzhen Co, a 51%-owned subsidiary, and Beijing Shengshang, a 100%-owned subsidiary, to conduct its training business. Shenzhen Co focused on agency services for business management courses designed and delivered by course providers and sales, marketing and provision of training services including capital market investment and financing. Beijing Shengshang is a micro-, small- and medium-sized enterprise and individual business entrepreneurship training services provider in the PRC which targets entrepreneurs and senior executives in micro-, small- and medium-sized enterprises, as well as individual businesses and customers who are interested in establishing start-up enterprises. As a High and New Technology Enterprise and Beijing "Specialized and New" Small and Medium-Sized Enterprise(北京市"專精特新"中小企業), Beijing Shengshang empowers clients and supports corporates' sustainable development through cloud platforms, SaaS tools, and big data. Beijing Shengshang provides a variety of training courses for families, individuals, small and medium-sized business owners, and entrepreneur clients, including the development of the Nine-Dimensional Wealth Course System (九維財富系列課程體系). Presented personally by company founders, prominent figures in venture capital, and industry experts, this program interprets the entrepreneurial spirit and investment strategies of the new era. They focus on innovative financial thinking, building the fundamental logic of investment and financing, and integrating cutting-edge financial technology and capital market tools. Through unique enterprise listing simulation exercises and case study discussions, the program provides practical training to help entrepreneurs and small and medium-sized enterprises innovate business models, enhance individual and corporate capabilities, and develop globally minded talent with a financial perspective, which injected new growth momentum for the result development of the Company.

4. INTRODUCING INDUSTRY EXPERTS

While steadily advancing its home appliance, Maotai-flavor liquor, and training businesses, the Company has brought in Mr. Sun Yue and Mr. Yuan Lijun, among other seasoned experts from the liquor and training industries. 1) In terms of industry experience and professional capabilities, Mr. Sun Yue, as a seasoned expert in the baijiu and beer industries, possesses extensive industry experience and professional knowledge, enabling the Company to quickly understand the operational dynamics, consumer demands, and industry trends of the Maotai-flavor baijiu market. His addition will further enhance the Company's strategic planning, product development, and marketing capabilities within the Maotai-flavor Liquor sector. Mr. Yuan Lijun possesses extensive experience in the training business and is capable of providing professional guidance to the Company's training operations, optimising the design of training systems, course development, and instructor management, thereby enhancing the professionalism and market competitiveness of the training business. 2) In terms of resource integration and industry collaboration, Mr. Sun Yue's industry resources and extensive network can assist the Company in establishing cooperative relationships with high-quality suppliers, distributors, and channel partners, accelerating the deployment and expansion of its Maotai-flavor liquor business. Mr. Yuan Lijun can introduce additional premium industry resources, including renowned lecturers and training institution partners, to enhance the brand influence and market share of the Company's training business. 3) In terms of strategic planning and business innovation, the addition of Mr. Sun Yue can provide the Company's Maotai-flavor liquor business with more forward-looking strategic planning, assisting the Company to accurately position itself amid intense market competition and explore differentiated pathways for development. Meanwhile, his innovative mindset may drive the upgrade of Maotai-flavor liquor products and the development of new products. Mr. Yuan Lijun shall promote innovation in the training business by integrating industry trends and market demands, such as developing customised training programs and introducing digital training tools, thereby enhancing the added value of the training services and customer satisfaction.

Overall, the addition of Mr. Sun Yue and Mr. Yuan Lijun to the Company will not only help the Company to enhance its competitiveness, expand its market and optimise its operations in the Maotai-flavor liquor and training sectors, but will also strengthen the confidence of the capital market, enhance the valuation of the Company and create long-term value for the Shareholders.

FINANCIAL REVIEW

Revenue

Revenue for 2024 was approximately RMB442 million, representing an increase of 38.2% from approximately RMB319.8 million for 2023, which is mainly attributable to the increased revenue from liquor sales and education-related training services with our active business expansion.

Turnover of the Group comprises revenues as follows:

	2024	2023
	RMB'000	*RMB'000*
Types of goods and services		
Sales of household appliances	**271,790**	239,848
Sales of liquor	**102,296**	52,380
Education-related training services	**67,908**	27,585
	441,994	319,813
Timing of revenue recognition		
A point in time	**374,086**	292,228
Over time	**67,908**	27,585
	441,994	319,813

Cost of sales and services

For the year ended 31 December 2024, the cost of sales and service was approximately RMB324.2 million, increased by 25.6% from that of approximately RMB258.1 million for the year ended 31 December 2023, which was due to the increased costs of liquor sales and education-related training businesses with the starting of new business of the Company.

