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Fullshare Holdings Limited

豐盛控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00607)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025 AND RESUMPTION OF TRADING

The board (the “**Board**”) of directors (the “**Directors**”) of Fullshare Holdings Limited (the “**Company**”) announces the unaudited interim condensed consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2025 (the “**Period Under Review**”), together with comparative figures for the previous corresponding period prepared in accordance with generally accepted accounting principles in Hong Kong as follows:

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

(Expressed in Renminbi)

		For the six months ended	
		30 June	
		2025	2024
		(Unaudited)	(Unaudited)
	Note	RMB'000	RMB'000
Revenue	5	10,265,102	10,675,171
Cost of sales and services provided	9	<u>(8,334,913)</u>	<u>(9,244,682)</u>
Gross profit		1,930,189	1,430,489
Selling and distribution expenses	9	(343,392)	(262,102)
Administrative expenses	9	(405,411)	(412,775)
Research and development costs	9	(451,528)	(410,115)
Net provision for impairment losses recognised on financial assets	3	(145,534)	(1,056,193)
Other income	7	219,563	251,386
Net fair value changes in financial instruments	6	(381,876)	(31,143)
Other gains/(losses) – net	8	<u>129,127</u>	<u>(600,609)</u>

		For the six months ended 30 June	
		2025	2024
		(Unaudited)	(Unaudited)
		RMB'000	RMB'000
	Note		
Operating profit/(loss)		551,138	(1,091,062)
Finance costs	10	(239,045)	(564,378)
Share of results of joint ventures		3,897	(33,792)
Share of results of associates		(61,107)	(5,530)
		<u>254,883</u>	<u>(1,694,762)</u>
Profit/(loss) before tax		254,883	(1,694,762)
Income tax (expenses)/credit	11	(75,584)	167,822
		<u>179,299</u>	<u>(1,526,940)</u>
Profit/(loss) for the period		179,299	(1,526,940)
Other comprehensive income/(loss) for the period:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
– Exchange differences on translation of foreign operations		(1,505)	3,747
– Changes in fair value of debt instruments at fair value through other comprehensive income		4,996	(1,031)
– Income tax relating to these items		(382)	124
– Share of other comprehensive (loss)/income of associates		(868)	3,843
		<u>2,241</u>	<u>6,683</u>
<i>Items that will not be reclassified to profit or loss:</i>			
– Changes in fair value of equity instruments at fair value through other comprehensive income		30,816	(262,971)
– Income tax relating to these items		812	66,212
		<u>31,628</u>	<u>(196,759)</u>
Other comprehensive income/(loss) for the period, net of tax		33,869	(190,076)
Total comprehensive income/(loss) for the period		213,168	(1,717,016)
Profit/(loss) for the period attributable to:			
– Equity shareholders of the Company		(147,988)	(1,495,728)
– Non-controlling interests		327,287	(31,212)
		<u>179,299</u>	<u>(1,526,940)</u>

		For the six months ended	
		30 June	
		2025	2024
		(Unaudited)	(Unaudited)
Note		RMB'000	RMB'000
Total comprehensive income/(loss) for the period attributable to:			
	– Equity shareholders of the Company	(124,120)	(1,647,186)
	– Non-controlling interests	<u>337,288</u>	<u>(69,830)</u>
		<u>213,168</u>	<u>(1,717,016)</u>
		For the six months ended	
		30 June	
		2025	2024
		(Unaudited)	(Unaudited)
		RMB	RMB
Loss per share			
	Basic and diluted loss per share	<u>(0.232)</u>	<u>(2.349)</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2025

(Expressed in Renminbi)

		30 June 2025 (Unaudited) <i>RMB'000</i>	31 December 2024 (Audited) <i>RMB'000</i>
	<i>Note</i>		
Non-current assets			
Property, plant and equipment		10,748,943	10,827,956
Investment properties		2,795,588	2,795,588
Right-of-use assets		1,415,298	1,288,185
Goodwill		1,503,818	1,503,817
Other intangible assets		102,251	138,731
Investments in joint ventures		134,259	143,998
Investments in associates		397,365	461,738
Financial assets at fair value through other comprehensive income		1,380,316	1,451,622
Financial assets at fair value through profit or loss		19,445	779,336
Consideration receivables		150,254	144,903
Loan receivables		100,513	96,933
Deferred tax assets		649,176	666,344
		<u>19,397,226</u>	<u>20,299,151</u>
Current assets			
Inventories		6,310,490	6,056,212
Trade receivables	14	7,625,526	6,180,845
Consideration receivables		300,521	466,889
Loan receivables		53,955	—
Prepayments		401,444	400,608
Other receivables		1,233,757	1,336,050
Income tax prepaid		31,817	12,354
Financial assets at fair value through other comprehensive income		2,425,465	3,352,590
Financial assets at fair value through profit or loss		597,675	155,252
Restricted cash		3,309,750	2,822,958
Cash and cash equivalents		4,018,576	3,965,148
		<u>26,308,976</u>	<u>24,748,906</u>

