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Jiyi Holdings Limited

集 一 控 股 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1495)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2025

The board (the "**Board**") of directors (the "**Directors**") of Jiyi Holdings Limited (the "**Company**") is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, referred to as the "**Group**") for the six months ended 30 June 2025 ("**IH2025**"), together with the comparative figures for the six months ended 30 June 2024 ("**IH2024**") as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

		Six months ended 30 June	
		2025	2024
	Notes	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited) (Restated)
Revenue	*4*	**193,162**	206,839
Cost of sales	*4*	**(185,846)**	(203,212)
Gross profit		**7,316**	3,627
Other income		**1**	272
Other expenses, net		**(40)**	(3)
Distribution and selling expenses		**(466)**	(740)
Administrative expenses		**(3,380)**	(9,203)
Provision for litigation and legal expenses		**(6,757)**	(1,800)
Provision for impairment losses under expected credit loss model, net		**–**	(79,366)
Finance costs		**(5,424)**	(5,315)
Loss before tax		**(8,750)**	(92,528)
Income tax expense	*7*	**–**	–
Loss for the period		**(8,750)**	(92,528)
Other comprehensive (loss)/income:			
Item that maybe reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**(344)**	2,809
Other comprehensive (loss)/income for the period, net of income tax		**(344)**	2,809
Total comprehensive losses for the period, net of income tax		**(9,094)**	(89,719)

	Notes	Six months ended 30 June **2025** ***RMB'000*** **(Unaudited)**	2024 *RMB'000* (Unaudited) (Restated)
Loss for the period attributable to:			
— Owners of the Company		**(8,748)**	(92,525)
— Non-controlling interests		**(2)**	(3)
		(8,750)	(92,528)
Total comprehensive loss for the period attributable to:			
— Owners of the Company		**(9,092)**	(89,716)
— Non-controlling interests		**(2)**	(3)
		(9,094)	(89,719)
Loss per share			
— Basic *(RMB cents)*	*8*	**(3.32)**	(35.08)
— Diluted *(RMB cents)*	*8*	**(3.32)**	(35.08)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

	Notes	**As at 30 June 2025** **RMB'000** **(Unaudited)**	As at 31 December 2024 RMB'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		**15,137**	16,060
Right-of-use assets		**9,123**	9,510
Investment properties		**43,810**	43,810
Goodwill		**–**	–
Prepayment for acquisition of investment properties		**7,270**	7,270
		75,340	76,650
Current assets			
Trade and other receivables and prepayments	*10*	**344,894**	347,587
Contract assets		**225,588**	208,685
Restricted cash		**392**	392
Bank balances and cash		**1,952**	5,041
		572,826	561,705
Total assets		**648,166**	638,355

	Notes	As at 30 June 2025 *RMB'000* (Unaudited)	As at 31 December 2024 *RMB'000* (Audited)
Current liabilities			
Trade and other payables	*11*	**249,942**	242,155
Bank borrowings		**154,320**	154,320
Other borrowings		**3,600**	3,600
Lease liabilities		**4,718**	4,762
Convertible loan notes		**51,184**	50,776
Provision for litigation and legal expenses		**51,495**	44,738
Amounts due to related parties		**34,932**	35,019
Contract liabilities		**8,512**	4,632
Income tax payables		**29,961**	29,961
		588,664	569,963
Net current liabilities		**(15,838)**	(8,258)
Total assets less current liabilities		**59,502**	68,392
Non-current liabilities			
Deferred tax liabilities		**20,974**	20,974
Net assets		**38,528**	47,418
Capital and reserves			
Share capital		**2,390**	2,390
Reserves		**34,970**	43,858
Equity attributable to owners of the Company		**37,360**	46,248
Non-controlling interests		**1,168**	1,170
Total equity		**38,528**	47,418

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Jiyi Holdings Limited (the "**Company**") was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law (as revised) of the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited. The controlling shareholder of the Company and its subsidiaries (collectively referred as to the "Group") is Xinling Limited, an ultimate and immediate holding company incorporated in the British Virgin Islands ("**BVI**") which is wholly-owned by Ms. Hou Wei. Ms. Hou Wei is the ultimate controlling individual of the Group. The address of the Company's registered office is Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman KY1–1108, Cayman Islands and the address of its principal place of business is Unit 1704, 17/F., Far East Consortium Building, No. 121 Des Voeux Road Central, Hong Kong.

The Company is an investment holding company and the Group is principally engaged in the business of sale and distribution of building and home improvement materials and furnishings and provision of interior design and building engineering services in the People's Republic of China (the "**PRC**").

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION

2.1 Basis of preparation

The unaudited condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard ("**HKAS**") 34 Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") as well as the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

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 in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the condensed consolidated financial statements.

The financial information relating to the year ended 31 December 2024 is included in those condensed consolidated financial statements as comparative information and does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those consolidated financial statements. Further information relating to these statutory financial statements is as follows:

— the Company shall deliver the consolidated financial statements for the year ended 31 December 2024 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance as soon as practicable; and

- the Company's auditor has reported on those consolidated financial statements. The auditor's report included a paragraph in relation to material uncertainty related to going concern and report on other matters under sections 407(2) and 407(3) of the Hong Kong Companies Ordinance. The auditor's report did not contain a statement under section 406(2) of the Hong Kong Companies Ordinance.

