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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 2025**

HIGHLIGHTS

1. 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 decrease in revenue from household appliances sales and liquor business.
2. Gross profit margin for 2025 was 23.5%, while that for 2024 was 26.7%.
3. Operating loss for 2025 was approximately RMB419.9 million, while that was approximately RMB2,218.7 million for 2024.
4. Loss for 2025 was approximately RMB428.2 million, while that was approximately RMB2,226.9 million for 2024.

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 2025 together with the comparative figures for the year ended 31 December 2024.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

For the year ended 31 December 2025

	<i>Notes</i>	2025 RMB'000	2024 <i>RMB'000</i>
Revenue	4	356,585	441,994
Cost of sales and services		(272,920)	(324,173)
Gross profit		83,665	117,821
Other income		2,251	5,255
Other gains and losses, net		(6,041)	6,681
Impairment loss recognised on goodwill	9	(301,628)	(2,183,408)
Impairment loss recognised on property, plant and equipment	14	(5,592)	—
Impairment loss reversed/(recognised) on loan receivables		3,498	(3,498)
Impairment loss recognised on trade receivables, net		(297)	(379)
Impairment loss recognised on deposits and other receivable		(344)	(1,098)
Loss on disposal of subsidiaries, net		—	(246)
Share of result of an associate		(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		(4,698)	(13,615)
Finance income		279	2,834
Net finance costs		(4,419)	(10,781)
Loss before tax		(424,279)	(2,229,528)
Income tax (expense)/credit	5	(3,970)	2,662
Loss for the year	6	(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)

	<i>Notes</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Total comprehensive expense attributable to:			
– Owners of the Company		(418,724)	(2,221,688)
– Non-controlling interests		(9,858)	(5,178)
		<u>(428,582)</u>	<u>(2,226,866)</u>
Loss per share for loss attributable to owners of the Company (expressed in RMB per share)			
– Basic	7	(0.232)	(2.519)
– Diluted	7	(0.232)	(2.519)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	<i>Notes</i>	2025	2024
		<i>RMB'000</i>	<i>RMB'000</i>
ASSETS			
Non-current assets			
Property, plant and equipment		2,762	7,750
Right-of-use assets		13,898	19,111
Intangible assets		42,742	—
Goodwill	9	238,596	301,628
Interest in an associate		64	374
Loan receivables		—	127,470
Deferred tax assets		1,362	4,100
Equity instruments at FVTOCI		—	333
Total non-current assets		299,424	460,766
Current assets			
Inventories		35,779	44,875
Trade receivables	10	70,075	8,397
Prepayments, deposits and other receivables		54,514	43,567
Restricted bank deposits		4,116	10,850
Cash and cash equivalents		36,150	27,676
Total current assets		200,634	135,365
Total assets		500,058	596,131

	<i>Notes</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Equity			
Share capital	11	270,906	253,128
Reserves		(135,971)	(54,244)
		<hr/>	<hr/>
Equity attributable to owners of the Company		134,935	198,884
Non-controlling interests		1,510	11,368
		<hr/>	<hr/>
Total equity		136,445	210,252
		<hr/> <hr/>	<hr/> <hr/>
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities		11,408	259
Borrowings		74,207	100,287
Other payables		20,758	20,158
Lease liabilities		7,498	10,591
Provision for reinstatement costs		233	282
		<hr/>	<hr/>
Total non-current liabilities		114,104	131,577
		<hr/>	<hr/>
Current liabilities			
Trade and bills payables	12	39,131	33,564
Accruals and other payables		58,177	77,141
Contract liabilities		83,246	71,666
Lease liabilities		6,430	8,892
Borrowings		1,448	9,479
Other current liabilities		61,077	53,560
		<hr/>	<hr/>
Total current liabilities		249,509	254,302
		<hr/>	<hr/>
Total liabilities		363,613	385,879
		<hr/>	<hr/>
Total equity and liabilities		500,058	596,131
		<hr/>	<hr/>
Net current liabilities		(48,875)	(118,937)
		<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

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., Limited, 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.

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;

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

(b) Going concern assessment *(continued)*

- (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.

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

(b) Going concern assessment *(continued)*

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.

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 periods beginning on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21 Lack of Exchangeability

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.

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

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 Hyperinflation 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.

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.

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)

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. 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	2024
	<i>RMB'000</i>	<i>RMB'000</i>
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

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.

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.

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	Livestream e-commerce RMB'000	Total RMB'000
Year ended 31 December 2025					
Revenue from external customer	<u>236,098</u>	<u>60,011</u>	<u>57,394</u>	<u>3,082</u>	<u>356,585</u>
Segment results	<u>(16,202)</u>	<u>(3,574)</u>	<u>(313,015)</u>	<u>1,578</u>	<u>(331,213)</u>
Unallocated income					57
Unallocated expenses					(92,813)
Share of result of an associate					<u>(310)</u>
Loss before tax					<u><u>(424,279)</u></u>
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)

4. REVENUE AND SEGMENT INFORMATION *(continued)*

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

	Household appliance business <i>RMB'000</i>	Liquor business <i>RMB'000</i>	Education business <i>RMB'000</i>	Total <i>RMB'000</i>
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				<u>(2,229,528)</u>
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 recognised 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)

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 2025

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

As at 31 December 2024

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

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, 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.