		30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
	<i>Note</i>		
Current liabilities			
Trade and bills payables	15	10,555,593	9,407,155
Other payables and accruals	16	2,972,077	3,413,945
Contract liabilities		1,156,523	1,643,709
Derivative financial instruments		17,438	34,254
Lease liabilities		36,538	47,841
Bank and other borrowings	17	5,691,250	6,359,850
Income tax payable		207,889	207,200
Warranty provision		831,550	908,794
Deferred income		86,028	69,735
		<u>21,554,886</u>	<u>22,092,483</u>
Net current assets		<u>4,754,090</u>	<u>2,656,423</u>
Total assets less current liabilities		<u>24,151,316</u>	<u>22,955,574</u>
Non-current liabilities			
Bank and other borrowings	17	6,081,268	5,401,985
Deferred income		652,509	676,577
Lease liabilities		295,010	135,728
Warranty provision		1,450,042	1,260,019
Deferred tax liabilities		808,854	877,690
		<u>9,287,683</u>	<u>8,351,999</u>
Net assets		<u><u>14,863,633</u></u>	<u><u>14,603,575</u></u>
Capital and reserves			
Share capital		269,500	269,500
Reserves		<u>7,496,936</u>	<u>7,633,340</u>
Equity attributable to equity shareholders of the Company		<u>7,766,436</u>	<u>7,902,840</u>
Non-controlling interests		<u>7,097,197</u>	<u>6,700,735</u>
Total equity		<u><u>14,863,633</u></u>	<u><u>14,603,575</u></u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Renminbi)

1 GENERAL INFORMATION

Fullshare Holdings Limited (the “**Company**”) was incorporated and registered as an exempted company with limited liability in the Cayman Islands under the Companies Law (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands, and its principal place of business is Unit C1, 26th Floor, United Centre, 95, Queensway, Admiralty, Hong Kong. The Company’s shares are listed on The Stock Exchange of Hong Kong Limited (the “**SEHK**”).

The Company is an investment holding company. The Company and its subsidiaries are referred to as the “**Group**” hereinafter. The Group is principally engaged in the following principal activities:

- Properties – investment, development and sale of properties, and provision of construction related services;
- Tourism – hotel operations, sale of tourist goods and provision of related services;
- Investment and financial services – holding and investing in a variety of investments and financial products with potential or for strategic purposes including but not limited to listed and unlisted securities, bonds, funds, derivatives, structured and other treasury products; and rendering the investment and financial related consulting services;
- Healthcare, education and others – sale of healthcare and education products and provision of related services and sale of other products; and
- New energy – manufacture and sale of mechanical transmission equipment products and trading of goods.

The interim condensed consolidated financial information were approved for issue by the board of directors of the Company on 31 October 2025.

2 BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2025 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**”) and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the SEHK.

The interim condensed consolidated financial information have been prepared in accordance with the same accounting policies adopted in the Group’s 2024 annual consolidated financial statements, except for the adoption of new and amendments to HKFRS Accounting Standards, as set out in Note 2.1.

2 BASIS OF PREPARATION (Continued)

The preparation of interim condensed consolidated financial information in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and key sources of estimation uncertainty were the same as those described in the last annual consolidated financial statements.

The interim condensed consolidated financial information contain interim condensed consolidated financial information and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the Group's 2024 annual consolidated financial statements. These interim condensed consolidated financial information and notes thereon do not include all of the information and disclosures required for a complete set of financial statements prepared in accordance with HKFRS Accounting Standards, and should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2024.

As at 30 June 2025, the Group failed to fulfil certain financial obligations as set out in an earnest money agreement in respect of previous plan on disposal of equity interests of subsidiaries and certain assets (Note 16(ii),(iii)) and a number of loan agreements in respect of certain overdue and defaulted borrowings (Note 17). In view of such circumstances, the directors of the Company have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern. The management has prepared the cash flow projections which cover a period of twelve months from 30 June 2025. The directors are of the opinion that, based on the cash flow projections and taking into account the expected operating results, the Group's assets available for realisation if necessary, the adequate collaterals of the relevant loans, and the continuing liaison and renegotiation with relevant parties in respect of timing of repayment of the Group's financial obligations, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due in the next twelve months. Accordingly, the directors of the Company are satisfied that it is appropriate to prepare the consolidated financial information under the going concern basis.

The interim condensed consolidated financial information do not include any adjustments relating to the carrying amounts and reclassification of assets and liabilities that might be necessary should the Group be unable to continue as a going concern.

These interim condensed consolidated financial information are unaudited, but have been reviewed by the audit committee.

2 BASIS OF PREPARATION (Continued)

2.1 New standards and amendments adopted by the Group

In the current period, the Group has applied the following amendments to HKFRS Accounting Standards (the “**Amendments**”) issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2025 and applicable for the preparation of the Group’s interim condensed consolidated financial information:

Amendments to HKAS 21 and HKFRS 1

Lack of Exchangeability

The application of the Amendments has had no material impact on the Group’s financial position and performance for the current and prior periods and/or on the disclosures set out in these interim condensed consolidated financial information.

A number of new and amendments to HKFRS Accounting Standards are published that are not mandatory to be adopted for annual period beginning on 1 January 2025 and early application is permitted. The Group has not early adopted any of the forthcoming new or amended HKFRS Accounting Standards in preparing these interim condensed consolidated financial information.

3 FINANCIAL RISK MANAGEMENT

Credit risk

The Group has policies to limit the credit exposure on debt instruments measured at amortised cost, fair value through other comprehensive income (“**FVOCI**”), fair value through profit or loss (“**FVPL**”) and financial guarantee contracts. The Group assesses the credit quality of and sets credit limits on its customers by taking into account their financial positions, the availability of guarantees from third parties, their credit history and other factors such as current market conditions. Management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. The credit history of the customers is regularly monitored by the Group. In respect of customers with a poor credit history, the Group will use written payment reminders, or shorten or cancel credit periods, to ensure the overall credit risk of the Group is limited to a controllable extent.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each of the reporting period.