2.2 Going concern basis

For the six months ended 30 June 2025, the Group incurred a net loss of approximately RMB8.8 million. As at 30 June 2025, the Group's net current liabilities were approximately RMB15.8 million and the Group's current liabilities (including current liabilities that are in default or cross-default or contain early repayment on demand clauses) were approximately RMB588.7 million.

In addition, as of 30 June 2025, certain bank borrowings of the Group in the amount of approximately RMB154.3 million were not repaid in accordance with the scheduled repayment dates . Accordingly, as of 30 June 2025, bank and other borrowings in the aggregate principal amount of approximately RMB154.3 million were in default or cross-default. Subsequent to 30 June 2025, certain other bank and other borrowings of the Group have not been repaid in accordance with the scheduled repayment dates.

These events or circumstances indicate existing material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern . In view of the circumstances, the directors of the Company (the "**Directors**") have carefully considered the future liquidity and performance of the Group and the sources of financing available to the Group. The Group has formulated the following plans and measures to reduce liquidity pressure:

- The Company has actively maintained a dialogue with its lenders, noteholders and creditors (the "**Creditors**") regarding negotiation of the repayment terms of the Company's bank borrowings, convertible loan notes and other borrowings. As at the date of this announcement, the Creditors have indicated that considering the supportive policies of the national and local governments and the signs of the property market stablising, the Creditors believe the Company is able to overcome its financial difficulties and the Company will be able to agree on repayment terms with the Creditors that can be feasibly carried out. The Creditors have also, through the dialogue with the Company, indicated that they will not take additional legal proceedings in relation to the outstanding borrowings of the Group. As of the date of this announcement, there is no court proceedings relating to the outstanding borrowings of the Group which will have any material impact on the operations, financial position or results of the Group. The Company is actively engaging with the Creditors and the Directors believe that the Group will be able to reach an agreement with the Creditors in respect of feasible repayment terms. The Company may also explore the possibility of equity fund raising activities to raise proceeds to repay some of the Group's borrowings, which would aid in the negotiation of more favorable repayment terms;

— the Company has been actively evaluating the current financial and operating conditions with a view of unlocking the intrinsic value of the Group's business and assets as the domestic business environment gradually recovers. The Group will continue to actively adapt to market changes and capture demands. The Group intends to continue developing its higher profit margin interior design and building engineering services business to improve profitability. As at the date of this announcement, the Group has secured 35 contracts with a total contract sum of approximately RMB1,087 million;

— the Group will continue to accelerate the collection of pre-sale payment and other receivables and to seek suitable opportunities to dispose of corporate fixed assets and investment properties to generate additional cash inflows; and

— the Group has been taking measures to control operational and administrative costs and avoid unnecessary capital expenditure. The Group will also actively evaluate additional measures to further reduce non-essential expenditure.

The Board is of the opinion that, taking into account the above plans and measures implemented during the six months ended 30 June 2025, the Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due within the next twelve months from 30 June 2025. The Directors have also considered the cash flow projections of the Group prepared by the management for a period of not less than 12 months from the end of the Reporting Period. The Directors are of the opinion that, in view of the above plans and measures, the Group will have sufficient working capital for the foreseeable future to finance its operations and to meet its financial obligations as and when they fall due as agreed with its creditors. Accordingly, they are satisfied that the consolidated financial statements for the six months ended 30 June 2025 have been properly prepared on a going concern basis.

Notwithstanding the above, there remains a material uncertainty as to whether the Group will be able to realize the above plans and measures. The Group's ability to continue as a going concern will depend on the following:

(a) Its debts, including bank and other borrowings and senior notes, would be successfully extended;

(b) Successful and timely implementation of plans to accelerate the pre-sale and sale of properties under development and completed properties, accelerate the collection of outstanding sales proceeds, control costs and control capital expenditure to generate sufficient net cash inflows; and

(c) Successful sale of assets when required.

If the Group were unable to continue as a going concern, adjustments may be necessary to write down the carrying amount of assets to their net recoverable value, to provide for any further liabilities that may arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effect of these adjustments has not been reflected in the Group's consolidated financial statements for the six months ended 30 June 2025.

2.3 Application of new and amendments to Hong Kong financial reporting standards ("HKFRSs")

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments measured at fair values.

Other than additional accounting policies resulting from application of amendments to HKFRSs, and application of the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2025 are the same as those presented in the Group's annual financial statements for the year ended 31 December 2024.

Application of amendments to HKFRSs

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2025 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKAS 27	Lack of Exchangeability

The application of the amendments to HKFRSs 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 those condensed consolidated financial statements.

3. PRIOR YEAR ADJUSTMENTS

(a) In the preparation of the Company's consolidated financial statements for the year ended 31 December 2024, the Company implemented a series of measures in response to the unauthorised guarantee arrangements. The Company engaged independent advisors to conduct a special investigation (the "**Investigation**") into two incidents of unauthorised guarantee arrangements (the "**Incidents**"), commissioned appraisers to issue valuation reports on the related collateral, and conducted a comprehensive review to identify any other undisclosed unauthorised financial assistance, in order to assess the potential impact of these matters on the Company's business operations and financial condition. During the investigation, the independent advisors further discovered that Ms. Hou Wei's personal credit report indicated her involvement as a guarantor in two finance lease transactions, where the borrowers were the Company's non-wholly owned subsidiaries, Guangjilian (Guangzhou) Trading Co., Ltd. ("**Guangjilian**") and Guangxi Jiyi New Energy Technology Co., Ltd. ("**Guangxi Jiyi**"), but these transactions were not disclosed in the 2022 and 2023 annual reports, as well as 2024 interim report .

