中国奇点国峰控股有限公司

China Qidian Guofeng Holdings Limited

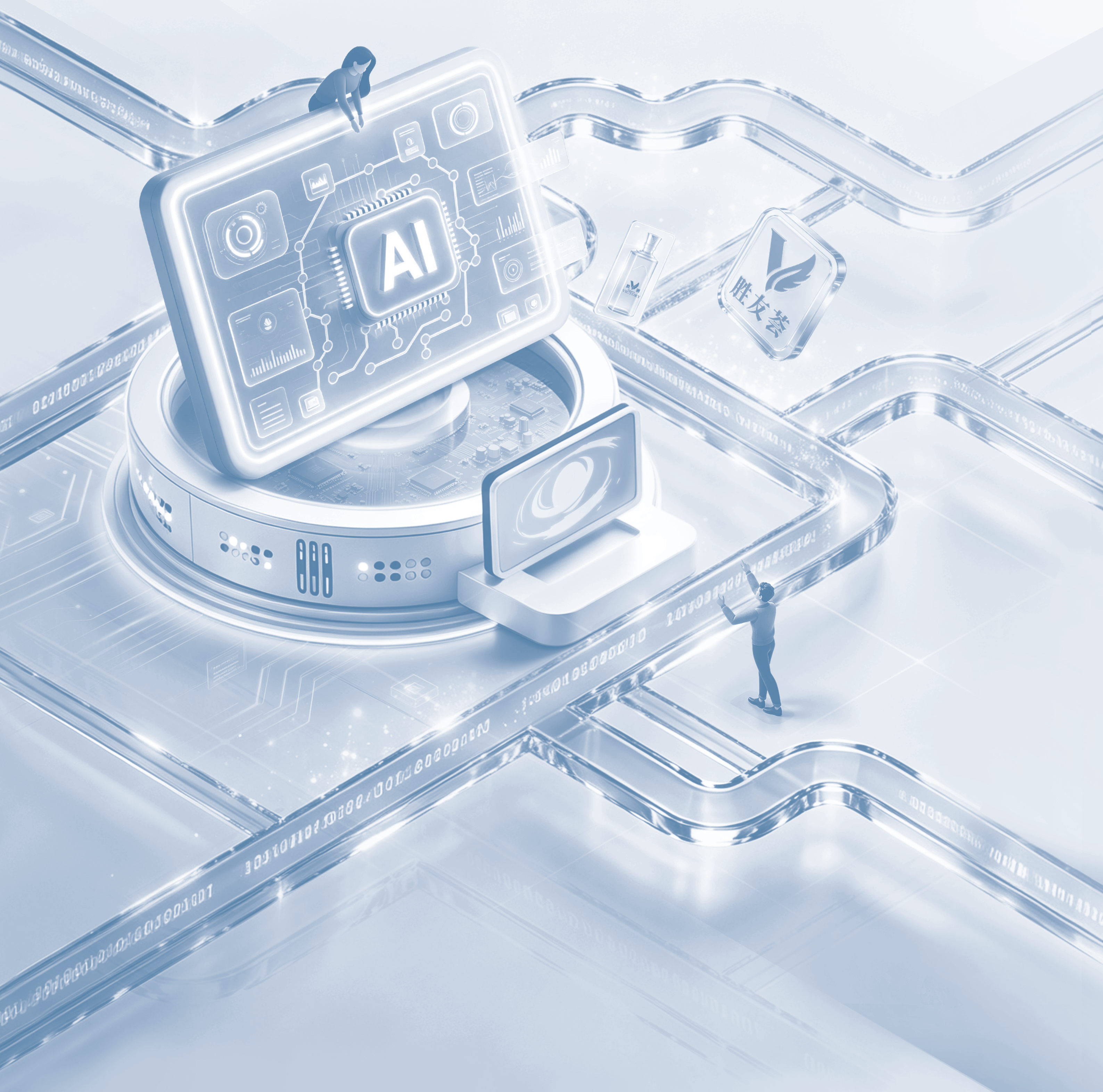
(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1280

INTERIM REPORT **2026**

A New Journey Ignited by Intelligence: Construction of an AI-Empowered OMO New Consumption Platform

Cultivating Roots and Forging Tomorrow: Interim Development Panorama of Qidian Guofeng in 2026



CONTENTS

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

CORPORATE INFORMATION

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

NON-EXECUTIVE DIRECTOR
Mr. Wang Xianfu

INDEPENDENT NON-EXECUTIVE DIRECTORS
Mr. Zhang Yihua
Mr. Kong Xiangming
Ms. Tang Chung Kwan Brenda

COMPANY SECRETARY
Ms. Zheng Xuci, *FCG, HKFCG*

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

REMUNERATION COMMITTEE
Mr. Zhang Yihua *(Chairman)*
Mr. Yuan Li
Mr. Kong Xiangming

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

AUTHORISED REPRESENTATIVES
Mr. Yuan Li
Ms. Zheng Xuci

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

PRINCIPAL PLACE OF BUSINESS AND HEAD OFFICE IN CHINA
Units 1504, 15/F, Block 5,
No. 19 Beiyuan East Road, Chaoyang District,
Beijing, PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG REGISTERED UNDER PART 16 OF THE COMPANIES ORDINANCE
Room 1928, 19/F
Lee Garden One
33 Hysan Avenue
Causeway Bay
Hong Kong

SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG
Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

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

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

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

STOCK CODE
1280

WEBSITE OF THE COMPANY
www.qidianguofeng.cn
(information on the website does not form part of this interim report)

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET REVIEW: MACROECONOMIC RESILIENCE PERSISTS AND NEW QUALITY PRODUCTIVE FORCES ACCELERATE

In the first half of 2026, the external environment remained complex and volatile, with geopolitical conflicts, global trade frictions and policy divergence among major economies continuing to weigh on market expectations. Despite these multiple pressures, the Chinese economy operated within a reasonable range, supported by more proactive macroeconomic policies, while its development resilience and structural upgrading trend persisted. According to the statistics published by the National Bureau of Statistics on its website on 15 July 2026, for the six months ended 30 June 2026, the gross domestic product (GDP) reached RMB69,570.4 billion, representing a year-on-year increase of 4.7% calculated based on constant prices. The added value of the tertiary industry grew by 5.2% year-on-year, and the added value of the information transmission, software and information technology services industry grew by 10.7% year-on-year, significantly outpacing the overall economic growth. This reflects that the digital economy and new quality productive forces remained important drivers of China's economic transformation and upgrading.

In the consumption market, for the six months ended 30 June 2026, the national total retail sales of consumer goods reached RMB24,872.2 billion, representing a year-on-year increase of 1.3%. Retail sales of consumer goods excluding automobiles grew by 2.8% year-on-year, and the national online retail sales of goods and services grew by 5.2% year-on-year. Although the consumption recovery remained moderate, demand for online services, convenient business formats, green and smart consumption, as well as quality-oriented and rational consumption, continued to be unleashed, propelling enterprises to shift from sheer scale expansion to refined operations, enhanced channel efficiency and in-depth user value cultivation.

At the policy level, in the first half of 2026, policies related to "artificial intelligence +", vocational education reform, lifelong learning for all, inclusive computing power and industrial digitalisation were intensively implemented, providing clear direction for the integration of technology with the real economy. Artificial intelligence is no longer confined to isolated trials but has accelerated its penetration into various application scenarios such as manufacturing, information and communications, education, consumer operations and enterprise services. Meanwhile, against the backdrop of more rational demand, inventory destocking, channel restructuring and brand differentiation, the traditional consumer goods industry has entered a new cycle that places greater emphasis on quality, culture, efficiency and long-term customer management. These macroeconomic and industry trends are highly aligned with the Group's established dual-core strategy of "AI + Maotai-flavor liquor" and the development theme of "technology empowers consumption, consumption fuels technology".

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OPERATING PERFORMANCE

During the Reporting Period, the Group continued to advance the focus of its business portfolio from diversified operations towards core segments, promoting resource allocation and operational optimisation along the main business lines of AI and Maotai-flavor liquor. According to the Group's unaudited interim financial information, for the six months ended 30 June 2026, the Group's revenue was approximately RMB235.5 million, representing an increase of approximately 29.4% from approximately RMB181.9 million for the same period of 2025. The revenue growth was mainly driven by the rapid volume expansion of the liquor business and the new contribution from new businesses including the AI products and services business, reflecting that the Group's business restructuring has gradually formed new revenue pillars. Meanwhile, the Group has further reviewed the profitability, liability structure and strategic synergy value of the home appliances and digital retail-related businesses, and plans to dispose China Yinrui (HK) Investment Holding Company Limited (the "**Target Group**") and its subsidiaries with continuous losses and insolvency, to significantly improve the Group's financial condition in one time, reduce historical burdens and potential risks, and release management and financial resources to support the implementation of the dual-core strategy of "AI + Maotai-flavor liquor". Facing a market environment characterised by a moderate consumption recovery, intensified competition in traditional channels and deepening industry differentiation, the Group adhered to a long-term value orientation, strengthened the capability building of its core businesses, and enhanced organisational synergy efficiency, thereby laying a foundation for subsequent high-quality development.