Gross profit

For the year ended 31 December 2024, the gross profit was approximately RMB117.8 million, increased by 90.6% from that of RMB61.8 million for the year ended 31 December 2023.

Other income

For the year ended 31 December 2024, other income recorded by the Group amounted to approximately RMB5.3 million, in comparison to other income of approximately RMB5.9 million for the year ended 31 December 2023.

Other gain and losses, net

For the year ended 31 December 2024, the Group recorded other net gain of approximately RMB6.7 million, in comparison to other gain of approximately RMB4.7 million for the year ended 31 December 2023.

Selling and marketing expenses

For the year ended 31 December 2024, the Group's total selling and marketing expenses amounted to approximately RMB85.5 million, representing an increase by 37.2% from approximately RMB62.3 million for the year ended 31 December 2023.

Administrative expenses

For the year ended 31 December 2024, the Group's total administrative expenses amounted to approximately RMB74.8 million, increased by 157.9% from approximately RMB29.0 million for the year ended 31 December 2023.

Operating (loss)/profit

For the year ended 31 December 2024, the operating loss amounted to approximately RMB2,218.7 million, in comparison of other operating profit of approximately RMB85.4 million for the year ended 31 December 2023.

Net finance costs

For the year ended 31 December 2024, the net finance costs of the Group amounted to approximately RMB10.8 million, representing a decrease by 65.9% in comparison to approximately RMB31.7 million for the year ended 31 December 2023.

(Loss)/profit before tax

For the year ended 31 December 2024, the loss before tax amounted to approximately RMB2,229.5 million, while the profit before tax was approximately RMB53.8 million for the year ended 31 December 2023.

Income tax

For the year ended 31 December 2024, the income tax credit of the Group amounted to approximately RMB2,662,000, while the income tax expense was approximately RMB79,000 for the year ended 31 December 2023.

Total comprehensive (expense)/income attributable to owners of the Company

The total comprehensive expense attributable to owners of the Company for the year ended 31 December 2024 was approximately RMB2,221.7 million, while the total comprehensive income attributable to owners amounted to approximately RMB55.9 million for the year ended 31 December 2023.

Cash and cash equivalents

As at 31 December 2024, the Group's cash and cash equivalents were approximately RMB27.7 million, a decrease of 82.9% from approximately RMB162.3 million as at 31 December 2023.

Inventories

As at 31 December 2024, the Group's inventories amounted to approximately RMB44.9 million, representing a decrease of 20.4% from RMB56.4 million as at 31 December 2023.

Prepayments, deposits and other receivables

As at 31 December 2024, prepayments, deposits and other receivables of the Group amounted to approximately RMB43.6 million, representing an increase of 9.0% from approximately RMB40.0 million as at 31 December 2023.

Trade receivables

As at 31 December 2024, trade receivables of the Group amounted to approximately RMB8.4 million, representing an increase of 121.1% from approximately RMB3.8 million as at 31 December 2023.

Trade and bills payables

As at 31 December 2024, trade and bills payables of the Group amounted to approximately RMB33.6 million, in comparison approximately RMB36.6 million as at 31 December 2023.

Gearing ratio and the basis of calculation

As at 31 December 2024, gearing ratio of the Group was 64.7%, decreased from that of 232.7% as at 31 December 2023. 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 2024, the Group's working capital, capital expenditure and investment cash were funded from cash on hand and borrowings. As at 31 December 2024, the borrowings of the Group amounted to RMB109.8 million, representing a decrease of 76.7% from RMB471.2 million as at 31 December 2023.

Pledge of assets

As at 31 December 2024, none (2023: RMB32 million) of right-of-use assets, buildings and investment properties had been pledged.

Investment property

The Group's investment property as of 31 December 2023 represented certain properties receiving rental income during the reporting period. Details of the investment property of the Group as at 31 December 2023 are as follows:

Address	Existing Use	Term of Lease
Building 6-10, No. 277 Wenchang Middle Road, Guangling District, Yangzhou, Jiangsu, the PRC	Shop	Medium-term lease

During the year ended 31 December 2024, the above investment property was disposed through disposal of Yangzhou Laihao.

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 2024 (2023: 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 2024, the Group had 283 employees, decreased by 5.67% from 300 employees as at 31 December 2023.