Regarding the first unauthorised guarantee arrangement, Mr. Deng Jianshen (spouse of Ms. Hou Wei), Ms. Hou Wei, and Ms. Huang Wenqing obtained a loan of RMB20,000,000 on 2 November 2020, which constituted a private lending arrangement. The guarantor for this loan was the Group's subsidiary, Jiyi Industrial Group (Shenzhen) Co. Ltd. ("**Shenzhen Jiyi**").

During a meeting held on 5 January 2022 to discuss the Group's overall operational status and financing arrangements, Mr. Hou Bo (a non-executive director of Jiyi Holdings), Mr. Ye Yihui, Mr. He Yanye, and Mr. Hou Lianchang (independent non-executive directors of Jiyi Holdings Limited) were absent. At this meeting, Ms. Huang Wenqing requested that Shenzhen Jiyi be added as a guarantor. All participants unanimously agreed to appoint Shenzhen Jiyi as the guarantor for the unauthorised guarantee provided to Mr. Deng Jianshen, Ms. Hou Wei, and Ms. Deng Yiyi.

The second unauthorised guarantee arrangement involved Guangdong Jiyi Home Building Materials Chain Co., Ltd. ("**Jiyi Home**"). On 28 January 2022, Jiyi Home authorised the prior Chief Financial Officer, Ms. Deng Yiyi, to sign a personal loan agreement with Bank of Communications Co., Ltd., Meizhou Branch, for a loan amount of RMB7,000,000. The guarantors for this loan were Jiyi Home, Mr. Deng Jianshen, Ms. Hou Wei, and Ms. Deng Yiyi. The borrower was Ms. Deng Yiyi personally.

Similarly, during a management meeting held on 16 January 2022, the same four directors were absent. These four directors were unaware of both unauthorised guarantee arrangements.

In relation to the Incidents, the guarantees provided by Ms. Deng Yiyi, Mr. Deng Jianshen, and Ms. Hou Wei essentially constituted "financial assistance provided by a listed issuer's group to connected persons or jointly held entities" as regulated under Chapter 14A of the Listing Rules, which legally requires disclosure and board approval. As the borrowers of both loans were not financial institutions, their knowledge of compliance requirements was limited, and they failed to strictly follow standardized lending procedures. Consequently, even though partial management approval was obtained, formal authorisation from the board of directors of Jiyi Holdings Limited was not secured.

Additionally, during the 2022 audit period, Guangjilian and Guangxi Jiyi signed finance leases with Herald International Financial Leasing Co., Ltd. ("**Herald Leasing**") to lease 8 and 13 new energy vehicles, respectively. As the timing of these transactions was near the end of 2022, the Company was unable to record them promptly. Although Mr. Luo Weizhao, the prior Chief Financial Officer and Company Secretary, received the relevant documents forwarded by Ms. Hou Wei, he neither processed the accounting entries nor informed the auditors. This resulted in the omission of these transactions from the 2022 and 2023 financial statements.

(i) Adjustment related to the unauthorised guarantee arrangements

The valuation report carried out by Vincorn Consulting and Appraisal Limited, independent and qualified professional valuers who are not connected to the Group or its fair value estimation process, shows that the borrowers of the two loans have already pledged their available collateral assets against existing guarantee arrangements. The value of these assets is sufficient to cover the amounts under the two unauthorised guarantee arrangements. As a result, these arrangements did not have a material impact on the consolidated financial statements for the years ended 31 December 2022, 2023, and 2024. The assessment concludes that no adjustments to the overall financial impact assessment are necessary.

(ii) Adjustment related to the unrecorded finance leases

For the accounting treatment of the unrecorded finance lease transactions, the independent advisors determined that, as of 31 December 2024, the unrecorded finance leases liabilities of Guangxi Jiyi and Guangjilian primarily involved five aspects: 1 vehicle from Guangxi Jiyi, which the group claimed it has been sold and could not be recovered, is valued at approximately RMB237,000 (2023: RMB235,000) based on the corporate credit report; issued from China Construction Bank Corporation 12 vehicles repossessed by Herald Leasing from Guangxi Jiyi, valued at approximately RMB2,744,000 (2023: RMB2,744,000) according to the credit report and settlement agreement; 1 vehicle transferred from Guangjilian to administrative officer Sun Chaohai, valued at approximately RMB111,000 (2023: RMB186,000); 4 vehicles repossessed by Herald Leasing from Guangjilian, valued at approximately RMB879,000 (2023: RMB900,000) per the settlement agreement; and 3 vehicles involved in litigation with Beijing Jinchan Huitian Investment Management Co., Ltd., valued at approximately

RMB712,000 (2023: RMB688,000). These matters collectively resulted in liabilities of approximately RMB4,683,000 (2023: RMB4,871,000). The valuation did not account for potential penalty fees, as professional judgment deemed that even if such penalties were incurred, their amount would not materially affect the overall financial assessment conclusion.