AI BUSINESS: CAPITALISING ON POLICY TAILWINDS AND STRENGTHENING COMPUTING POWER AND APPLICATION SERVICE CAPABILITIES

As at 30 June 2026, the artificial intelligence industry had entered a new phase characterised by the synchronised advancement of policy guidance, computing power infrastructure, model application and industry-specific scenarios. In the first half of the year, the State Council and the Ministry of Industry and Information Technology, among other authorities, continued to promote the implementation of policies such as the "artificial intelligence +" initiative, "artificial intelligence + manufacturing", "artificial intelligence + information and communications" and inclusive computing power, with a focus on supporting computing power supply, model and data synergy, the cultivation of industry application scenarios, and the intelligent transformation of small and medium-sized enterprises.

Following the acquisition of Hong Kong HuiLiu Limited and the establishment of Shenzhen Qidian Intelligent Computing Technology Co, Ltd. (深圳奇點智算科技有限公司) ("**Qidian Intelligent Computing**") in 2025, the Group has initially formed a dual-track development model of "AI computing power + AI technology application". During the Reporting Period, the Group carried out business planning and capability building based on a model of "procurement-on-demand and integrated services", with its business scope covering AI server hardware delivery, computing power leasing services, data centre hosting and operation and maintenance management services, and extending to value-added services such as computing power planning, equipment configuration, delivery and installation, commissioning and debugging support, post-delivery operation and maintenance, and technical training.

MANAGEMENT DISCUSSION AND ANALYSIS

During the Reporting Period, the Group's AI business progressively moved from the preliminary planning stage into business delivery and commercial validation, with AI products and services revenue becoming a new source of income. For the six months ended 30 June 2026, revenue from AI products and services amounted to approximately RMB44.7 million, accounting for approximately 19.0% of total revenue, reflecting the Group's emerging commercialisation capabilities in the sales and delivery of AI servers, computing power equipment and related hardware. Among these, signed contracts including AI server sales agreements, computing power server sales agreements and GPU distribution framework agreements have also laid a clearer business foundation for the Group's AI business to progress from early-stage planning towards scaled operations.

In terms of supply chain and customer expansion, the Group conducted its business through channels such as OEM authorised distribution, direct customer sales, collaboration with upstream hardware manufacturers and public procurement tenders, and has established a business foundation in areas including AI server sales, computing power server sales and GPU distribution. With regard to the uncertainties brought about by external policy changes affecting the supply of certain GPU hardware, the Group has prudently assessed the relevant supply chain arrangements and delivery risks, and has proactively formulated response plan to ensure steady business operations afterwards.

In respect of internal synergy, during the Reporting Period, the Group continued to explore the integration of AI capabilities into the Maotai-flavor liquor business and user operation scenarios, including brewing quality management, warehousing management, channel data analysis, tiered member operations, content generation and precision marketing. Through the two-way integration of computing power capabilities and consumption scenarios, the synergy foundation between the Group's AI business and its consumer business has been further consolidated.

MAOTAI-FLAVOR LIQUOR BUSINESS: NAVIGATING THE DEEP ADJUSTMENT STAGE AND FOCUSING ON QUALITY, CHANNELS AND CULTURAL VALUE

In the first half of 2026, the liquor industry remained in a phase of deep structural adjustment. At the Eighth (Enlarged) Meeting of the Sixth Board of Directors convened by the China Alcoholic Drinks Association in Beijing on 21 May 2026, it was noted that the Chinese alcoholic drinks industry has fully entered a new stage of high-quality sustainable development characterised by structural reshaping, value regression and momentum conversion. The liquor industry faces challenges such as simultaneous pressure on volume, price and profit, changing consumption scenarios, channel disruption and intensifying differentiation. The logic of industry competition has shifted from incremental expansion to in-depth cultivation of existing markets, with market resources further concentrating towards advantageous production areas, quality brands, stable channels and enterprises with consumer operation capabilities.

Confronted with the cyclical industry adjustment, the Group continued its deployment in the core segment of Maotai-flavor liquor, adhered to its roots in the core production area along the Chishui River in Maotai Town, and advanced the building of its product, channel and brand systems centred on the position of "high-quality and affordable". During the Reporting Period, revenue from liquor sales amounted to approximately RMB98.4 million, representing a significant increase of approximately 471.8% from approximately RMB17.2 million for the same period of 2025, making it one of the most outstanding business segments in terms of revenue growth for the Group. This fully reflected the significantly enhanced conversion capabilities of the Shengjiu product matrix, the Shengyouhui channel system and the core community consumption scenarios. During the Period, the Group continued to strengthen its traditional craftsmanship, quality control and product tiering, and enhanced product recognition and customer stickiness through customised jar-sealing events, tasting experiences and core community consumption scenarios.

MANAGEMENT DISCUSSION AND ANALYSIS

In terms of channels, the Group continued to optimise the three-dimensional distribution network of Shengyouhui, promoting synergy among partners, authorised distributors, regional distributors and offline experience centres, and combined online stores, livestreaming, social media communities and private domain operations to build an all-domain integrated model of "new retail + experience centres + forward warehouses". Against the backdrop of industry-wide channel inventory destocking and rising requirements for cost efficiency, the Group placed greater emphasis on the retention of high-value customer groups, the development of regional benchmarks and refined channel management, avoiding inefficient goods distribution and disorderly price competition. As a result, channel quality and brand stickiness have been improved.

In terms of brand, during the Reporting Period, the Group shaped a differentiated positioning centred on production area value, quality endorsement, cultural experience and AI empowerment, and strengthened the professionalism and trustworthiness of the Shengjiu brand through high-end tasting events, jar-sealing ceremonies, core-scenario communications and the mobilisation of industry expert resources. Although the liquor industry still faces the pressures of a slower-than-expected demand recovery and adjustments to the pricing system in the short term, the Group has gradually established a competitive foundation capable of navigating through cycles, underpinned by its quality certainty, channel control capabilities and long-term member assets.

TRAINING BUSINESS: FROM SCALE EXPANSION TO RESOURCE OPTIMISATION AND ACCUMULATION OF DIGITAL AND INTELLIGENT CAPABILITIES

In the first half of 2026, the training industry continued to face the trends of regulatory standardisation, demand differentiation and market clearing, with the traditional business model centred on traffic acquisition and standardised course sales remaining under pressure. Meanwhile, policies relating to building a strong nation through education, vocational education reform, lifelong learning for all and "artificial intelligence + education" continued to advance, generating new structural demand for training in areas such as industrial workforce, enterprise management, new employment groups, and the digital transformation of small and medium-sized enterprises. Relevant policy documents issued by the Ministry of Education in 2026 explicitly proposed advancing a ubiquitous and accessible lifelong education system, carrying out high-quality, bespoke and practical vocational skills training, and strengthening digital literacy and AI application capability training for the industrial workforce.

Against this backdrop, the Group prudently evaluated the market investment efficiency, course product competitiveness and synergy value with the Group's core strategy of its training business in accordance with the direction of strategic review and resource optimisation. During the Reporting Period, revenue from education-related training services amounted to approximately RMB3.8 million, representing an adjustment from approximately RMB40.6 million for the same period of 2025, mainly reflecting the Group's initiative to proactively scale back low-efficiency projects, reduce non-core investments and reallocate resources towards more strategically synergistic segments such as AI and Maotai-flavor liquor. The Group no longer pursued scale expansion only, but instead focused on high-quality enterprise customer groups, digital transformation, AI application capabilities and industrial service scenarios, retaining core capabilities with value in terms of customer retention and cross-business conversion.

MANAGEMENT DISCUSSION AND ANALYSIS

Meanwhile, the Group regarded the training business as an important entry point for connecting enterprise customers, AI capabilities and the private domain ecosystem of the Maotai-flavor liquor business. During the Reporting Period, through entrepreneur courses, digital transformation events, AI application training camps and offline networking scenarios, the training business provided customer touchpoints for AI computing power and application services, while also building high-net-worth customer group scenarios and a community operation foundation for the Maotai-flavor liquor business.