3 FINANCIAL RISK MANAGEMENT (Continued)

Credit risk (Continued)

To assess whether there is a significant increase in credit risk, the Group compares the risk of default occurring on the asset as at the end of the reporting period with the risk of default as at the date of initial recognition. It considers available, reasonable and supportive forward-looking information, which include:

- internal credit rating;
- external credit rating;
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations;
- actual or expected significant changes in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor; and
- significant changes in the expected performance and behavior of the debtor, including changes in the payment status of debtor in the Group and changes in the operating results of the debtor.

A financial asset is considered as credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence may include but is not limited to significant financial difficulty of the issuer or the borrower, a breach of contract, such as a default or past due over 90 days, or it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation and so on. The management would assess and examine the balance individually.

For the six months ended 30 June 2025 and 2024, the summary of the net (provision for)/reversal of impairment losses on financial assets recognised in profit or loss was as follows:

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
(Provision for)/reversal of impairment losses on:		
– Trade receivables	(14,422)	(572,679)
– Loan receivables	53,955	(381,605)
– Consideration receivables	(125,120)	2,603
– Other receivables	(59,947)	(104,512)
	(145,534)	(1,056,193)

4 OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has five reportable operating segments as follows:

- Properties – investment, development and sale of properties, and provision of construction related services;
- Tourism – hotel operations, sale of tourist goods and provision of related services;
- Investment and financial services – holding and investing in a variety of investments and financial products with potential or for strategic purposes including but not limited to listed and unlisted securities, bonds, funds, derivatives, structured and other treasury products; and rendering the investment and financial related consulting services;
- Healthcare, education and others – sale of healthcare and education products and provision of related services and sale of other products; and
- New energy – manufacture and sale of mechanical transmission equipment products and trading of goods.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit/loss before tax except that certain other income and gains/losses, finance costs as well as head office and corporate expenses are excluded from such measurement.

Inter-segment sales are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

Segment assets exclude deferred tax assets, certain property, plant and equipment, certain right-of-use assets, income tax and other tax prepaid, restricted cash, cash and cash equivalents, consideration receivables, certain other receivables and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude income tax and other tax payable, bank and other borrowings, deferred tax liabilities, consideration and deposit received for disposal of subsidiaries and assets, certain lease liabilities and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

4 OPERATING SEGMENT INFORMATION (Continued)

For the six months ended 30 June 2025 (Unaudited)						
	Properties <i>RMB'000</i>	Tourism <i>RMB'000</i>	Investment and financial services <i>RMB'000</i>	Healthcare, and education and others <i>RMB'000</i>	New energy <i>RMB'000</i>	Total <i>RMB'000</i>
Segment revenue:						
Sales to external customers	109,643	133,870	1,344	41,264	9,978,981	10,265,102
Fair value changes in financial instruments	–	–	41,424	–	(423,300)	(381,876)
Segment results	16,007	(18,055)	79,480	(19,843)	377,112	434,701
Reconciliation:						
Unallocated bank interest income (<i>Note 7</i>)						42,603
Unallocated interest income on deferred consideration (<i>Note 7</i>)						4,378
Gain on disposal of subsidiaries (<i>Note 8</i>)						105,656
Unallocated income and losses, net						(67,033)
Corporate and other unallocated expenses						(26,377)
Finance costs (<i>Note 10</i>)						(239,045)
Profit before tax						254,883
Segment assets as at 30 June 2025						
(Unaudited)	3,184,946	478,368	2,005,500	260,370	31,283,729	37,212,913
Reconciliation:						
Corporate and other unallocated assets						8,493,289
Total assets as at 30 June 2025						
(Unaudited)						45,706,202
Segment liabilities as at 30 June 2025						
(Unaudited)	793,688	151,452	274,163	3,075	16,038,284	17,260,662
Reconciliation:						
Corporate and other unallocated liabilities						13,581,907
Total liabilities as at 30 June 2025						
(Unaudited)						30,842,569

4 OPERATING SEGMENT INFORMATION (Continued)

For the six months ended 30 June 2024 (Unaudited)						
	Properties <i>RMB'000</i>	Tourism <i>RMB'000</i>	Investment and financial services <i>RMB'000</i>	Healthcare, and education and others <i>RMB'000</i>	New energy <i>RMB'000</i>	Total <i>RMB'000</i>
Segment revenue:						
Sales to external customers	125,416	135,208	1,440	253,413	10,159,694	10,675,171
Fair value changes in financial instruments	—	—	(31,143)	—	—	(31,143)
Segment results	(405,703)	(290,782)	(429,390)	(4,344)	(80,219)	(1,210,438)
Reconciliation:						
Unallocated bank interest income (<i>Note 7</i>)						63,263
Unallocated interest income on deferred consideration (<i>Note 7</i>)						4,458
Unallocated income and gains, net						39,326
Corporate and other unallocated expenses						(26,993)
Finance costs (<i>Note 10</i>)						(564,378)
Loss before tax						(1,694,762)
Segment assets as at 31 December 2024 (Audited)	3,058,845	490,641	2,264,246	319,663	31,050,442	37,183,837
Reconciliation:						
Corporate and other unallocated assets						7,864,220
Total assets as at 31 December 2024 (Audited)						45,048,057
Segment liabilities as at 31 December 2024 (Audited)	620,253	177,875	274,758	7,655	15,715,769	16,796,310
Reconciliation:						
Corporate and other unallocated liabilities						13,648,172
Total liabilities as at 31 December 2024 (Audited)						30,444,482