The Group has quantified the financial impact on its consolidated financial statements, and the effects are presented in the table below.

(b) Adjustment relating to the unrecorded finance leases

A summary of the effect of the restatement on the applicable line items within the Company's consolidated statement of profit or loss for the six months ended 30 June 2024 were as follows:

	Consolidated Statement of profit or loss For the six months ended 30 June 2024		
	As previously reported	**Prior year adjustment**	**As restated**
	RMB'000	*RMB'000*	*RMB'000*
		Note 3(a)(ii)	
Administrative expenses	(8,955)	(248)	(9,203)
Finance costs	(5,275)	(40)	(5,315)
Loss before tax	(92,240)	(288)	(92,528)
Loss for the year	(92,240)	(288)	(92,528)
Total comprehensive loss for the period	(89,431)	(288)	(89,719)
Loss for the year attributable to:			
— Owners of the company	(92,237)	(288)	(92,525)
Total comprehensive loss for the year attributable to:			
— Owners of the company	(89,428)	(288)	(89,716)
Loss per share attributable to owners of the Company for the year			
— Basic (RMB cents per share)	(34.97)	(0.11)	(35.08)
— Diluted (RMB cents per share)	(34.97)	(0.11)	(35.08)

4. SEGMENT INFORMATION

Information reported to the Chief Executive Officer of the Company, being the chief operating decision maker (CODM), make decisions about resource allocation based on the revenue by types of goods or services delivered or provided and reviews reports on the financial performance of the Group as a whole. No other discrete financial information is reviewed by the CODM for the assessment of performance of the Group. Therefore, no other segment information is presented. The Group is currently organised into the following two revenue streams as follows:

1. Sale and distribution of merchandise

2. Provision of interior design and engineering services

Segment revenues and results

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

For the six months ended 30 June 2025

	Sale and distribution of merchandise *RMB'000* (Unaudited)	Provision of interior design and engineering services *RMB'000* (Unaudited)	Total *RMB'000* (Unaudited)
Segment Revenue			
Segment revenue	**166,836**	**26,326**	**193,162**
Less: Inter-segment sales	**–**	**–**	**–**
External sales	**166,836**	**26,326**	**193,162**
Segment cost of sales	**(163,469)**	**(22,377)**	**(185,846)**
Segment gross profit	**3,367**	**3,949**	**7,316**

For the six months ended 30 June 2024

	Sale and distribution of merchandise *RMB'000* (Unaudited)	Provision of interior design and engineering services *RMB'000* (Unaudited)	Total *RMB'000* (Unaudited)
Segment Revenue			
Segment revenue	205,826	1,013	206,839
Less: Inter-segment sales	–	–	–
External sales	205,826	1,103	206,839
Segment cost of sales	(202,331)	(881)	(203,212)
Segment gross profit	3,495	132	3,627

The accounting policies of the operating segments are the same as the Group's accounting policies preparing the consolidated financial statements for the year ended 31 December 2024. Segment gross profit represents the gross profit earned by or loss from each segment without allocation of other income, other gains, distribution and selling expenses, administrative expenses, reversal of/provision for impairment losses under expected credit loss model, net and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Inter-segment sales are charged at costs.

The CODM makes decisions according to operating results of each segment. No analysis of segment asset and segment liability is presented as the CODM does not regularly review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment gross profit are presented.

Geographical information

The Group's operations are located on the PRC (country of domicile) and Hong Kong.

Information about the Group's revenue from external customers is presented based on the location of the relevant customers. Information about the Group's non-current assets is presented based on the geographical location of the assets.

	Revenue from external customers for the six months		**Non-current assets** *(Note)* **as at**	
	30 June 2025	30 June 2024	**30 June 2025**	31 December 2024
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Audited)
The PRC	**193,162**	206,839	**74,687**	75,750
Hong Kong	**–**	–	**653**	900
	193,162	206,839	**75,340**	76,650

Information about major customers

Revenue from customers of the corresponding periods contributing over 10% of the total sales of the Group are as follows:

	For the six months ended	
	30 June 2025	30 June 2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Customer A	**–**	38,495 *(Note 1)*
Customer B	**20,000** *(Note 1)*	–

Note:

1 Revenue from sale and distribution of merchandise segment.

5. REVENUE

Disaggregation of revenue for contracts with customers:

	For the six months ended 30 June 2025		
Segments	**Sale and distribution of merchandise**	**Provision of interior design and engineering services**	**Total**
	RMB'000	***RMB'000***	***RMB'000***
	(Unaudited)	**(Unaudited)**	**(Unaudited)**
Types of goods and services			
Sale and distribution of merchandise			
— Bulk commodity trading	**134,304**	**–**	**134,304**
— Building materials	**32,532**	**–**	**32,532**
Provision of interior design and engineering services			
— Building engineering services	**–**	**26,326**	**26,326**
Total	**166,836**	**26,326**	**193,162**
Geographical markets			
The PRC	**166,836**	**26,326**	**193,162**
Timing of revenue recognition			
At a point in time	**166,836**	**–**	**166,836**
Over time	**–**	**26,326**	**26,326**
Total	**166,836**	**26,326**	**193,162**

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information.