HOME APPLIANCES AND DIGITAL ELECTRONIC PRODUCTS BUSINESS: STEADY OPERATIONS IN TANDEM WITH THE DIVESTITURE OF NON-PERFORMING ASSETS

During the Reporting Period, the Group continued to streamline non-core categories of traditional home appliances and focused on mobile phones, tablets and core digital electronic products. In the first half of 2026, the trade-in policy for consumer goods and the trends of smart and green consumption continued to provide a certain level of support for the retail of digital products. Revenue from home appliances sales amounted to approximately RMB88.5 million, representing a decline from approximately RMB124.0 million for the same period of 2025. In response to shifts in demand patterns in traditional retail and the requirements for business structure optimisation, the Group reviewed its product structure, store efficiency, online content operations and after-sales service capabilities. The core digital categories maintained stable operations, providing cash flow support for the advancement of the Group's core strategy.

Meanwhile, the Group prudently reviewed the low-efficiency and non-performing assets under its home appliances and digital electronic products-related businesses, and plans to dispose of the relevant target group (subsidiaries), thereby divesting business assets with continuous losses, significant liabilities and relatively high potential litigation risk. Instead of altering the Group's fundamental direction of maintaining stable operations and refined management of its core digital categories, the arrangement will help reduce the historical burdens and the drain on resources from inefficient assets, optimise the asset structure, enhance cash flow quality and management efficiency, and further support the Group's dual-core focus on AI and Maotai-flavor liquor.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

REVENUE

For the six months ended 30 June 2026, the Group's revenue was approximately RMB235.5 million, representing an increase of 29.4% from approximately RMB181.9 million for the six months ended 30 June 2025.

Turnover of the Group comprising revenues by operations is as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Types of goods and services		
Sales of home appliances	**88,547**	124,049
Sales of liquor	**98,439**	17,215
Education-related training services	**3,750**	40,643
AI products and services	**44,733**	—
Total revenue	**235,469**	181,907

COST OF SALES

For the six months ended 30 June 2026, the cost of sales of the Group was approximately RMB209.9 million, increased by 45.2% from approximately RMB144.5 million for the six months ended 30 June 2025, which was due to an increase of sales volume.

GROSS PROFIT

For the six months ended 30 June 2026, the gross profit of the Group was approximately RMB25.5 million, decreased by 31.7% from approximately RMB37.4 million for the six months ended 30 June 2025.

OTHER INCOME

For the six months ended 30 June 2026, other income recorded by the Group amounted to approximately RMB358,000, representing an increase of 165.2% in comparison to approximately RMB135,000 for the six months ended 30 June 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

OTHER GAINS AND LOSSES, NET

For the six months ended 30 June 2026, the Group recorded other net gain of approximately RMB1,455,000 as compared to approximately RMB177,000 for the six months ended 30 June 2025.

SELLING AND MARKETING EXPENSES

For the six months ended 30 June 2026, the Group's total selling and marketing expenses amounted to approximately RMB18.9 million, representing a decrease of 38.8% from approximately RMB30.8 million for the six months ended 30 June 2025.

ADMINISTRATIVE EXPENSES

For the six months ended 30 June 2026, the Group's total administrative expenses amounted to approximately RMB43.9 million, increased by 46.2% from approximately RMB30.0 million for the six months ended 30 June 2025.

OPERATING LOSS

For the six months ended 30 June 2026, the operating loss amounted to approximately RMB35.4 million, increased by 50.3% from the operating loss of approximately RMB23.5 million for the six months ended 30 June 2025.

NET FINANCE (COSTS)/INCOME

For the six months ended 30 June 2026, the Group recorded the net financial costs of the Group amounted to approximately RMB566,000 as compared to net finance income approximately RMB2.1 million for the six months ended 30 June 2025.

LOSS BEFORE INCOME TAX

For the six months ended 30 June 2026, the loss before income tax amounted to approximately RMB35.9 million, representing an increase of 67.0% in comparison to approximately RMB21.5 million for the six months ended 30 June 2025.

INCOME TAX EXPENSE

For the six months ended 30 June 2026, the income tax expense of the Group amounted to approximately RMB841,000, as compared to the income tax expense of approximately RMB497,000 for the six months ended 30 June 2025.

LOSS ATTRIBUTABLE TO EQUITY OWNERS OF THE COMPANY

The loss attributable to equity owners of the Company for the six months ended 30 June 2026 was approximately RMB35.1 million, while there was loss attributable to equity owners of approximately RMB19.3 million for the six months ended 30 June 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

CASH AND CASH EQUIVALENTS

As at 30 June 2026, the Group's cash and cash equivalents were approximately RMB19.5 million, representing a decrease of 45.9% from approximately RMB36.2 million as at 31 December 2025.

INVENTORIES

As at 30 June 2026, the Group's inventories amounted to approximately RMB38.5 million, representing an increase of 7.6% from approximately RMB35.8 million as at 31 December 2025.

PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

As at 30 June 2026, prepayments, deposits and other receivables of the Group amounted to approximately RMB35.1 million, representing a decrease of 35.5% from approximately RMB54.5 million as at 31 December 2025.

TRADE AND BILLS RECEIVABLES

As at 30 June 2026, trade and bills receivables of the Group amounted to approximately RMB64.2 million, representing a decrease of 8.36% from approximately RMB70.1 million as at 31 December 2025.

TRADE AND BILLS PAYABLES

As at 30 June 2026, trade and bills payables of the Group amounted to approximately RMB32.1 million, representing a decrease of 18.1% from approximately RMB39.1 million as at 31 December 2025.

GEARING RATIO AND THE BASIS OF CALCULATION

As at 30 June 2026, gearing ratio of the Group was 73.2%, in comparison to 72.7% as at 31 December 2025. The gearing ratio is equal to total liabilities divided by the sum of total equity and total liabilities.

LIQUIDITY, FINANCIAL RESOURCES AND FUNDING

As at 30 June 2026, the Group's cash and cash equivalents (excluding the restricted cash) were approximately RMB19.5 million (31 December 2025: approximately RMB36.2 million).

The net current liabilities of the Group were approximately RMB74.8 million (31 December 2025: approximately RMB48.9 million), which consisted of current assets of approximately RMB162.1 million (31 December 2025: approximately RMB200.6 million) and current liabilities of approximately RMB237 million (31 December 2025: approximately RMB249.5 million).

The Group manages its capital structure to finance its overall operation by using different sources of funds. As at 30 June 2026, the borrowings of the Group amounted to approximately RMB64.1 million, decreased from approximately RMB75.7 million as at 31 December 2025. As at 30 June 2026, the Group's borrowings were denominated in RMB and Hong Kong Dollar with fixed interest rate ranging from 3.0% to 5.5%.

CHARGES ON GROUP ASSETS

As at 30 June 2026, the Group had restricted bank deposits of approximately RMB4,722,000 pledged to secure bills payable. Save as disclosed above, the Group did not have any other material charges on its assets as at 30 June 2026.

MANAGEMENT DISCUSSION AND ANALYSIS

FOREIGN CURRENCIES AND TREASURY POLICY

All the income and the majority of expenses of the Group were denominated in RMB. During the six months ended 30 June 2026, 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 monitor the Group's foreign exchange exposure closely and may, depending on the circumstances and trend of foreign currencies, consider adopting appropriate foreign currency hedging policy in the future.

LITIGATION AND CONTINGENCIES

As at 30 June 2026, the Group was involved in two material litigations: (i) Nanjing Haihuitong Supply Chain Service Co., Ltd (南京海滙通供應鏈服務有限公司) filed a lawsuit seeking rescission of the gratuitous transfer of 65% equity interest in 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**") by Yangzhou Laitai Trading Group Co., Ltd (揚州來泰商貿集團有限公司) (for details, please refer to the announcement dated 23 April 2025). On 12 March 2026, the Hanjiang District People's Court of Yangzhou City issued a ruling in accordance with the law, dismissing all the claims of Nanjing Haihuitong Supply Chain Service Co., Ltd (南京海滙通供應鏈服務有限公司). The property preservation measures taken by Haihuitong Supply Chain Service Co., Ltd (南京海滙通供應鏈服務有限公司) against Yangzhou Huiyin Commercial Chain Co., Ltd (揚州滙銀商業連鎖有限公司) in connection with the case have been lifted by the said ruling; (ii) the judgment in relation to Huainan Jianle Investment Co., Ltd. (淮南市健樂投資股份有限公司) litigation has become effective and may result in a disposal of equity interests in Anhui Four Seas. The Directors are of the view that the relevant litigations will not have any material adverse impact on the Group.

INTERIM DIVIDEND

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

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. Our management receives a fixed sum of basic salary and a discretionary performance bonus after annual/monthly/quarterly assessments.

The remuneration of other employees 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, the Group participates in different social welfare plans for the employees.