4 OPERATING SEGMENT INFORMATION (Continued)

(i) Revenue from external customers by locations of customers

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
The People's Republic of China (the "PRC")	8,985,593	9,595,472
United States of America (the "USA")	722,901	578,531
Europe	108,380	100,133
Australia	91,865	89,013
Other countries	356,363	312,022
	<u>10,265,102</u>	<u>10,675,171</u>

5 REVENUE

(i) Disaggregation of revenue from contracts with customers and other sources

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Revenue from contracts with customers		
Properties segment:		
– Property development and sales	<u>–</u>	<u>2,583</u>
Tourism segment:		
– Hotel operations	133,870	130,514
– Sales of tourist goods and services	<u>–</u>	<u>4,694</u>
	<u>133,870</u>	<u>135,208</u>
New energy segment:		
– Sales of gear products	9,978,981	6,786,451
– Trading of goods	<u>–</u>	<u>3,373,243</u>
	<u>9,978,981</u>	<u>10,159,694</u>
Investment and financial services segment:		
– Investment and financial consulting services	<u>1,344</u>	<u>1,440</u>

5 REVENUE (Continued)

(i) Disaggregation of revenue from contracts with customers and other sources (Continued)

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Healthcare, education and others segment:		
– Education services	6,004	4,733
– Healthcare products and other services	679	123
– Trading of goods	34,581	248,557
	<u>41,264</u>	<u>253,413</u>
	<u>10,155,459</u>	<u>10,552,338</u>
Revenue from other sources		
Properties segment:		
– Gross rental income	109,643	122,833
	<u>10,265,102</u>	<u>10,675,171</u>

(ii) Revenue from contracts with customers disaggregated by timing of revenue recognition as follows:

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Timing of revenue recognition:		
– Recognised at a point in time	10,014,241	10,415,651
– Recognised over time	141,218	136,687
	<u>10,155,459</u>	<u>10,552,338</u>

6 NET FAIR VALUE CHANGES IN FINANCIAL INSTRUMENTS

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Fair value losses on financial assets at FVPL	(398,076)	(47,569)
Fair value gains on derivative financial instruments	16,200	16,426
	<u>(381,876)</u>	<u>(31,143)</u>

7 OTHER INCOME

For the six months ended 30 June			
		2025	2024
		(Unaudited)	(Unaudited)
	Note	RMB'000	RMB'000
Bank interest income	(i)	42,603	63,263
Interest on deferred consideration		4,378	4,458
Other interest income	(ii)	2,928	6,115
Dividend income		633	3,624
Management fees income		2,197	19,781
Government grants	(iii)	78,263	90,319
Sales of scraps and materials		60,652	52,090
Others		27,909	11,736
		<u>219,563</u>	<u>251,386</u>

Note:

- (i) Bank interest income is principally derived from restricted cash and cash equivalents.
- (ii) Other interest income is principally derived from loan receivables.
- (iii) Government grants represent mainly grants from the PRC's local authority to support local companies. There are no unfulfilled conditions or contingencies attaching to these grants.

8 OTHER GAIN/(LOSSES) – NET

For the six months ended 30 June			
		2025	2024
		(Unaudited)	(Unaudited)
		RMB'000	RMB'000
Gain on disposal of subsidiaries		105,656	–
Fair value losses on investment properties		–	(351,668)
Gains on disposal of property, plant and equipment		2,035	8,296
Loss on swap contracts		(18,081)	(18,334)
Provision for impairment losses on property, plant and equipment		(7,284)	(268,081)
Foreign exchange gains – net		50,867	29,132
Others		(4,066)	46
		<u>129,127</u>	<u>(600,609)</u>

9 EXPENSES BY NATURE

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Cost of inventories sold	7,320,775	8,264,057
Cost of properties sold	–	2,497
Amortisation of other intangible assets	39,722	35,067
Depreciation of right-of-use assets	9,315	15,079
Depreciation of property, plant and equipment	398,575	398,266
Employee benefit expenses	977,869	991,598
Write-down of inventories	129,060	11,731
Write-down of properties held for sale	–	339
Write-down of properties under development	–	5,459
Others	659,928	605,581
	9,535,244	10,329,674
Represented by:		
– Cost of sales and services provided	8,334,913	9,244,682
– Selling and distribution expenses	343,392	262,102
– Administrative expenses	405,411	412,775
– Research and development costs	451,528	410,115
	9,535,244	10,329,674

10 FINANCE COSTS

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Interest on bank and other borrowings	230,147	436,749
Less: Interest capitalised	–	(1,667)
Interest on lease liabilities	8,898	296
Unwinding of discount on written put option liability	–	129,000
	239,045	564,378

11 INCOME TAX EXPENSES/(CREDIT)

The Group calculates the income tax expenses/(credit) for the period using the tax rates prevailing in the jurisdictions in which the Group operates.