	For the six months ended 30 June 2025		
	Segment revenue *RMB'000* **(Unaudited)**	**Adjustments and eliminations** *RMB'000* **(Unaudited)**	**Consolidated** *RMB'000* **(Unaudited)**
Sale and distribution of merchandise	**166,836**	**–**	**166,836**
Provision of interior design and engineering services	**26,326**	**–**	**26,326**
Total revenue	**193,162**	**–**	**193,162**

Disaggregation of revenue for contracts with customers:

Segments	For the six months ended 30 June 2024 Sale and distribution of merchandise *RMB'000* (Unaudited)	Provision of interior design and engineering services *RMB'000* (Unaudited)	Total *RMB'000* (Unaudited)
Types of goods and services			
Sale and distribution of merchandise			
— Bulk commodity trading	204,168	–	204,168
— Building materials	1,658	–	1,658
Provision of interior design and engineering services			
— Interior design	–	1,013	1,013
Total	205,826	1,013	206,839
Geographical markets			
The PRC	205,826	1,013	206,839
Timing of revenue recognition			
At a point in time	205,826	–	205,826
Over time	–	1,013	1,013
Total	205,826	1,013	206,839

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information.

	For the six months ended 30 June 2024		
	Segment revenue	Adjustments and eliminations	Consolidated
	RMB'000	*RMB'000*	*RMB'000*
	(Unaudited)	(Unaudited)	(Unaudited)
Sale and distribution of merchandise	205,826	–	205,826
Provision of interior design and engineering services	1,013	–	1,013
Total revenue	206,839	–	206,839

6. PROFIT FOR THE PERIOD

Profit for the period has been arrived at after charging/(crediting):

	For the six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Directors' remuneration	**331**	704
Staff salaries, allowances and benefits in kind	**1,448**	1,385
Retirement benefit scheme contributions for staff	**76**	85
Total staff costs	**1,855**	2,174
Auditor's remuneration	**–**	485
Cost of inventories recognised as expenses	**185,846**	203,212
Depreciation of property, plant and equipment	**908**	908
Depreciation of right-of-use assets	**75**	75
Variable rental payments in respect of office premises and retail stores		
— Lease rental payment#	**90**	90
Gross rental income from investment properties	**192**	192
Less: direct operating expenses incurred for investment properties that generated rental income during the period	**(9)**	(9)
	183	183

\# The amount represents the short-term leases entered with lease term ended within one year.

7. INCOME TAX EXPENSE

	For the six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current income tax	**–**	–
Deferred income tax	**–**	–
	–	–

The Company is incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands and is exempted from the Cayman Islands income tax.

The Company's subsidiary in the BVI was incorporated under International Business Companies Act of the BVI and is exempted from the BVI income tax.

No provision for taxation in Hong Kong has been made as the Group's income neither arises in, nor is derived from, Hong Kong.

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

8. LOSS PER SHARE

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

	For the six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
		(Restated)
Loss		
Loss for the period attributable to owners of the Company for the purpose of basic and diluted loss per share	**(8,748)**	(92,525)

	For the six months ended 30 June	
	2025	2024
	'000	*'000*
	(Unaudited)	(Unaudited)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic loss per share	**263,766**	263,766
Weighted average number of ordinary shares for the purpose of diluted loss per share	**263,766**	263,766
		(Restated)
Basic (loss)/earnings per share *(RMB cents)*	**(3.32)**	(35.08)
Diluted (loss)/earnings per share *(RMB cents)*	**(3.32)**	(35.08)

For the six months ended 30 June 2025 and 2024, the convertible loan notes and share options had an anti-dilutive effect on the basic earnings per share and were ignored in the calculation of diluted earnings per share.

9. DIVIDEND

The Board does not recommend any payment of interim dividend for the six months ended 30 June 2025 (for the six months ended 30 June 2024: Nil).

10. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	As at	
	30 June 2025	31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Trade receivables from contract with customers:		
Due from third parties:		
— sale and distribution of merchandise	**423,712**	411,020
— interior design and engineering services	**44,611**	64,254
Due from a related party:		
— sale and distribution of merchandise	**431**	431
	468,754	475,705
Less: allowance for credit losses	**(129,687)**	(129,687)
Sub-total	**339,067**	346,018
Other receivables		
Contract performance deposits	**6,649**	6,649
Project tender deposits	**65,844**	65,844
Other tax recoverable	**4,356**	4,356
Rental deposits	**165**	165
Receivables relating to the refund of investment proceeds	**21,231**	21,231
Others	**10,009**	5,751
	108,254	103,996
Less: allowance for credit losses	**(102,427)**	(102,427)
Sub-total	**5,827**	1,569

	As at	
	30 June	31 December
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Prepayments		
Prepayments for purchase of goods and provision of services	**347,848**	347,848
Less: allowance for expected credit losses	**(347,848)**	(347,848)
Prepayment for acquisition of investment properties	**33,977**	33,977
Less: Provision for impairment loss on prepayment for acquisition of investment properties	**(26,707)**	(26,707)
Sub-total	**7,270**	7,270
Total trade and other receivables and prepayments	**352,164**	354,857
Analysed as		
Non-current	**7,270**	7,270
Current	**344,894**	347,587
	352,164	354,857

The following is an aged analysis of trade receivables, net of allowance for expected credit losses, presented based on the invoice dates:

	As at	
	30 June	31 December
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 6 months	**104,937**	111,888
6 to 12 months	**–**	–
Over 1 to 2 years	**–**	1,441
Over 2 years	**234,130**	232,689
	339,067	346,018

The maximum exposure to credit risk at the reporting date is the carrying values of each class of receivables mentioned above. The Group did not hold any collateral as security for these receivables.