FUTURE OUTLOOK

Looking ahead to 2025, which marks the concluding year of China's "14th Five-Year Plan" as well as the planning year for the "15th Five-Year Plan", China's economy will continue to face numerous challenges and opportunities. Externally, uneven global economic recovery, escalating geopolitical tensions, and rising trade protectionism all contribute to uncertainties surrounding China's economic development. Internally, China's economy has reached a critical stage of transformation and industrial upgrading. The acceleration of over 300 major reform initiatives introduced at the Third Plenary Session of the 20th Central Committee of the Communist Party of China is well underway, while the ongoing deepening of reforms and opening-up continues to stimulate internal dynamism and foster innovation across society.

In light of the favourable analysis of macroeconomic conditions, industry recovery trends, and the development prospects of various business segments, the Group will direct its efforts towards the following areas:

1. DIGITAL-INTELLIGENCE-DRIVEN UPGRADE AND TRADE-IN TREND

Currently, the home appliance market has entered the 3.0 phase, characterized by internal consumption upgrades. During this stage, emerging home appliances such as frost-free refrigerators, smart washing machines, air purifiers, cordless vacuum, and heat-pump dryers have become market highlights. The rise of these new appliances is closely tied to consumer transformation. With the emergence of Generation Z (digital natives) and elderly consumers, home appliance demand is gradually shifting toward trends such as "enjoyable living," "integrated embedding," "diversified integration," "convenience-driven lifestyles," and "aesthetically appealing designs." Looking ahead to 2025, China's home appliance industry is expected to maintain low-speed sales growth, primarily driven by the positive effects of domestic appliance "trade-in" policies and steady export growth. As trade-in programs become increasingly prevalent across regions, the spillover effects of these policies will further stimulate consumption upgrades and structural adjustments in the home appliance market.

Based on the aforementioned emerging trends in the home appliance industry, in the future, the Group will, on one hand, focus on increasing the proportion of high-end, intelligent, and environmentally friendly smart home appliances, paying close attention to consumption trends and shifts among Generation Z and elderly consumer groups to enhance product gross margins. On the other hand, the Group will monitor the positive impacts of "trade-in" policies, proactively adjusting product strategies to drive sales of high-efficiency and intelligent home appliances. Meanwhile, the Group will expand its product line comprehensively to tap into emerging market segments, including elderly-friendly appliances, health-oriented home products, and smart home solutions. Finally, the Group will emphasize service chain integration to enhance user experience, including optimising its service system and developing end-to-end solutions covering everything from product selection and installation to recycling old appliances. For instance, coordinating with home appliance suppliers to arrange convenient door-to-door services for the simultaneous removal of old appliances and installation of new ones will further increase consumer engagement and satisfaction.

2. AI-DRIVEN PRECISE INTELLIGENT MARKETING TO ENHANCE MARKET PENETRATION

Amid intense competition and strong brand effects within the Maotai-flavor liquor industry, it is particularly crucial for enterprises in Maotai-flavor liquor industry to strengthen market expansion and brand promotion through targeted sales channels to enhance market penetration. According to the "Guizhou Province Action Plan for Promoting High-Quality AI Development (2025-2027) (《貴州省推動人工智能高質量發展行動方案 (2025-2027年) 》)" issued by the People's Government of Guizhou Province on 28 December 2024, the province will actively promote the application of AI large models in key industries such as Maotai-flavor liquor, chemicals, and coal, aiming to enhance intelligence and digitalization levels across these sectors. This initiative represents a proactive exploration of digital transformation in China's traditional liquor culture and outlines a clear future direction for the development of the Maotai-flavor liquor industry.

The Group's Maotai-flavor liquor business is also influenced by the development trends in the baijiu industry. Moving forward, on the one hand, the Group will emphasize strengthening distributor management by fully leveraging distributors' networks and operational strengths to solidify distribution channels for Maotai-flavor liquor. On the other hand, the Group will focus on developing AI vertical large model and AI applications to analyse and mine extensive consumer data. These AI large models will enable the Group to better understand consumer needs, preferences, and purchasing behaviours, thereby achieving precise marketing. The Group shall develop personalised marketing strategies and promotional programs based on consumer characteristics and behaviours, thereby enhancing marketing effectiveness and return on investment. For example, the Group may deliver targeted personalized product recommendations and promotional campaigns to consumers across different regions, age groups, and spending habits, increasing consumers' engagement and conversion rates. Finally, the Group will emphasize brand culture and innovation by consistently promoting the Guofeng Liquor brand philosophy. It will ensure that distributors are well-versed in the Company's brand culture, including its mission, vision, and values. At the same time, market services will be tailored to align with consumer preferences, effectively meeting diverse demands and ultimately driving enhanced sales performance.