HUMAN RESOURCES

As at 30 June 2026, the Group had 228 employees, decreased by 17.1% from 275 employees as at 31 December 2025.

SIGNIFICANT INVESTMENTS

As at 30 June 2026, the Group did not hold any significant investments, the fair value of which accounted for more than 5% of the Group's total assets.

MANAGEMENT DISCUSSION AND ANALYSIS

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As at 30 June 2026, the Group did not have any plans for future material investments and capital assets with established and legally enforceable contracts for the coming year.

FUTURE OUTLOOK

Looking ahead to the second half of 2026, the Chinese economy will continue to face challenges from external uncertainties and divergent paces of domestic demand recovery. Nevertheless, macroeconomic policies are expected to maintain their focus on expanding domestic demand, stabilising employment, promoting consumption, fostering new quality productive forces and driving industrial upgrading. The digital economy, artificial intelligence, green computing power, industrial digitalisation and intelligence, and quality consumption will remain key areas of structural growth. The traditional consumer goods industry, on the other hand, will accelerate its return to value amidst rational consumption, channel restructuring and brand differentiation.

AI BUSINESS: FOCUSING ON AI PRODUCTS AND SERVICES AND BUILDING AN INFRASTRUCTURE SERVICE ECOSYSTEM

The Group will continue to leverage Qidian Intelligent Computing and Shanghai Huiliu Network Technology Co., Ltd. (上海繪流網絡科技有限公司) as its key business entities to deepen its deployment in areas such as AI servers, computing power equipment, domestic computing power, green computing power and AI application services. It will also proceed as planned with the establishment of an independent AI business segment and the implementation of the "procurement-on-demand and integrated services" model. During the Reporting Period, revenue from AI products and services already contributed approximately RMB44.7 million in newly added revenue, providing preliminary performance validation for the commercialisation of the Group's AI business. In the short term, the Group will prioritise the fulfilment of existing signed AI server and computing power server contracts, advancing the delivery of secured orders as scheduled. Amidst the impact of external policies on GPU supply, the Group will actively expand domestic substitution and diversified supply sources, deepen cooperation with domestic chip manufacturers, and enhance domestic chip compatibility and technical service capabilities. The Group will progressively expand from AI hardware sales and server integration into computing power leasing, data centre hosting, operation and maintenance management, technical training and industry-specific AI deployment services, thereby building a full-lifecycle service system characterised by more recurring revenue streams and higher technological added value, and forging a core growth engine for the Group's high-quality development.

MAOTAI-FLAVOR LIQUOR BUSINESS: UPHOLDING QUALITY AND CHANNELS, AND ENHANCING BRAND AND MEMBER VALUE

The Group will remain committed to the core production area, traditional craftsmanship and quality standards, and the positioning of "high-quality and affordable". It will continue to advance the proliferation of the Shengyouhui channel network, private domain member operations, scenario-based tasting experiences and brand culture cultivation. The Group will further strengthen its traditional craftsmanship, quality control and product tiering, enhance the conversion capabilities of customised jar-sealing events, tasting experiences and core community consumption scenarios, manage channel inventory and the pricing system with greater efficiency, and increase the conversion and repurchase rates among high-value customer groups. The Group will also promote the empowerment of brewing, warehousing, member operations and precision marketing through AI technology, building a competitive moat that synergises quality, brand, culture and digital intelligence.

MANAGEMENT DISCUSSION AND ANALYSIS

TRAINING BUSINESS AND HOME APPLIANCES AND DIGITAL ELECTRONIC PRODUCTS BUSINESS: OPTIMISING RESOURCE ALLOCATION AND STRENGTHENING SYNERGY AND ASSET QUALITY

The Group will continue to uphold resource optimisation and structural adjustment, focusing on directions such as enterprise digital transformation, AI application capabilities, lifelong learning and high-quality vocational skills enhancement, and enhancing the synergistic value of its course products with the Group's AI and Maotai-flavor liquor businesses. Going forward, the Group will operate its training business in a lighter, leaner and more synergistic manner, facilitating its transformation from a traditional education revenue centre to a provider of enterprise services and ecosystem connectivity capabilities. For low-efficiency investments and non-core projects, the Group will maintain a prudent attitude and drive the concentration of resources towards business segments with greater growth potential and strategic synergy.

The Group will take the proposed disposal as an important milestone, whereby while retaining the function of stable operations and cash flow support from core digital categories, it will divest non-performing assets with continuous losses, significant liabilities and relatively high potential contingent risks, thereby reducing the drain on the Group's balance sheet and operating resources caused by historical burdens. Upon completion of the disposal, the Group will continue to optimise the product structure, store efficiency, online content operations and after-sales service capabilities of its core digital categories, and will more clearly focus on AI, Maotai-flavor liquor, and corporate training and scenario-based services with synergistic value. This will form a development structure in which the technology business provides growth momentum, the Maotai-flavor liquor business captures quality consumption and cultural scenarios, the training business connects enterprise customers and ecosystem resources, and the core digital categories maintain stable cash flow support.

The Group will continue to uphold its values of "business for good with innovation and creation", steadfastly advance its dual-core strategy of "AI + Maotai-flavor liquor", and deepen the ecosystem synergy of "technology empowers consumption, consumption fuels technology". The Board and management believe that by divesting low-efficiency and non-core assets, focusing on core segments, enhancing organisational efficiency, accumulating technological capabilities, and building brand and channel strength, the Group will be able to seize structural opportunities amidst an uncertain market environment, drive long-term, stable and sustainable development, and create more resilient value returns for its shareholders.

OTHER INFORMATION

SHARE CAPITAL AND SHARE SCHEME

Details of the movements in the share capital of the Company during the Reporting Period are set out in note 8 to the consolidated financial statements.

THE 2023 SHARE AWARD SCHEME

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

The specific objectives of the 2023 Share Award Scheme are:

(i) recognise the contributions made by certain selected participants with an opportunity to acquire a proprietary interest in the Company and to provide them with incentives in order to retain them for continual operation, development and growth of the Group as a whole; and

(ii) provide additional incentives for the eligible participants to achieve performance goals.

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

Eligible Participants include:

(i) any employees of the Group at all levels (including but not limited to officers, directors and chief executives) who are responsible for the daily management and administrative services which, among others, include employees of Renhuai Guofeng ("**Employee Participant(s)**");

OTHER INFORMATION

(ii) (a) in respect of the Group's liquor business: (1) regional dealers, distributors and sales channels who have exclusive regional distribution rights in a certain district, county or province; and (2) authorised/designated dealers, distributors and sales channels with necessary operating licences who may sell liquor in any parts of the PRC; and (b) in respect of the Group's sales agency services and training business: (1) external sales agents for the promotion and sale of training courses; (2) promotion consultants/advisers; and (3) trainers/instructors of the training courses (all together "**Service Providers**").

For the avoidance of doubt, the Service Providers exclude customers purchasing goods from the Group; placing agents or financial advisers providing advisory services to the Group for fundraising, mergers or acquisitions; and professional service providers such as auditors or valuers who provide assurance or are required to perform their services to the Group with impartiality and objectivity.

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

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

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

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

OTHER INFORMATION

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

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

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

(i) the potential and/or actual contribution of the relevant Selected Participant(s) to the financial performance of the Group;

(ii) the sales performance and sales revenue of the Group by the end of each of the financial year of the Group;

(iii) the performance of the relevant Selected Participants;

(iv) the general financial condition of the Group;

(v) the Group's overall business objectives and future development plan; and

(vi) any other matter which the Board considers relevant.

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

OTHER INFORMATION

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

(a) to provide competitive terms and conditions to Selected Employees and individuals who the Board considers are valuable talent for the development and growth of the businesses of the Group in order to attract and induce them in accepting the employment offer made by the Group to them;

(b) in the event that a Selected Employee retired at his or her normal retirement date, that is, 60 of age for male employees and 50-55 of age for female employees, all the Awarded Shares of the relevant Selected Employee, as determined by the Board in its absolute discretion, shall be deemed to be vested on the day immediately prior to his or her normal retirement or such earlier or later date by agreement with the relevant member of the Group;

(c) in the event of the death of a Selected Employee at any time prior to a Vesting Date, the Awarded Shares of such Selected Employee shall be deemed to be vested on the day immediately prior to his or her death;

(d) in the event of a change in control of the Company as defined in the Code on Takeovers and Merges and Share Buy-back prior to the Vesting Date, the Board shall determine at its absolute discretion whether such Awarded Shares shall vest to the Selected Employees; or

(e) in the event that a notice is duly given by the Company to its Shareholders to convene a general meeting for the purpose of considering a resolution for the voluntary winding-up of the Company or an order of winding up of the Company is made, the Board shall determine at its discretion whether such Awarded Shares shall vest to the Selected Employees and the time at which such Awarded Shares shall vest.