11. TRADE AND OTHER PAYABLES

	As at	
	30 June	31 December
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Trade payables	**147,107**	139,178
Other payables		
Salaries and staff welfare payables	**9,357**	8,563
Deposits received for building engineering services	**4,361**	4,361
Other tax payables	**14,961**	15,524
Withholding individual income tax in respect of dividends payment	**16,000**	16,000
Bank interest payable	**24,200**	20,703
Other payables	**33,956**	37,826
Sub-total	**102,835**	102,977
Trade and other payables	**249,942**	242,155

The following is an aged analysis of trade payables presented based on the invoice date:

	As at	
	30 June	31 December
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 6 months	**106,238**	98,309
Over 1 year	**40,869**	40,869
	147,107	139,178

The credit periods on purchases of goods and subcontracting services ranged from 0 to 180 days.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is a well-established integrated building and home improvement materials and furnishings supplier and interior design and building engineering services provider in the PRC. The Group is mainly engaged in the provision of interior design and building engineering services and the sale and distribution of merchandise.

During 1H2025, the management team of the Group focused on the provision of interior design and building engineering services and devoted less resources on sale and distribution of merchandise with lower gross profit margins. Therefore, although the revenue of the Group decreased in 1H2025, the gross profit margin of the Group increased in 1H2025.

In 1H2025, the revenue from the provision of interior design and building engineering services segment accounted for 13.6% of the total revenue (1H2024: 0.5%), while the revenue from the sale and distribution of merchandise segment accounted for 86.4% of the total revenue (1H2024: 99.5%).

Provision of interior design and building engineering services

During 1H2025, the management team of the Group made efforts to restore the suspended projects in relation to the provision of interior design and building engineering services. The revenue from the provision of interior design and building engineering services was approximately RMB26.3 million, and the segment gross profit was approximately RMB3.9 million with segment gross profit margin of approximately 15.0% in 1H2025.

Sale and distribution of merchandise

In 1H2025, the Group experienced a decrease in revenue of approximately RMB39.0 million or 18.9% from the sale and distribution of merchandise from approximately RMB205.8 million in 1H2024 to approximately RMB166.8 million in 1H2025, which was mainly due to the decrease in revenue from bulk commodity trading offset by the increase in revenue from the sale of building materials.

FINANCIAL REVIEW

Revenue by business operations

Total revenue of the Group decreased by approximately RMB13.7 million or approximately 6.6% from approximately RMB206.8 million in 1H2024 to approximately RMB193.2 million for 1H2025.

Revenue from the provision of interior design and building engineering services

Revenue from provision of interior design and building engineering services increased by approximately RMB25.3 million to approximately RMB26.3 million in 1H2025 (1H2024: RMB1.0 million).

Revenue from sale of and distribution of merchandise

Revenue of the Group from sale and distribution of merchandise, comprising (i) sale of building materials; and (ii) bulk commodity trading, recorded an overall decrease by approximately RMB39.0 million or 18.9% from approximately RMB205.8 million in 1H2024 to approximately RMB166.8 million in 1H2025.

(i) Sale of building materials

Revenue generated from the sale of building materials increased by approximately RMB30.9 million or 1,862.1% from approximately RMB1.7 million in 1H2024 to approximately RMB32.5 million in 1H2025. Such increase was mainly due to the increase in sales of cement during 1H2025.

(ii) Bulk commodity trading

Revenue from bulk commodity trading decreased by approximately RMB69.9 million or 34.2% from approximately RMB204.2 million in 1H2024 to approximately RMB134.3 million in 1H2025. Such decrease was mainly due to the decrease in sales of electrolytic copper and aluminum ingot products, offset by the increase in the pork trade with higher gross profit margins during 1H2025.

Gross profit and gross profit margin

The Group's gross profit increased by approximately RMB3.7 million or approximately 101.7% from approximately RMB3.6 million in 1H2024 to approximately RMB7.3 million in 1H2025. The increase in the Group's overall gross profit was mainly due to the increase in the revenue from higher gross profit margin of the provision of interior design and building engineering services during 1H2025.

Due to the increase in corporate projects, the gross profit margin of provision of interior design and building engineering services was approximately 15.0% in 1H2025. The gross profit margin of the business of sale and distribution of merchandise increased from approximately 1.7% in 1H2024 to 2.0% in 1H2025, mainly due to the increase in gross profit margin from the sale and distribution of merchandise including bulk commodity trading during 1H2025.

Distribution and selling expenses

The Group's distribution and selling expenses decreased by approximately RMB0.3 million or approximately 37.0% from approximately RMB0.7 million in 1H2024 to approximately RMB0.5 million in 1H2025.

Administrative expenses

The Group's administrative expenses decreased by approximately RMB5.8 million or approximately 63.3% from approximately RMB9.2 million in 1H2024 to approximately RMB3.4 million in 1H2025.