(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.

5. INCOME TAX EXPENSE/(CREDIT)

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

(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 (“**Beijing Qidian**”)), 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 FOR THE YEAR

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
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 executive's emoluments) (note b)		
Salaries and 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 provides (note c)	79,943	4,246
Marketing expenses (note c)	16,305	30,056
Depreciation of right-of-use assets (note d)	9,404	6,191
Depreciation of property, plant and equipment (note d)	782	608
Depreciation of investment property (note d)	—	788
Amortisation of intangible assets (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)

6. LOSS FOR THE YEAR *(continued)*

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.

7. 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)	<u>(0.232)</u>	<u>(2.519)</u>

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.

8. 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).

9. GOODWILL

	Livestream e-commerce	Education business	Total
	RMB'000	RMB'000	RMB'000
	(note (a))	(note (b))	
Cost			
At 1 January 2024	—	—	—
Addition from acquisition of subsidiaries	—	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 13)	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 Hong Kong HuiLiu Limited (“**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.

9. GOODWILL *(continued)*

- (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.

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 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.

9. GOODWILL *(continued)*

The recoverable amount of the livestream e-commerce 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 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.

10. TRADE RECEIVABLES

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

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	2024
	<i>RMB'000</i>	<i>RMB'000</i>
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	<u>73,821</u>	<u>9,491</u>

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.

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.

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 2024		600,000	12,000	72,444
Increase on 21 May 2024	(a)	<u>4,400,000</u>	<u>88,000</u>	<u>625,407</u>
As at 31 December 2024, 1 January 2025 and 31 December 2025		<u>5,000,000</u>	<u>100,000</u>	<u>697,851</u>
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		<u>850,000,000</u>	<u>17,000</u>	<u>119,171</u>
As at 31 December 2024 and 1 January 2025		<u>1,805,728,508</u>	<u>36,115</u>	<u>253,128</u>
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 13)		<u>94,069,530</u>	<u>1,881</u>	<u>13,293</u>
As at 31 December 2025		<u>1,931,325,658</u>	<u>38,627</u>	<u>270,906</u>

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, 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**”), 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\$185.50 million (equivalent to approximately RMB168,894,000), which shall be satisfied by way of offsetting HK\$185.50 million (equivalent 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.
- (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.

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.

- (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 was 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.

12. TRADE AND BILLS PAYABLES

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

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	2024
	<i>RMB'000</i>	<i>RMB'000</i>
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	<u>1,830</u>	<u>1,407</u>
Total	<u>39,131</u>	<u>33,564</u>

13. ACQUISITION OF SUBSIDIARIES

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.

13. ACQUISITION OF SUBSIDIARIES *(continued)*

Acquisition of HuiLiu *(continued)*

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

13. ACQUISITION OF SUBSIDIARIES *(continued)*

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 for credit loss	(1,468)
Trade payables	(11,550)
Accruals and other payables	(5,524)
Contract liabilities	(17,393)
Deferred tax liabilities	(10,912)
	<u>63,834</u>

13. ACQUISITION OF SUBSIDIARIES *(continued)*

Acquisition of HuiLiu *(continued)*

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

Goodwill arising on acquisition:

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

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.

Net cash inflow on acquisition of HuiLiu

	RMB'000
Cash consideration paid	—
Less: cash and cash equivalents balances acquired	<u>166</u>
	<u><u>166</u></u>

13. ACQUISITION OF SUBSIDIARIES *(continued)*

Acquisition of HuiLiu *(continued)*

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 for the year ended 31 December 2025 and the management’s profit forecast, the fair value of the contingent consideration is minimal as at 31 December 2025.

14. 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 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.

14. LITIGATION (continued)

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 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.

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.

15. 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.

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慧融合賦能行動方案》)”, 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.

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.

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.

Turnover of the Group comprises revenues as follows:

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
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.

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.

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.

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 263 employees, decreased by 7.1% from 283 employees as at 31 December 2024.

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 (封壇)” 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 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 of the Corporate Governance Code (the "**CG Code**") contained in part 2 of Appendix C1 to the Listing Rules (the "**Code Provisions**") 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.

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. 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.

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

Save as disclosed above, 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) during the year.

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, Rongcheng (Hong Kong) CPA Limited, and it has issued an unmodified opinion with a paragraph about the material uncertainty related to going concern.

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 2025 as set out in the preliminary announcement have been agreed by the Group's auditors, Rongcheng (Hong Kong) 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.

EXTRACT OF INDEPENDENT AUDITOR'S REPORT

The following is the extract of the Independent Auditor's Report from the auditor of the Company, Rongcheng (Hong Kong) CPA Limited:

Opinion

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.

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 to the consolidated financial statements, these events or conditions, along with other matters as set forth in note 2 to the consolidated financial statements, 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.

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, 31 March 2026

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 Mr. Wang Xianfu; and three independent non-executive Directors, namely Mr. Zhang Yihua, Mr. Kong Xiangming and Ms. Tang Chung Kwan Brenda.