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

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

Subject to any early termination, the 2023 Share Award Scheme shall be valid and effective for a term of 10 years commencing on the Adoption Date, and its remaining life is approximately 7 years.

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

As at the date of this report, the total number of shares available for issue under the 2023 Share Award Scheme is 95,176,283, being 4.92% of the issued share capital of the Company (excluding treasury shares) as at the date of this report.

As at 1 January 2026, 57,467,985 Shares and 37,667,778 Shares were available for grant under the 2023 Share Award Scheme Limit and the Service Provider Sublimit, respectively. As at 30 June 2026, 46,071,510 Shares and 26,271,303 Shares were available for grant under the 2023 Share Award Scheme Limit and the Service Provider Sublimit, respectively.

OTHER INFORMATION

The 11,396,475 Shares that may be issued upon exercise of the options and awards granted under all plans of the Company during the Reporting Period, divided by the weighted average number of issued Shares (excluding treasury shares) for the six months ended 30 June 2026, represent approximately 0.59%.

The table below sets out the details of movements of the Award Shares granted during the Reporting Period under the 2023 Share Award Scheme:

Name or category of selected articipants	Position	Date of grant	Vesting period	Number of Award Shares: Outstanding as at 1 January 2026	Granted during the Reporting Period	Vested during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Outstanding as at 30 June 2026	Purchase price (HKD per Share)	Closing price immediately before the date of grant (HKD per Share)	Fair value of Shares at the date of grant (HKD per Share) (Note 3)	Weighted average closing price immediately before the vesting date (HKD per Share)	Performance target
Director of the Company														
Wang Xianfu	Non-executive Director	31 October 2025	31 October 2026	1,200,000	0	0	0	0	1,200,000	0.00	4.73	4.68	–	Note 1
Service Providers														
		29 July 2025	From 29 July 2025 to 28 July 2026	23,400,620	0	0	0	0	23,400,620	0.00	3.85	3.75	–	Note 2
		29 April 2026	From 29 April 2026 to 29 April 2027	–	11,396,475	0	0	0	11,396,475	0.00	1.89	1.80	–	Note 3
Total				24,600,620	11,396,475	0	0	0	35,997,095					

Notes:

(1) There is no performance target. In considering the Grant made to Mr. Wang Xianfu, the Remuneration Committee has taken into account the following factors: (i) the expected value of the Award Shares subject to the future market price of the Shares, which in turn depends on the business performance of the Group; and (ii) the profound experience of Mr. Wang Xianfu in the education and training industry.

(2) There is no performance target for the Grantees. In considering the Grants made to the Grantees, the Remuneration Committee has taken into account the following factors: (i) the expected value of the Award Shares subject to the future market price of the Shares, which in turn depends on the business performance of the Group; and (ii) the sales performance and contributions made by the Grantees during the year 2024.

(3) There is no performance target for the Grantees. In considering the Grants made to the Grantees, the Remuneration Committee has taken into account the following factors: (i) the expected value of the Award Shares subject to the future market price of the Shares, which in turn depends on the business performance of the Group; and (ii) the sales performance and contributions made by the Grantees during the year 2025.

(4) The fair value of the Award Shares was calculated based on market price of the Company's Shares as at the respective grant date.

OTHER INFORMATION

AUTHORISED SHARE CAPITAL OF THE COMPANY

As at 30 June 2026, the authorised share capital of the Company was US$100,000,000 divided into 5,000,000,000 Shares.

DIRECTORS' RIGHT TO ACQUIRE SHARE OR DEBT SECURITIES

At no time during the Reporting Period was the Company or any of its subsidiaries a party to any arrangements to enable the Directors or chief executives of the Company (including their spouses or children under 18 years of age) to have any right to subscribe for securities of the Company or any of its associated corporations as defined in the Securities and Futures Ordinance ("**SFO**") or to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

During the Reporting Period, there was no transaction, agreement or contract of significance in relation to the Company's business, to which the Company or any of its subsidiaries was a party, and in which a Director or his/her connected entity had, whether directly or indirectly, a material interest.

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2026, the interests or short positions of the Directors and chief executives of the Company in the equity or debt securities of the Company or any associated corporations (within the meaning of part XV of the SFO which had to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") under Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions which they are taken or deemed to have under such provisions of the SFO), or which was required, under Section 352 of the SFO, to be entered in the register referred to in that section, or under the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"), to be notified to the Company and the Stock Exchange, were as follows:

Name	Name of corporation	Capacity and nature of interest	Aggregate number of ordinary shares or underlying shares	Approximate percentage of interest in the corporation
Yuan Li[Note 1]	The Company	Interest of controlled corporation	604,600,366 shares (L)	31.27%
Sun Yue	The Company	Beneficial owner	3,965,678 shares (L)	0.21%
Zhuang Liangbao[Note 2]	The Company	Interest of controlled corporation	11,460,928 shares (L)	0.59%
Yuan Lijun [Note 3]	The Company	Interest of controlled corporation	36,114,570 shares (L)	1.87%
Wang Xianfu	The Company	Beneficial owner	1,800,000 shares (L)	0.10%

(L) Denotes long position

Notes:

(1) First, 327,553,334 shares were held by Greatssjy Co., Ltd. as beneficial owner. Greatssjy Co., Ltd. was wholly-owned by Mr. Yuan Li. Second, 277,047,032 shares were held by Noble Trade International Holdings Limited* (聖行國際集團有限公司) (formerly known as Noble Trade International Holdings Limited (聖商國際集團有限公司)) ("**Noble Trade International**") as beneficial owner. Noble Trade International was wholly-owned by Mogen Ltd. ("**Mogen**"). Mogen was 100.00% owned by Mr. Yuan Li through Greatssjy Co., Ltd.

OTHER INFORMATION

(2) First, 11,460,928 shares are held by Zhuanglb Co., Ltd. as beneficial owner. Zhuanglb Co., Ltd. is wholly-owned by Mr. Zhuang Liangbao. Mr. Zhuang Liangbao is deemed to be interested in these shares under Part XV of the SFO.

(3) The 36,114,570 shares were held by WZQi Ltd. as beneficial owner. WZQi Ltd. was controlled as to 99.99% by Mr. Yuan Lijun.

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

As at 30 June 2026, the interests or short positions of those persons (other than Directors or chief executives whose interests are disclosed above) in the ordinary shares of the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name	Name of corporation	Capacity and Nature of interest	Aggregate number of ordinary shares	Approximate percentage of interest in the corporation
Greatssjy Co., Ltd. (Note 1)	The Company	Beneficial owner	327,553,334 shares (L)	16.94%
Mogen Ltd. (Note 2)	The Company	Interest of controlled corporation	277,047,032 shares (L)	14.33%
Noble Trade International Holdings Limited* (聖行國際集團有限公司) (Note 2)	The Company	Beneficial owner	277,047,032 shares (L)	14.33%

(L) Denote long position

Notes:

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

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

OTHER INFORMATION

DIRECTORS' INTERESTS IN A COMPETING BUSINESS

During the period from 1 January 2026 up to the date of this interim report, no Directors were considered to have interests in a business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group, as defined in the Listing Rules.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

During the six months ended 30 June 2026 and up to the date of this interim report, the Company has applied the principles and code provisions of the Corporate Governance Code ("**CG Code**") contained in Appendix C1 to the Listing Rules (the "**Code Provisions**") as the basis of the Company's corporate governance practices. The Board is of the view that the Company has complied with the Code Provisions set out in the CG Code during the six months ended 30 June 2026 and up to the date of this interim report.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its own code of conduct regarding Directors' securities transactions. Specific enquiry has been made with all Directors and each of the Directors has confirmed his/her compliance with the required standard set out in the Model Code during the six months ended 30 June 2026.

The Company has also established the written guidelines no less exacting than the Model Code for securities transactions by relevant employees of the Company (the "**Employees Written Guidelines**"). No incident of non-compliance of the Employees Written Guidelines by the relevant employees was noted by the Company.

AUDIT COMMITTEE

During the six months ended 30 June 2026, the Audit Committee comprises the independent non-executive Directors, namely Mr. Zhang Yihua, Mr. Kong Xiangming and Ms. Tang Chung Kwan Brenda, including two independent non-executive Directors who possess the appropriate professional qualifications or accounting or related financial management expertise.

As of the date of this report, the composition of the Audit Committee is in compliance with relevant requirements of the Listing Rules. The Audit Committee has adopted the terms of reference in line with the CG Code issued by the Stock Exchange. The principal duties of the Audit Committee are to assist the Board in reviewing the financial information and reporting process, internal control procedures and risk management system, audit plan and relationship with external auditors and arrangements to enable employees of the Company, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters of the Company. The Audit Committee has in conjunction with management reviewed the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a review of this report.