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Current tax – charge for the period		
– The PRC	130,147	52,125
– Hong Kong	9,539	22,421
– Australia	293	303
– The USA	14,498	5,501
– Others	675	6,695
Over-provision in respect of prior years	(20,975)	(1,561)
Deferred tax	(58,593)	(253,306)
	75,584	(167,822)

(a) PRC Corporate Income Tax (“CIT”)

PRC CIT has been provided at the rate of 25% (six months ended 30 June 2024: 25%) on the taxable profits of the Group’s PRC subsidiaries, except those listed below, for the six months ended 30 June 2025.

The following subsidiaries are qualified as high technology development enterprises and thus subject to CIT at a preferential tax rate of 15% for 3 years from the date of approval:

Name of company	Year ended during which approval was obtained
NGC (Huai’an) High Speed Gear Manufacturing Co., Ltd. (“NGC Huai’an”)	31 December 2024
NGC (Baotou) Transmission Equipment Co., Ltd.	31 December 2024
Nanjing High Speed Gear Manufacturing Co., Ltd.	31 December 2023
Nanjing High Speed & Accurate Gear (Group) Co., Ltd.	31 December 2023
Nanjing High Accurate Rail Transportation Equipment Co., Ltd.	31 December 2023

11 INCOME TAX EXPENSES/(CREDIT) (Continued)

(b) PRC land appreciation tax (“LAT”)

According to the requirements of the Provisional Regulations of the People’s Republic of China on Land Appreciation Tax (中華人民共和國土地增值稅暫行條例) effective from 1 January 1994, and the Detailed Implementation Rules on the Provisional Regulations of the People’s Republic of China on Land Appreciation Tax (中華人民共和國土地增值稅暫行條例實施細則) effective from 27 January 1995, all gains arising from a transfer of real estate property in the PRC effective from 1 January 1994 are subject to LAT at progressive rates ranging from 30% to 60% on the appreciation of land value, with an exemption provided for property sales of ordinary residential properties if their appreciation values do not exceed 20% of the sum of the total deductible items.

(c) Other corporate income tax

Enterprises incorporated in other places other than the PRC are subject to income tax rates of 8.25% to 30% (six months ended 30 June 2024: 8.25% to 30%) prevailing in the places in which these enterprises operated for the six months ended 30 June 2025.

(d) Pillar Two Model Rules

The Group is within the scope of the Pillar Two Model Rules published by the Organisation for Economic Co-operation and Development. As at 30 June 2025, Pillar Two legislation has been enacted and is in effect in certain jurisdictions where the Group operates. During the six months ended 30 June 2025, based on the information currently available, the management of the Group considers that the overall impact of Pillar Two rules on the Group’s income tax position is not expected to be material. The Group will continue to monitor developments in Pillar Two legislation across relevant jurisdictions and assess the potential future impact on its financial information.

12 DIVIDENDS

The board of directors has resolved not to declare any interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

13 LOSS PER SHARE

The basic and diluted loss per share attributable to equity shareholders of the Company is calculated as follows:

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
Loss attributable to equity shareholders of the Company (in RMB’000)	(147,988)	(1,495,728)
Weighted average number of ordinary shares in issue	636,763,934	636,763,934
Basic loss per share (in RMB)	(0.232)	(2.349)

No diluted earnings per share for both the six months ended 30 June 2025 and 2024 were presented as there were no potential dilutive ordinary shares in issue.

14 TRADE RECEIVABLES

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Trade receivables		
– Relevant Trading Business	3,188,981	3,188,981
– Businesses other than Relevant Trading Business	8,273,278	6,821,633
– Amounts due from joint ventures	4,262	3,926
Less: Loss allowance		
– Relevant Trading Business	(3,188,981)	(3,188,981)
– Business other than Relevant Trading Business	(652,014)	(644,714)
	<u>7,625,526</u>	<u>6,180,845</u>

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

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Within 90 days	5,624,912	4,563,176
91 to 180 days	406,900	433,853
181 to 365 days	954,480	737,722
Over 365 days	<u>639,234</u>	<u>446,094</u>
	<u>7,625,526</u>	<u>6,180,845</u>

The Group generally allows a credit period of 45 days to 180 days (31 December 2024: 45 days to 180 days) to its trade customers and 180 days (31 December 2024: 180 days) for sales of gear products. Apart from that, the Group does not have a standardised and universal credit period granted to its customers for other sales, and the credit period of individual customers is considered on a case-by-case basis and stipulated in the relevant contracts, as appropriate.

All of the amounts due from joint ventures are unsecured, interest-free and repayable on credit terms similar to those offered to the major customers of the Group.

15 TRADE AND BILLS PAYABLES

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Trade payables		
– Amounts due to third parties	5,001,385	4,323,022
– Amount due to an associate	18	18
Bills payables	<u>5,554,190</u>	<u>5,084,115</u>
	<u>10,555,593</u>	<u>9,407,155</u>

An ageing analysis of trade and bills payables as at the end of the reporting period, based on the invoice date and the date of issuance of the bills, is as follows:

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Within 90 days	6,427,851	6,241,240
91 to 180 days	3,767,532	2,404,886
181 to 365 days	77,549	666,988
Over 365 days	<u>282,661</u>	<u>94,041</u>
	<u>10,555,593</u>	<u>9,407,155</u>

Amount due to an associate included in trade and bills payables is repayable within 90 days (31 December 2024: 90 days), which represents credit terms similar to those offered by the associate to its major customers.