Finance costs

The Group's finance costs increased by approximately RMB0.1 million or approximately 2.1% from approximately RMB5.3 million in 1H2024 to approximately RMB5.4 million in 1H2025.

Loss for the period

Overall, the Group's loss for the period decreased by approximately RMB83.8 million or approximately 90.5% to approximately RMB8.8 million in 1H2025 as compared with loss for the period of approximately RMB92.5 million in 1H2024. Such decrease was mainly resulted from the net effect of the decrease in provision for impairment loss under the expected credit loss model by approximately RMB79.4 million, decrease in administrative expenses of RMB5.8 million, and offset by the increase in provision for litigation and legal expenses by approximately RMB5.0 million and the increase in gross profit of approximately RMB3.7 million.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

Capital Structure

For 1H2025, the Group financed its liquidity requirements through a combination of cash generated from operations, bank borrowings, convertible loan notes and amount due to related parties.

Liquidity and Financial Resources

As at 30 June 2025, the net current liabilities of the Group increased by approximately RMB7.6 million from approximately RMB8.3 million as at 31 December 2024 to approximately RMB15.8 million as at 30 June 2025.

The current ratio of the Group decreased from approximately 0.99 times as at 31 December 2024 to approximately 0.97 times as at 30 June 2025.

As at 30 June 2025, the bank balances and cash amounted to approximately HK$2.0 million (31 December 2024: approximately HK$5.0 million).

Borrowings and Pledge of Assets

As at 30 June 2025, the Group's banking facilities for short term financing had been fully utilised (31 December 2024: fully utilised) and total bank borrowings amounted to approximately RMB154.3 million (31 December 2024: RMB154.3 million). The total bank borrowings comprised nil (31 December 2024: nil) in bank borrowings arising from discounted commercial bills and discounted letters of credit that were not yet due.

The bank borrowings of the Group were secured by property, plant and equipment, investment properties and right-of-use assets as at 30 June 2025 and as at 31 December 2024. The bank borrowings were also jointly guaranteed by Ms. Hou Wei and Mr. Deng Jianshen, spouse of Ms. Hou Wei.

Material Investments, Acquisitions and Disposals

The Group had no material investment, acquisition and disposal transactions during 1H2025.

Capital Expenditure

The Group has no material capital expenditure during 1H2025.

Capital Commitments

The Group had no significant outstanding capital commitment as at 30 June 2025 (31 December 2024: Nil).

Contingent Liabilities

The Group had no significant contingent liabilities as at 30 June 2025 (31 December 2024: Nil).

PROSPECTS

Recent industrial developments have introduced both challenges and opportunities. While the demand for quality building materials and services continues to be strong, the Group recognise the fluctuating economic conditions that can influence consumer confidence and spending. The Group's approach will be to remain vigilant and adaptive to these changes.

The Group continues to provide reliable and sustainable materials, which aims to meet the expectations of our customers while maintaining the Group's reputation for quality. This strategy will help the Group mitigate risks associated with market volatility.

As the Group moves forward, the Group anticipates cautious growth in financial performance. While the Group remains optimistic about the strategic initiatives, the Group is also preparing for potential headwinds that may arise from broader economic factors. The focus will be on maintaining a solid financial foundation.

In closing, while the prospects for the coming year are tempered by uncertainty, the Group's commitment to prudent management and strategic growth remains unwavering.

FOREIGN EXCHANGE EXPOSURE

The Group mainly transacts and recognises its revenue in Renminbi and also incurs cost in Hong Kong dollars and Renminbi. The Group is exposed to foreign exchange risk with respect mainly to Hong Kong dollars which may affect the Group's performance. The management is aware of the possible exchange rate exposure due to the continuing fluctuation of Hong Kong dollars and will closely monitor its impact on the performance of the Group to see if any hedging policy is necessary. The Group currently does not have any foreign currency hedging policy.

LITIGATION

In accordance with the relevant requirements of the accounting policies of the Company and based on the principle of prudence, the Company has provided for the estimated liabilities of the pending litigation totalling RMB51.5 million as at 30 June 2025(31 December 2024: RMB44.7 million) based on the outcome of the litigation judgement, and the specific impact of this judgement on the Company is subject to the final execution of the case.

The associated subsidiaries of the Group were involved in litigation and arbitration cases, all of which were caused by the downturn of the domestic economy and the unprecedented impact on the industry to which the Group belongs, the large-scale extension of the construction works in the early stage of the construction period, the failure to make timely repayment of the payments for the governmental works as well as the payments for the other works. In order to ensure that the Company's business continues to progress, it has been necessary to increase the relevant borrowings and financing and to reduce and defer the relevant expenses, which has further aggravated the pressure on the Company's capital and led to numerous litigation and arbitration cases. In respect of the amounts involved in the current litigation and arbitration cases, large amounts of the cases were secured by the relevant properties belonging to the Company and its senior management, and the Company's receivables were sufficient to cover the payment of such amounts, therefore, the management of the Company is of the view that the litigation and arbitration cases involved in the associated subsidiaries of the Group will not have a material impact on the financial statements for the current period.

EMPLOYEE AND REMUNERATION POLICY

As at 30 June 2025, the Group had a total number of 20 employees (30 June 2024: 20) and the total staff costs, including Directors' remuneration, amounted to approximately RMB1.9 million for 1H2025 (1H2024: RMB2.2 million).