3. BUILDING AN AI-EMPOWERED OMO NEW RETAIL PLATFORM TO ENHANCE COMPETITIVENESS IN MAOTAI-FLAVOR LIQUOR QUALITY

Research indicates that despite rapid growth in recent years, the Maotai-flavor liquor market continues to confront challenges, including pronounced product homogeneity, limited consumer awareness, and channel inefficiencies. To stand out in the competitive landscape, it is essential to leverage AI technology and adopt an Online-Merge-Offline (OMO) model to establish a new retail platform, thereby enhancing competitiveness in the quality of Maotai-flavor liquor.

The Group focuses on AI empowerment and the application of vertical AI models in the Maotai-flavor liquor sector. Moving forward, we will enhance core competencies in intelligent customer service and smart marketing through AI-powered solutions. By implementing the OMO model, we aim to create seamless online-to-offline consumer experiences, providing convenient digital purchasing channels that display product information and buyers' reviews. Simultaneously, we will establish immersive cultural experience spaces for Maotai-flavor liquor, offering services such as product tasting and customization to deepen consumers' understanding and purchasing intent toward Maotai-flavor liquor. These initiatives will continuously strengthen the brand influence and market penetration of Guofeng Maotai-flavor Liquor, developing a secondary growth curve for performance enhancement while steadily improving corporate profitability. Following the successful launch of "Shengjiu Classic ("勝酒"經典)," a China's benchmark product for high-quality yet affordable Maotai-flavor liquor, we will adopt a consumer-centric approach. Through data analysis and user profiling, we will gain precise insights into consumer needs, conduct thorough evaluations of Maotai-flavor liquor products, and develop market-driven offerings with significant cultivation potential. Meanwhile, the Group will place greater emphasis on the utilisation of big data analytics to optimise inventory management and logistics distribution, thereby enhancing supply chain efficiency. Additionally, the Group will focus on cultural heritage and brand image building to further strengthen its market influence.

4. CAPTURING GROWTH POTENTIAL IN THE TRAINING MARKET AND STEADILY ADVANCING THE TRAINING BUSINESS

According to publicly available information, the expansion of China's corporate training market is driven by multiple factors. First, robust government policy support, such as promoting lifelong vocational skills training and reinforcing enterprises' roles as primary providers of training, has improved corporate engagement. Second, amid the norm of economic transformation, businesses face challenges in talent development and technological innovation, generating increased demand for training aimed at enhancing innovation capabilities. Additionally, societal changes and structural upgrading in industry have led to structural imbalances in labour supply and demand, further accelerating the development of the corporate training industry. It is projected that China's corporate training market size will increase to RMB1,319.4 billion by 2025.

The Group will grasp the favorable opportunity with the improvement of macro economy and the recovery of small- and medium-sized enterprises' vitality, continue to expand the Group's training business by relying on Shenzhen Co, our subsidiary, and Beijing Shengshang. The Group will steadily develop training agency business of training for small- and medium-sized enterprises, take full advantage of its self-course research and development and agent training business course model, deeply engage in five training businesses (i.e. investment and financing in capital market, family education, sinology, study tour and new media), and continue to focus on capital market training areas which include business models, equity structure, capital structure, entrepreneurial mindset, and business management. Meanwhile, the Group will enhance marketing strategy such as "precision marketing", aiming at special target student and customer, and adopt targeted marketing strategies in the aspects of marketing strategies, means, ways and price, so as to improve the market shares and the brand influence of the Company when meeting personalized demand of student and customers.

5. ESTABLISHING A NEW CONSUMER PRODUCT ECOSYSTEM CONNECTED THROUGH MAOTAI-FLAVOR LIQUOR

Core Concept of the New Consumer Product Ecosystem: Utilising Maotai-flavor liquor as a medium to integrate users, brands, culture, and lifestyle, thereby creating a diversified and immersive new consumer product ecosystem that meets users' aspirations for high-quality living.