There is no disagreement between the Board and the Audit Committee regarding the accounting treatment adopted by the Company.

OTHER INFORMATION

SUFFICIENCY OF PUBLIC FLOAT

Based on the publicly available information and to the best of the Directors' knowledge, information and belief, the Company has maintained a sufficient public float throughout the six months ended 30 June 2026, and up to the date of this report.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company (including sale of treasury shares) during the six months ended 30 June 2026. As at 30 June 2026, the Company did not have any treasury shares.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this report, there are no other important events after the Reporting Period.

On behalf of the Board
Yuan Li
Chairman
Shenzhen, PRC, 28 August 2026

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Notes	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
ASSETS			
Non-current assets			
Property, plant and equipment		2,269	2,762
Right-of-use assets		19,592	13,898
Intangible assets		42,742	42,742
Goodwill		238,596	238,596
Interest in an associate		—	64
Deferred tax assets		1,362	1,362
Total non-current assets		304,561	299,424
Current assets			
Inventories	3	38,487	35,779
Trade receivables	4	64,217	70,075
Prepayments, deposits and other receivables	5	35,146	54,514
Restricted bank deposits	6	4,722	4,116
Cash and cash equivalents	7	19,541	36,150
Total current assets		162,113	200,634
Total assets		466,674	500,058
EQUITY			
Share capital	8	271,180	270,906
Reserves		(146,182)	(135,971)
Equity attributable to owners of the Company		124,998	134,935
Non-controlling interests		(157)	1,510
Total equity		124,841	136,445

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Notes	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities		11,408	11,408
Borrowings	11	59,553	74,207
Other payables	10	20,758	20,758
Lease liabilities		12,925	7,498
Provision for reinstatement costs		233	233
Total non-current liabilities		104,877	114,104
Current liabilities			
Trade and bills payables	9	32,050	39,131
Accruals and other payables	10	59,862	58,177
Contract liabilities		72,176	83,246
Lease liabilities		7,231	6,430
Borrowings	11	4,560	1,448
Other current liabilities		61,077	61,077
Total current liabilities		236,956	249,509
Total liabilities		341,833	363,613
Total equity and liabilities		466,674	500,058
Net current liabilities		(74,843)	(48,875)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

	Notes	Six months ended 30 June 2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Revenue	12	**235,469**	181,907
Cost of sales and services		**(209,940)**	(144,548)
Gross profit		**25,529**	37,359
Other income	13	**358**	135
Other gains and losses, net	14	**1,455**	177
Impairment loss on trade receivables		**(487)**	(1,765)
Reversal of impairment loss on prepayment, deposits and other receivables		**569**	1,443
Share of result of an associate		**(64)**	(90)
Selling and marketing expenses		**(18,853)**	(30,784)
Administrative expenses		**(43,869)**	(30,004)
Operating loss		**(35,362)**	(23,529)
Finance income		**30**	3,053
Finance costs		**(596)**	(985)
Net finance (costs)/income	16	**(566)**	2,068
Loss before income tax	15	**(35,928)**	(21,461)
Income tax expense	17	**(841)**	(497)
Loss and total comprehensive expense for the period		**(36,769)**	(21,958)
Total comprehensive expense attributable to:			
– Owners of the Company		**(35,102)**	(19,286)
– Non-controlling interests		**(1,667)**	(2,672)
		(36,769)	(21,958)
Loss per share for loss attributable to owners of the Company (expressed in RMB per share)			
– Basic and diluted	18	**(0.02)**	(0.01)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Share capital RMB'000	Share premium RMB'000	Treasury stock RMB'000	Statutory reserves RMB'000	FVTOCI reserves RMB'000	Other reserves RMB'000	Accumulated losses RMB'000	Sub-total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 2025 (audited)	253,128	4,508,874	–	28,156	–	61,035	(4,652,309)	198,884	11,368	210,252
Loss and total comprehensive expense for the period	–	–	–	–	–	–	(19,286)	(19,286)	(2,672)	(21,958)
Issuance of award share	912	3,923	–	–	–	(4,835)	–	–	–	–
Equity settled share-based payment expenses	–	–	–	–	–	3,348	–	3,348	–	3,348
Balance at 30 June 2025 (unaudited)	254,040	4,512,797	–	28,156	–	59,548	(4,671,595)	182,946	8,696	191,642
Balance at 1 January 2026 (audited)	270,906	4,904,122	(155,985)	28,216	(333)	158,769	(5,070,760)	134,935	1,510	136,445
Loss and total comprehensive expense for the period	–	–	–	–	–	–	(35,102)	(35,102)	(1,667)	(36,769)
Issuance of share under debt capitalisation	274	4,530	–	–	–	–	–	4,804	–	4,804
Equity settled share-based payment expenses	–	–	–	–	–	20,361	–	20,361	–	20,361
Balance at 30 June 2026 (unaudited)	271,180	4,908,652	(155,985)	28,216	(333)	179,130	(5,105,862)	124,998	(157)	124,841

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026 **RMB'000** **(unaudited)**	2025 RMB'000 (unaudited)
Net cash used in operating activities	**(7,830)**	(17,261)
Net cash generated from investing activities	**97**	88
FINANCING ACTIVITIES		
Addition of borrowings	**31,532**	19,462
Repayment of borrowings	**(37,340)**	—
Other financing cash flows	**(3,068)**	(4,975)
Net cash (used in)/generated from financing activities	**(8,876)**	14,487
Net decrease in cash and cash equivalents	**(16,609)**	(2,686)
Cash and cash equivalents at beginning of period	**36,150**	27,676
Cash and cash equivalents at end of period	**19,541**	24,990
Analysis of balances of cash and cash equivalents		
Bank and cash balances	**19,541**	24,990

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

1. GENERAL INFORMATION

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

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

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

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" as issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements of the Company for the year ended 31 December 2025 which have been prepared in accordance with all applicable HKFRS Accounting Standards.

The condensed consolidated financial statements are presented in Renminbi ("RMB"), which is the functional currency of the Company and all values are rounded to the nearest thousands (RMB'000), unless otherwise indicated.

The directors of the Company have, at the time of approving the condensed consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue as a going concern for the foreseeable future. Consequently, the directors of the Company continue to adopt the going concern basis of accounting in preparing the condensed consolidated financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

The condensed consolidated financial statements have been prepared under the historical cost convention.

Other than change in accounting policies resulting from application of amendments to HKFRS Accounting Standards, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2026 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 December 2025.

APPLICATION OF AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

In the current interim period, the Group has applied the following amendments to HKFRS Accounting Standards as issued by the HKICPA, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2026 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Contracts Referencing Nature dependent Electricity
Amendments to HKFRS Accounting Standards– Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7

The application of the amendments to HKFRS Accounting Standards in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

3. INVENTORIES

	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Merchandise held for resale	**39,449**	36,715
Less: Write-down of inventories for obsolescence	**(962)**	(936)
Total	**38,487**	35,779

4. TRADE RECEIVABLES

	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Trade receivables, gross	**68,450**	73,821
Less: Allowance for credit loss	**(4,233)**	(3,746)
Trade receivables, net	**64,217**	70,075

The credit terms granted to customers by the Group ranges from 30 days to 365 days.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

4. TRADE RECEIVABLES *(Continued)*

The aging analysis of trade receivables based on invoice date, before allowance for credit loss as at the end of the Reporting Period is as follows:

	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Within 90 days	68,030	47,289
91 - 365 days	77	26,025
1 - 2 years	137	277
2 - 3 years	—	25
Over 3 years	206	205
Total	68,450	73,821

As at 30 June 2026, included in the Group's trade receivables balance are debtors with aggregate carrying amount of approximately RMB39,000 (31 December 2025: RMB2,113,000) which are past due as at the reporting date. None of them is considered as in default.

5. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Prepayments to suppliers	20,941	39,967
Deposits	11,050	10,103
Valued added tax recoverable	2	597
Other receivables from third parties, net of provision		
– Staff advances	1,992	1,061
– Others	1,161	2,786
	35,146	54,514

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

6. RESTRICTED BANK DEPOSITS

Deposits of approximately RMB4,722,000 (31 December 2025: RMB4,116,000) have been pledged to banks as collateral for the Group's bills payable as at 30 June 2026. The deposits are expected to be released within twelve months from the end of the reporting period and are classified as current assets.