Trade payables are normally settled on terms of 90 to 180 days (31 December 2024: 90 to 180 days).

16 OTHER PAYABLES AND ACCRUALS

		30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
	Note		
Accruals		670,823	843,649
Amounts due to associates	(i)	24,447	65,582
Refundable deposit received	(ii)	644,000	644,000
Other tax payables		42,700	99,763
Other payables	(iii)	1,131,385	923,869
Payroll and welfare payables		129,851	278,476
Liability arising from financial guarantee contracts		–	1,928
Payables for purchase of property, plant and equipment		328,871	556,678
		<u>2,972,077</u>	<u>3,413,945</u>

Note:

- (i) All of the amounts due to associates are non-trade nature, unsecured, interest-free and repayable on demand.
- (ii) It represented refundable deposit received from Neoglory Prosperity Inc. (新光圓成股份有限公司) for the possible sale and purchase of the shares of China High Speed Transmission Equipment Group Co., Ltd held by the Group in 2018. Details of the transaction, the legal action taken by Neoglory Prosperity Inc. to seek for the refund of the deposit and the settlement arrangement are set out in Note 37(ii) of the Group's 2024 annual consolidated financial statements. No repayment was made by the Group during the six months ended 30 June 2025. Management considers that the repayments of the outstanding balance could be fulfilled through internal funding or sale of certain non-major assets and will not have a significant impact to the Group's operations.
- (iii) In June 2019, the Group and an independent third party, Jiangsu Anke Technology Development Co., Limited (“**Jiangsu Anke**”) entered into a framework asset transfer agreement (the “**Asset Transfer Agreement**”) to dispose of certain investment properties and received the partial consideration of RMB200,000,000 (the “**Asset Consideration**”). Pursuant to the Asset Transfer Agreement, if the transfer of the assets was not completed within a specified period, the Group shall refund the Asset Consideration as well as bear the respective penalty. The transfer had not been completed and the Group failed to refund the full amount of the Asset Consideration to Jiangsu Anke.

In 2020, Jiangsu Anke took legal action to the court in the PRC and per the court judgement in 2022, the Group had to refund the Asset Consideration, penalty and overdue interests to Jiangsu Anke based on the term of Asset Transfer Agreement. During the year ended 31 December 2022, Jiangsu Anke applied the court order to freeze certain bank accounts and investment properties. During the year ended 31 December 2023, a settlement agreement was entered into with Jiangsu Anke. However, the Group failed to meet the repayment schedule of the settlement agreement. On 5 January 2024, Jiangsu Anke reapplied the execution of court order.

16 OTHER PAYABLES AND ACCRUALS (Continued)

Note: (Continued)

As at 30 June 2025, certain bank accounts with accumulated balances of RMB13,108,000 (31 December 2024: RMB10,526,000) and the legal title of certain of investment properties with carrying value of RMB2,405,125,000 as at 30 June 2025 (31 December 2024: RMB2,405,125,000) were frozen by the court order in the PRC.

Up to the date of these interim condensed consolidated financial information, the Group is still liaising with Jiangsu Anke to extend the repayment period. Management considers that the Asset Consideration, together with the respective default interest payable and past late penalty payable with carrying value of RMB315,890,000 (31 December 2024: RMB309,467,000) recognised in other payables as at 30 June 2025 could be repaid through internal funding or sale of certain non-major assets and will not have significant impact to the Group's operations.

17 BANK AND OTHER BORROWINGS

	30 June 2025		31 December 2024	
	Current (Unaudited) RMB'000	Non-current (Unaudited) RMB'000	Current (Audited) RMB'000	Non-current (Audited) RMB'000
Secured				
– Bank loans	710,018	4,125,214	1,432,460	3,303,093
– Loans from other financial institutions	–	–	267,800	–
Total secured borrowings	710,018	4,125,214	1,700,260	3,303,093
Unsecured				
– Bank loans	3,838,967	1,706,054	3,468,569	1,848,892
– Loans from a shareholder	625,407	–	994,810	–
– Loans from a related company	324,220	–	–	–
– Loan from a joint venture	192,578	–	196,106	–
– Loans from other third parties	60	250,000	105	250,000
Total unsecured borrowings	4,981,232	1,956,054	4,659,590	2,098,892
	5,691,250	6,081,268	6,359,850	5,401,985

Bank and other borrowings carry interests ranging from 0% to 8% (31 December 2024: 0% to 15%) per annum. As at 30 June 2025, loans from a related company/shareholder of RMB949,627,000 (31 December 2024: RMB994,810,000) in aggregate are interest-free and the loan from a joint venture of RMB192,578,000 (31 December 2024: RMB196,106,000) carries an effective interest rate at 8% (31 December 2024: 8%) per annum.

17 BANK AND OTHER BORROWINGS (Continued)

Bank and other borrowings are repayable as follows:

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Within one year or on demand	5,691,250	6,359,850
Between one and two years	3,133,162	2,437,237
Between two and five years	2,376,230	2,326,768
Over five years	571,876	637,980
	<u>11,772,518</u>	<u>11,761,835</u>

Notes:

- (a) Certain of the Group's bank and other borrowings are secured by:
- (i) All of the equity interests in NGC Huai'an, a subsidiary of the Group.
 - (ii) 30,400,000 ordinary shares of the Company held by a company controlled by Mr. Ji Changqun ("Mr. Ji").
 - (iii) The Group's assets as disclosed in Note 20.