The Group offers competitive remuneration packages commensurate with industry practice and provides various fringe benefits to employees. The Group conducts induction training for all of its new employees and on-going training from time to time during their employment. The nature of training offered depends on their specific field of operation.

The objective of the Group's remuneration policy is to maintain fair and competitive packages based on business requirements and industry practice. In order to determine the level of remuneration paid to its employees (including Directors and senior management), the following factors are considered:

- workload, responsibility and job complexity;
- business requirements;
- individual performance and contribution to results;
- company performance and profitability;
- retention considerations and the potential of individuals;
- corporate goals and objectives;

- market rates and changes in relevant markets, including supply and demand fluctuations and changes in competitive conditions; and

- general economic situation.

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float as required under the Rules (the "**Listing Rules**") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") throughout 1H2025.

EVENT AFTER THE REPORTING PERIOD

On 28 July 2025, a winding-up petition (the "**Petition**") was filed by Mr. Lo Wai Siu (the "**Petitioner**") with the High Court of the Hong Kong Special Administrative Region (the "**High Court**") for the winding-up of the Company under the provision of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). A copy of the winding-up petition was delivered by the Petitioner to the Company's office on 30 July 2025. The Petition is in relation to the Petitioner's claim for the wages in arrears, unpaid annual leave, reimbursement of disbursements in interest accrued up to 30 June 2025 owed to the Petitioner less counterclaim of the Company per the award by the Labour Tribunal dated 10 February 2025 in aggregated amount of HK$325,966.69.

Except as disclosed in above, there is no material subsequent event undertaken by the Company or by the Group after 30 June 2025 and up to the date of this announcement.

DIVIDEND

The Board does not recommend any payment of interim dividend for the six months ended 30 June 2025.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high standard of corporate governance to safeguard the interests of the shareholders of the Company and to enhance corporate value and responsibility. The Board comprises one executive Directors and three independent non-executive Directors. The Board has adopted the code provisions of the Corporate Governance Code ("**CG Code**") as set out in Appendix C1 to the Listing Rules.

Save as disclosed below, the Company had complied with the CG Code throughout 1H2025.

(I) Non-compliance with the Rules 3.10(1), 3.10A and 3.21 of the Listing Rules

Reference is made to the announcements of the Company dated 3 September 2024 and 6 June 2025.

Following the retirement of Ms. Chen Tao at the annual general meeting of the Company dated 3 September 2024, (a) the number of independent non-executive director falls below the minimum number as required under Rule 3.10(1) of the Listing Rules; (b) the number of the audit committee members also falls below the minimum number as required under Rule 3.21 of the Listing Rules; and (c) the number of independent non-executive director falls below one-third of the Board members as required under Rule 3.10A of the Listing Rules.

Following the appointment of Ms. Zhang Chuwen, Mr. Wei Zhihang and Mr. Chi Shimin as independent non-executive Directors of the Company on 6 June 2025, (a) the number of independent non-executive Directors meets the minimum number as required under Rule 3.10(1) of the Listing Rules; (b) the number of the audit committee members meets the minimum number as required under Rule 3.21 of the Listing Rules; and (c) the number of independent non-executive Director represents at least one-third of the Board members as required under Rule 3.10A of the Listing Rules.

COMPLIANCE WITH MODEL CODE

The Directors have adopted the Model Code for Securities Transactions by Directors of Listed Issuer (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as the code of conduct for Directors in dealing in the Company's securities. Specific enquiries have been made to all Directors and all Directors have confirmed that they have fully complied with the required standard of dealings as set out in the Model Code during 1H2025. Relevant employees who are likely to be in possession of unpublished inside information of the Group are also subject to compliance with written guidelines or no less exacting terms than the Model Code during 1H2025.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during 1H2025.

REVIEW OF INTERIM RESULTS

As at 30 June 2025 and the date of this announcement, the audit committee of the Company (the "**Audit Committee**") comprised three members, namely, Ms. Zhang Chuwen, Mr. Wei Zhihang and Mr. Chi Shimin and all of them are independent non-executive Directors. The Audit Committee has reviewed the accounting principles and practices adopted by the Group and discussed internal control and financial reporting matters, including the review of the interim results of the Group for the six months ended 30 June 2025 and recommended its adoption by the Board.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This interim results announcement is published on the websites of the Company (www.jiyiholdings.com) and the Stock Exchange (www.hkexnews.hk). The interim report of the Company for the six months ended 30 June 2025 containing all the information required by the Listing Rules will be published on the above websites and despatched to the shareholders of the Company on or before 30 October 2025.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange was suspended from 9:00 a.m. on 2 April 2024 and will remain suspended until further notice.

Shareholders and potential investors of the Company should exercise caution when dealing in the shares or other securities of the Company, and if they are in any doubt about their position, they should consult their independent professional adviser(s).

By Order of the Board
Jiyi Holdings Limited
Yu Runkun
Chairman and Executive Director

Hong Kong, 19 September 2025

As at the date of this announcement, Mr. Yu Runkun is the executive Director of the Company, and Ms. Zhang Chuwen, Mr. Wei Zhihang and Mr. Chi Shimin are the independent non-executive directors of the Company.