7. CASH AND CASH EQUIVALENTS

	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Cash on hand		
– denominated in RMB	**—**	69
Cash at bank		
– denominated in RMB	**18,061**	32,927
– denominated in HK$	**144**	1,554
– denominated in United States dollars ("US$")	**1,336**	1,600
	19,541	36,081
Total cash and cash equivalents	**19,541**	36,150

8. SHARE CAPITAL

Ordinary shares of US$0.02 each:

	Number of ordinary Shares '000	**Amount US$'000**	**Amount equivalent to RMB'000**
Authorised:			
At 1 January 2025 (audited),			
31 December 2025 (audited),			
1 January 2026 (audited),			
30 June 2026 (unaudited)	5,000,000	100,000	697,851

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

8. SHARE CAPITAL *(Continued)*

	Notes	Number of ordinary shares	Amount US$'000	Amount equivalent to RMB'000
Issued and fully paid:				
As at 1 January 2025 (audited)		1,805,728,508	36,115	253,128
Issuance of award shares	(a)	8,127,000	163	1,168
Issuance of shares held as treasury stock for share award granted	(b)	23,400,620	468	3,317
Issuance as consideration for acquisition of the issued share capital of a subsidiary	(c)	94,069,530	1,881	13,293
As at 31 December 2025 (audited) and 1 January 2026 (audited)		1,931,325,658	38,627	270,906
Issuance of shares under debt capitalisation	(d)	1,975,000	39	274
As at 30 June 2026 (unaudited)		1,933,300,658	38,666	271,180

a) 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.

b) 23,400,620 shares were granted and vested to service providers of the Company on 29 July 2025 and were issued on 29 July 2025, which were held by the Company in treasury stock pending the transfer of shares to service providers on 29 July 2026, in accordance with the grant notice dated on 29 July 2025.

c) On 7 September 2025, the Company entered into an acquisition agreement with independent third parties, pursuant to which the Company has conditionally agreed to acquire and the vendors have conditionally agreed to sell the entire equity interest in Hong Kong HuiLiu Limited ("HuiLiu"). The Company's acquisition of HuiLiu is completed on 15 December 2025. 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.

d) On 3 February 2026, the Group completed the debt capitalisation pursuant to the deed of settlement with China Ruike Investment & Development Co., Ltd ("China Ruike"). The outstanding amount of RMB5,057,000 was settled by the allotment and issue of 1,975,000 new ordinary shares of the Company at an issue price of HK$2.73 per share.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

9. TRADE AND BILLS PAYABLES

	Note	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Trade payables		**27,450**	35,015
Bills payable	(a)	**4,600**	4,116
		32,050	39,131

Note:

(a) As at 30 June 2026, the bills payable were secured by restricted bank deposits of approximately RMB4,722,000 (31 December 2025: RMB4,116,000). 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 condensed 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 for both Reporting Periods.

Aging analysis of trade and bills payables based on invoice date as at the end of the Reporting Period is as follows:

	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
0 - 30 days	**9,976**	18,117
31 - 90 days	**17,105**	13,192
91 - 365 days	**3,060**	3,540
1 year - 2 years	**1,594**	1,300
2 years - 3 years	**315**	1,152
Over 3 years	**—**	1,830
	32,050	39,131

The trade and bills payables are denominated in RMB and their carrying amounts were approximated to their fair values as at the end of the Reporting Period.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

10. ACCRUALS AND OTHER PAYABLES

	Notes	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Non current liabilities			
Interest payables	(a)	**20,758**	20,758
Current liabilities			
Salary and welfare payables		**2,967**	3,376
Accrued expenses		**31,704**	24,547
Deposits	(b)	**21,860**	21,793
Value added tax and other tax payables		**3,331**	3,404
Amounts due to a former shareholder	(c)	**—**	5,057
		59,862	58,177

a) At 1 January 2024, the Group had interest payables totalling RMB32,424,000 owed to Chongqing Saint Information Technology Co., Ltd,* (重慶聖商信息科技有限公司) ("Chongqing Saint"), in which Mr. Yuan Li, is the ultimate controlling party of the Company. This interest payables were repayable at 10 March 2024.

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

b) Included in deposits are mainly performance guarantee deposits received for the purpose of securing the deliveries of satisfactory goods and services by service providers.

c) At 31 December 2025, the amount due to a former shareholder represented an advance from China Ruike of RMB5,057,000 made in 2017. The amount was unsecured, interest-free and repayable on demand.

At 3 February 2026, the Group completed the debt capitalisation pursuant to the deed of settlement with China Ruike. The outstanding amount of RMB5,057,000 was settled by the allotment and issue of 1,975,000 new ordinary shares of the Company at an issue price of HK$2.73 per share. Accordingly, the amount due to the former shareholder was fully settled and the balance at 30 June 2026 was Nil.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

11. BORROWINGS

	Notes	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Non-current			
Loans from shareholders	(A)	**9,841**	10,098
Loan from a former shareholder	(B)	**6,394**	3,788
Other borrowings	(C)	**43,318**	60,321
		59,553	74,207
Current			
Loans from shareholders	(A)	**3,214**	—
Other borrowings	(C)	**1,346**	1,448
		4,560	1,448
Unsecured		**64,113**	75,655

At 30 June 2026 and 31 December 2025, the borrowings were repayable as follows:

	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Within 1 year or demand	**4,560**	1,448
After 1 year but within 2 years	**20,331**	15,893
After 2 years but within 5 years	**39,222**	58,314
	64,113	75,655

(A) LOANS FROM SHAREHOLDERS

	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Noble Trade International Holdings Limited ("Noble Trade International")	**12,785**	10,098
Mr. Yuan Li	**270**	—
	13,055	10,098

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

11. BORROWINGS *(Continued)*

(A) LOANS FROM SHAREHOLDERS *(Continued)*

Note:

The movement of loan from Noble Trade International is set out below:

	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
At the beginning of the period/year	**10,098**	85,010
Addition of borrowings	**6,039**	10,035
Repayment of borrowings	**(2,699)**	—
Accrual of interest	**128**	1,796
Exchange adjustment	**(509)**	(1,398)
Netted off with loan receivables	**—**	(85,345)
Waiver of interest payables	**(272)**	—
At the end of the period/year	**12,785**	10,098

As at 31 December 2025, the total principal amount of borrowings from Noble Trade International amounted to HK$10,000,000 (equivalent to approximately RMB9,032,000) and US$130,000 (equivalent to approximately RMB914,000) and interest payables amounted to approximately HK$168,000 (equivalent to approximately RMB152,000). These borrowings are unsecured, interest bearing ranged from 0% - 3.5% per annum and repayable on 8 July 2028 and 29 October 2028, respectively.

As at 30 June 2026, the total principal amount of borrowings from Noble Trade International amounted to HK$10,000,000 (equivalent to approximately RMB8,686,000), HK$3,700,000 (equivalent to approximately RMB3,214,000) and US$130,000 (equivalent to approximately RMB885,000) and interest payables amounted to Nil. These borrowings are unsecured, interest-free and repayable on 6 January 2027, 8 July 2028, and 29 October 2028, respectively.

Pursuant to a supplemental agreement entered into with Noble Trade International on 12 January 2026, the lender agreed to waive all accrued and future interest in respect of the HK$10,000,000 borrowing from its borrowing date until its repayment date, and accordingly the interest rate of such borrowing was revised from 3.5% per annum to 0% per annum. After signing of the supplemental agreement, these borrowings are unsecured, interest-free and repayable on 8 July 2028, 6 January 2027 and 29 October 2028, respectively. The effective interest rates of the loans are 11.64% per annum.