In addition, bank and other borrowings of RMB647,215,000 (31 December 2024: RMB663,247,000) were guaranteed by Mr. Ji.

- (b) As at 30 June 2025, certain of the borrowings with principal amounting to RMB192,578,000 (31 December 2024: RMB1,048,153,000) were overdue and defaulted, and overdue interest expense of RMB7,710,000 (six months ended 30 June 2024: RMB46,698,000) was recognised during the six months ended 30 June 2025. The Group is actively liaising with the lenders to extend the repayment period and has not received any request from any lender of the borrowings for accelerated repayment up to the date of these interim condensed consolidated financial information. Management considers that these borrowings could be repaid through internal fundings and will not have a significant impact to the Group's operations.
- (c) Saved as disclosed above, the Group complied with the covenant as set out for its non-current loans during the six months ended 30 June 2025. Accordingly, these loans are classified as non-current liability as at 30 June 2025. The Group expects to comply with these covenants for at least 12 months after the reporting date.

18 CONTINGENT LIABILITIES

As at 30 June 2025, contingent liabilities not provided for in the interim condensed consolidated financial information were as follows:

- (i) As at 30 June 2025 the Group provided financial guarantees to two associates (31 December 2024: three associates) and two independent third parties (31 December 2024: one independent third parties) in favour of bank loans of RMB1,494,734,000 (31 December 2024: RMB1,535,953,000) and RMB579,000,000 (31 December 2024: RMB579,000,000), respectively. These amounts represented the balances that the Group could be required to be paid if the guarantees were called upon in its entirety.

As at 30 June 2025, an amount of Nil (31 December 2024: RMB1,928,000) has been recognised in the interim condensed consolidated financial information as liabilities for the financial guarantees.

- (ii) On 30 August 2019, a sale and purchase agreement is entered into between an independent third party (the “**Purchaser**”) and the general partner of Fullshare Value Fund I (A) L.P. (the “**Vendor**”), a joint venture of the Group, pursuant to which the Vendor agreed to sell, and the Purchaser agreed to purchase, 100% of the issued and paid-up shares of Five Seasons XXII Limited (“**BVI SPV**”), a wholly-owned subsidiary of the Vendor, subject to the terms and conditions thereof. The BVI SPV indirectly holds the interests of GSH Plaza in Singapore. The former owner of the GSH Plaza is under certain legal cases with the property builders.

On the same day, in order to facilitate the conclusion of the sales, the Company entered into a deed of guarantee with the Purchaser, pursuant to which, the Company agreed to guarantee to the Purchaser the due and punctual performance and observance by the Vendor of the Vendor’s obligations under the sale and purchase agreement, subject to a maximum liability of up to SGD169,822,000 (equivalent to approximately RMB954,041,000) (31 December 2024: SGD169,822,000 (equivalent to approximately RMB909,607,000)) (the “**Guarantee Money**”) as at 30 June 2025. The Guarantee Money is used to compensate the Purchaser for any adverse effect of the legal cases. These Guarantee Money would be reimbursed by the former owner.

In the opinion of the directors, based on the claim history from the purchaser to the Group and the reimbursement history from the former owner to the Group, the possibility of default or inability of discharging the relevant obligations by the Group is remote. Accordingly, no provision in relation to the guarantee has been made as at 30 June 2025 and 31 December 2024

- (iii) The Group has provided guarantees in favour of China Great Wall Assets Management Company Tianjin Office (the “**Great Wall Assets**”) and China CITIC Financial Asset Management Co., Ltd (“**CITIC**”) (the “**Existing Guarantees**”) and a subsidiary of the Company has charged certain investment properties in favor of Great Wall Assets, each as security for certain debts (the “**Debts**”) owed by Nanjing Fullshare Dazhu Technology Co., Ltd.* (南京豐盛大族科技股份有限公司) (“**Fullshare Dazhu**”), a former subsidiary of the Group, and its subsidiaries (the “**Fullshare Dazhu Group**”) to the above-mentioned financial institutions in an aggregate principal amount of approximately RMB966,385,000 as at 30 June 2025 (31 December 2024: RMB973,042,000) with interest rates ranging from 7.8% to 24% (31 December 2024: 7.8% to 24%) (the “**Guarantee Obligations**”).

Upon the completion of the disposal of Nanjing Fengsheng Kanglv Co., Ltd (“**Fengsheng KL**”), the former wholly owned subsidiary which held 73.33% of Fullshare Dazhu, such guarantees and mortgaged assets had not been released. To ensure the Company’s performance of its Guarantee Obligations, on the date of execution of the equity transfer agreement for the disposal of Fengsheng KL in August 2024, (i) the purchaser executed an equity interest pledge agreement with the Company and Fengsheng KL, pursuant to which the purchaser shall pledge 80% of the equity interests of Fengsheng KL in favor of the Company; and (ii) the purchaser and Fengsheng KL executed a counter-guarantee agreement in favor of the Company to provide counter-guarantees.