Research indicates that with consumption upgrading and the rapid development of the Maotai-flavor liquor market, consumers' demand has shifted from mere product consumption to seeking cultural experiences, emotional connections, and lifestyle expression. Establishing a new consumer product ecosystem connected through Maotai-flavor liquor is thus an essential step toward adapting to market trends, satisfying consumer needs, and enhancing brand value. Moving forward, the Group will build a new consumer product ecosystem connected through Maotai-flavor liquor from several perspectives(among others): the core Maotai-flavor liquor products, Maotai-flavor liquor's related products, cultural experiences on Maotai-flavor liquor, digital platforms, and operating models. First, we will develop premium, high-value Maotai-flavor liquor products to meet high-end consumption demands. Second, we will design high-end liquor utensils aligned with Maotai-flavor liquor culture to elevate the tasting experience. Third, we will create immersive spaces dedicated to Maotai-flavor liquor cultural experiences, offering services such as tasting sessions, customised products, and cultural salons. Finally, we will provide convenient online purchasing channels featuring product information and user reviews, enhancing user engagement and value through online and offline events as well as community operations. By establishing a diversified and immersive product ecosystem, we can fulfil consumers' pursuit of a high-quality lifestyle, facilitate the Group's industrial transformation and upgrading, and achieve sustainable development.

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 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 C.2.1 of the Code. Under code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing. As at the date of this announcement, Mr. Yuan Li acted as an executive Director and the chairman of the Board, and assumed the interim duties and responsibilities of the chief executive following the resignation of Ms. Liu Simei on 23 September 2022. However, having considered the nature and extent of the Company's operations, and Mr. Yuan Li's in-depth knowledge and experience in the industry and familiarity with the operations of the Company, that all major decisions are made in consultation with members of the Board and relevant Board committees, and that there are three independent non-executive Directors on the Board offering independent perspectives, the Board considers that the deviation from the code provision C.2.1 of the CG Code is appropriate in such circumstances thereby facilitating the execution of the Group's business strategies and boosting effectiveness of its operation, as well as enabling more effective planning and better execution of long-term strategies.

In order to comply with code provision C.2.1 of the CG Code that the roles of chairman and chief executive should be separate and should not be performed by the same individual, with effect from 27 May 2024, Mr. Sun Yue, an executive Director, has been appointed as the new chief executive officer of the Company. Mr. Yuan Li will remain as an executive Director, the chairman of the Board and the member of the remuneration committee of the Company. For details, please refer to the announcement of the Company dated 27 May 2024. With effect from 15 October 2024, Mr. Yuan Lijun, an executive Director, has been appointed as the co-chief executive officer of the Company. For details, please refer to the announcement of the Company dated 15 October 2024.

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 inside information of the Company.

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

AUDIT COMMITTEE

The Company established the audit committee (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 three independent non-executive Directors, namely Mr. Zhang Yihua, Mr. Chen Rui and Ms. Tang Chung Kwan Brenda, including one independent non-executive Director who possesses 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 2023 annual financial results and 2024 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.

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 2024, there were no treasury shares held by the Company.

REVIEW OF ANNUAL RESULTS BY AUDIT COMMITTEE

The Audit Committee has reviewed the audited annual results of the Group for the reporting year and has recommended its adoption by the Board.

The Group's consolidated financial statements have been audited by the Group's auditor, CL Partners CPA Limited, and it has issued an unmodified opinion.

SCOPE OF WORK OF THE COMPANY' S AUDITOR IN RESPECT OF THIS ANNOUNCEMENT

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for the year ended 31 December 2024 as set out in the preliminary announcement have been agreed by the Group's auditors, CL Partners CPA Limited (the "**Auditor**"), to the amounts set out in the Group's consolidated financial statements for the year. The work performed by the Auditor in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no opinion or assurance conclusion has been expressed by the Auditor on this announcement.

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

Further announcement(s) will be made by the Company in respect of the proposed date on which the forthcoming annual general meeting will be held and the period during which the register of members of the Company will be closed in order to ascertain shareholders' eligibility to attend and vote at the said meeting.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

The annual report of the Company for the reporting year will be dispatched (if requested) to shareholders of the Company and published on the Stock Exchange's website at www.hkexnews.hk and the Company's website at www.qidianguofeng.cn in due course. This announcement can also be accessed on the aforesaid websites.

By order of the Board
China Qidian Guofeng Holdings Limited
Yuan Li
Chairman

Shenzhen, PRC, 28 March 2025

As at the date of this announcement, the Board of Directors of the Company comprises four executive Directors, namely Mr. Yuan Li, Mr. Sun Yue, Mr. Yuan Lijun and Mr. Zhuang Liangbao; one non-executive Director, namely Wang Xianfu; and three independent non-executive Directors, namely Mr. Zhang Yihua, Mr. Chen Rui and Ms. Tang Chung Kwan Brenda.