(B) LOAN FROM A FORMER SHAREHOLDER

	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Chongqing Saint	**6,394**	3,788

As at 30 June 2026, the total principal amount of borrowings from Chongqing Saint amounted to approximately RMB3,210,000, RMB300,000 and RMB2,728,000 and interest payables amounted to approximately RMB156,000. These borrowings are unsecured, interest bearing at 3.0%, 3.0% and interest-free and repayable on 25 November 2027, 12 January 2028 and 28 June 2029, respectively.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

11. BORROWINGS *(Continued)*

(C) OTHER BORROWINGS

	Notes	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Loan from independent third parties			
Mr. Wu Jipeng	(a)	**1,296**	1,348
Guangdong Shengrong Financial Services Holdings Limited (廣東聖融金服控股有限公司) ("Guangdong Shengrong")	(b)	**11,596**	11,596
Mr. Ma Cheng	(c)	**50**	100
		12,942	13,044
A related party			
Mr. Yuan Yang	(d)	**5,069**	5,172
Xinyu Force Awakening Enterprise Management Partnership (Limited Partnership) ("Xinyu")	(e)	**26,653**	43,553
		31,722	48,725
Total other borrowings		**44,664**	61,769

Notes:

a) Mr. Wu Jipeng is a friend of the chairman. The directors of the Company, to the best of their knowledge, information and belief, considered that Mr. Wu Jipeng is an independent third party of the Group. The loan is unsecured, interest bearing at 5.5% per annum and repayable on 31 December 2026.

b) Amount due to Guangdong Shengrong represented interest payable of approximately RMB12,613,000. On 25 November 2024, the Group entered into an extension agreement with Guangdong Shengrong, pursuant to which, the repayment date of interest payable of approximately RMB12,613,000, with amortised cost of RMB11,087,000, has been extended to 26 November 2027 and gain on extension of interest payables of RMB1,574,000 was recognised accordingly for the year ended 31 December 2024.

c) At 30 June 2026, the loan is unsecured, interest-free and repayable on 29 December 2026.

d) Mr. Yuan Yang (袁煬), is the brother of Mr. Yuan Li, the ultimate controlling party of the Company. As at 30 June 2026, the borrowings from Mr. Yuan Yang amounted to approximately HK$5,836,000 (equivalent to approximately RMB5,069,000) (31 December 2025: approximately HK$5,727,000 (equivalent to approximately RMB5,172,000)). This borrowing is unsecured, interest bearing at 4% per annum and repayable on 12 October 2027.

e) Xinyu is a related party of the Group. 82% of shares of Xinyu were held by Mr. Yuan Li, the ultimate controlling party of the Company. On 13 July 2025, 1 August 2025 and 1 December 2025, Xinyu lent the principal amounts of RMB18,600,000, RMB36,400,000 and RMB2,500,000 respectively to the Group which are interest-free, unsecured and repayable on 12 July 2028, 31 July 2028 and 30 November 2028 respectively. The effective interest rates of the loans are 11.36% per annum. The discounting effect of RMB13,947,000 between the present value of the loans and the principal amount of the loans was recognised as capital contribution and was included in the consolidated statement of changes in equity for the year ended 31 December 2025. During the six months ended 30 June 2026, the Group repaid principal amounts of approximately RMB49,300,000 and obtained additional loan of approximately RMB32,400,000 in respect of the borrowings from Xinyu.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

12. REVENUE AND SEGMENT INFORMATION

(i) REVENUE

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

Disaggregation of revenue from contracts with customers is as follows:

	Six months ended 30 June	
	2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Types of goods and services		
Sales of home appliances	**88,547**	124,049
Sales of liquor	**98,439**	17,215
Education-related training services	**3,750**	40,643
AI products and services	**44,733**	—
Total revenue	**235,469**	181,907
Timing of revenue recognition		
A point in time	**231,719**	141,264
Over time	**3,750**	40,643
	235,469	181,907

(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.

AI products and services: sales and delivery of AI servers, computing power equipment and related hardware, as well as GPU distribution.

After carefully reviewing the Group's strategic position in its sales of AI products and services, the Group decided to combine the "Livestream e-commerce" reporting segment into "AI products and services", which includes the business described above for better presentation.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

12. REVENUE AND SEGMENT INFORMATION *(Continued)*

(ii) SEGMENT INFORMATION *(Continued)*

Segment revenues and results

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

	Household appliance business RMB'000 (unaudited)	Liquor business RMB'000 (unaudited)	Education business RMB'000 (unaudited)	AI products and services RMB'000 (unaudited)	Total RMB'000 (unaudited)
Six months ended 30 June 2026					
Revenue sales to external customers	88,547	98,439	3,750	44,733	235,469
Segment results	(5,449)	(8,908)	1,885	(1,672)	(14,144)
Unallocated income					1,274
Unallocated expenses					(22,994)
Share of result of an associate					(64)
Loss before income tax					(35,928)

	Household appliance business RMB'000 (unaudited)	Liquor business RMB'000 (unaudited)	Education business RMB'000 (unaudited)	Livestream e-commerce RMB'000 (unaudited)	Total RMB'000 (unaudited)
Six months ended 30 June 2025					
Revenue sales to external customers	124,049	17,215	40,643	—	181,907
Segment results	(3,726)	(3,324)	(8,227)	—	(15,277)
Unallocated income					503
Unallocated expenses					(6,597)
Share of result of an associate					(90)
Loss before income tax					(21,461)

12. REVENUE AND SEGMENT INFORMATION *(Continued)*

(ii) SEGMENT INFORMATION *(Continued)*

Segment assets and liabilities

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

At 30 June 2026

Segment assets and liabilities	Household appliance business RMB'000 (unaudited)	Liquor business RMB'000 (unaudited)	Education business RMB'000 (unaudited)	AI products and services RMB'000 (unaudited)	Total RMB'000 (unaudited)
Segment assets	93,572	32,853	3,128	331,829	461,382
Unallocated assets					5,292
Total assets					466,674
Segment liabilities	129,285	38,714	72,729	29,315	270,043
Unallocated liabilities					71,790
Total liabilities					341,833

At 31 December 2025

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

13. OTHER INCOME

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Activities income	**243**	51
Others	**115**	84
	358	135

14. OTHER GAINS AND LOSSES, NET

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
(Write-down)/reversal of write-down of inventories	**(26)**	454
Gain on early termination of lease agreement	**211**	—
Gain on waiver of interest payables	**446**	—
Exchange gains, net	**695**	—
Gain on debt capitalisation	**252**	—
Others	**(123)**	(277)
	1,455	177

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

15. LOSS BEFORE INCOME TAX

Loss before income tax has been arrived at after charging:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Cost of sales and services	**209,940**	144,548
Employee benefit expenses (including the directors' emoluments)	**15,255**	22,800
Depreciation of right-of-use assets	**3,493**	3,576
Depreciation of property, plant and equipment	**391**	391

16. NET FINANCE COSTS/(INCOME)

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Finance costs		
– Interest expenses on other borrowings	**276**	2,107
– Interest expenses on lease liabilities	**320**	403
– Gain on foreign exchange from borrowings	**—**	(1,525)
	596	985
Finance income		
– Interest income on bank deposits	**(30)**	(148)
– Interest income on loan receivables	**—**	(2,905)
Net finance costs/(income)	**566**	(2,068)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

17. INCOME TAX

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
PRC enterprise income tax		
– Under provision in prior years	**—**	573
– Provision for the year	**841**	—
Deferred tax – current year	**—**	(76)
Income tax expenses	**841**	497

(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 for the six months ended 30 June 2026 (Six months ended 30 June 2025: 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 periods.

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

18. LOSS PER SHARE

Basic and diluted loss per share is calculated by dividing the loss for the period attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period.

	Six months ended 30 June	
	2026	2025
	(unaudited)	(unaudited)
Loss attributable to owners of the Company (RMB'000)	**(35,102)**	(19,286)
Weighted average number of ordinary shares in issue ('000)	**1,932,940**	1,806,952
Basic loss per share (RMB)	**(0.02)**	(0.01)

DILUTED

The Group had no potentially dilutive ordinary shares in issue for the six months ended 30 June 2026 and 2025. Accordingly, the diluted loss per share is computed to be the same as the basic loss per share for the six months ended 30 June 2026 and 2025.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

19. INTERIM DIVIDENDS

No interim dividend was declared during the six months ended 30 June 2026 (six months ended 30 June 2025: Nil) and the directors of the Company do not recommend the payment of any interim dividend for the six months ended 30 June 2026.

20. LITIGATION AND CONTINGENCIES

As at 30 June 2026, the Group was involved in two material litigations: (i) Nanjing Haihuitong Supply Chain Service Co., Ltd (南京海滙通供應鏈服務有限公司) filed a lawsuit seeking rescission of the gratuitous transfer of 65% equity interest in 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**") by Yangzhou Laitai Trading Group Co., Ltd* (揚州來泰商貿集團有限公司) (for details, please refer to the announcement dated 23 April 2025). On 12 March 2026, the Hanjiang District People's Court of Yangzhou City issued a ruling in accordance with the law, dismissing all the claims of Nanjing Haihuitong Supply Chain Service Co., Ltd (南京海滙通供應鏈服務有限公司). The property preservation measures taken by Haihuitong Supply Chain Service Co., Ltd (南京海滙通供應鏈服務有限公司) against Yangzhou Huiyin Commercial Chain Co., Ltd (揚州滙銀商業連鎖有限公司) in connection with the case have been lifted by the said ruling; (ii) the judgment in relation to Huainan Jianle Investment Co., Ltd*. (淮南市健樂投資股份有限公司) litigation has become effective and may result in a disposal of equity interests in Anhui Four Seas. The directors of the Company are of the view that the relevant litigations will not have any material adverse impact on the Group.

21. EVENT AFTER THE END OF THE REPORTING PERIOD

Save as disclosed in the report, there was no other significant event after the reporting period.