As at 30 June 2025, the total amount due from Fullshare Dazhu Group to Great Wall Assets and CITIC was approximately RMB1,494,734,000 (31 December 2024: RMB1,527,565,000). Having considered that: (i) the purchaser has executed the equity interest pledge agreement and a counter-guarantee agreement to mitigate the credit risk of the Company under the Existing Guarantees as mentioned above; (ii) the value of charged assets of Fullshare Dazhu Group are expected to be sufficient to cover the repayment risk of the Debts; and (iii) the strong net asset position of Fullshare Dazhu indicating its ability to repay the Debts, in the opinion of the directors, the possibility of default or inability of discharging the relevant obligations by the Group is remote. Accordingly, no provision in relation to the guarantee has been made as at 30 June 2025 and 31 December 2024.

Up to the date of these interim condensed consolidated financial information, the purchaser has yet provided replacement for the release of the Existing Guarantees. Accordingly, the Group’s Guaranteed Obligations remains in force.

19 CAPITAL COMMITMENTS

The Group had the following capital commitments at the end of the reporting period:

	30 June	31 December
	2025	2024
	(Unaudited)	(Audited)
	RMB'000	RMB'000
Contracted, but not provided for property, plant and equipment	494,056	633,141

20 PLEDGE OF ASSETS

At the end of the reporting period, certain assets of the Group were pledged to secure banking and other facilities granted to the Group, an associate and independent third parties as follows:

	30 June	31 December
	2025	2024
	(Unaudited)	(Audited)
	RMB'000	RMB'000
Property, plant and equipment	2,908,876	3,828,475
Investment properties	2,773,560	2,773,560
Investment in associate	116,281	152,107
Right-of-use assets	491,403	497,957
Financial assets at FVOCI	237,245	321,759
Pledged bank deposits	3,296,512	2,810,765
	9,823,877	10,384,623

BUSINESS REVIEW

During the Period Under Review and the six months ended 30 June 2024 (the “**Corresponding Period of 2024**”), the revenue of the Group was derived from property, tourism, investment and financial services, healthcare and education and new energy businesses.

(1) Property business

After the divestment of certain property portfolio through the disposal of a wholly owned subsidiary last year, the Group has not held any property project for sales and involved in any property development projects. The Group now engages in the remaining investment properties project in the People’s Republic of China (the “**PRC**”) and utilises its resources and experience to explore asset-light property businesses such as provision of services for commercial property management and property development.

Property investment

(i) Investment properties held by the Group

As at 30 June 2025, the investment properties of the Group included Wonder City* (虹悅城), Liuhe Happy Plaza Project* (六合歡樂廣場項目) and Weihai Project* (威海項目).

	Address	Existing use	Term of contract	Gross floor areas (“GFA”) (sq.m.)	Interest attributable to the Group
Nanjing					
Wonder City (虹悅城)	No. 619 Yingtian Da Jie, Yuhuatai District, Nanjing, Jiangsu Province, the PRC	Shopping mall	Medium-term covenant	100,605	100%
Liuhe Happy Plaza Project* (六合歡樂廣場) (two floors)	No. 52-71 Longjinlu Liuhe District, Nanjing, Jiangsu Province, the PRC	Shopping mall and carparks	Medium-term covenant	18,529 [#]	100%
Weihai					
Weihai Project (威海項目)	Block 1, No. 229, Rongshan Road, Chengshan, Rongcheng City, Weihai, Shandong Province, the PRC	Commercial	Medium-term covenant	6,472	100%
				125,606	

[#] GFA of carparks is not included

(ii) *Investment properties leased by the Group*

A commercial complex, located at No. 109 Ruanjian Avenue, Yuhuatai District, Nanjing, Jiangsu Province, the PRC, (“**Yuhua Salon 109**”), the previous Group’s investment property, has been leased to the Group by a former subsidiary for a lease term from July 2023 to June 2027 (“**Yuhua Salon Lease**”). Upon the disposal of the then subsidiary, the Group and the purchaser agreed to continue the lease arrangement under the Yuhua Salon Lease. Subsequently, the lease term was further extended to June 2033. Accordingly, the Group continue to manage the operation of Yuhua Salon 109.

(2) **Tourism business**

During the Period Under Review, the Group gradually developed its tourism business, with an industrial layout that combines investment and businesses and an integration of long-term and short-term initiatives. The tourism property projects currently being invested and held by the Group include the Laguna project and the Sheraton project in Australia. In addition, the Group also manages the Five Seasons Hotel project in Nanjing, the PRC.

The Laguna project is located in Bloomsbury, Queensland, Australia which is a large-scale comprehensive development project adjacent to the Great Barrier Reef with a land lot site area of approximately 29,821,920 sq.m. The land is currently held for future development.

The Sheraton project is located in Port Douglas, Queensland, Australia, a globally renowned tourist resort. The project comprises the Sheraton Mirage Resort and the Golf Club and has a total of 295 guest rooms, 7 restaurants and bars, and an 18-hole golf course, with a total land lot site area of approximately 1,108,297 sq.m., and a total GFA of approximately 62,328 sq.m. During the Period Under Review, the average room price was approximately AUD423.18, with an occupancy rate of approximately 69.38%.

Nanjing Five Seasons Hotel, the Group’s previous hotel property, has been leased to the Group by a former subsidiary for a lease term from March 2024 to February 2031 (“**Five Seasons Hotel Lease**”). Upon the disposal of the then subsidiary, the Group and the purchaser agreed to continue the existing lease arrangement under the Five Seasons Hotel Lease. Accordingly, the Group continue to manage the operation of the Nanjing Five Seasons Hotel. Nanjing Five Seasons Hotel is located in the Software Valley, Nanjing, Jiangsu Province, the PRC with a land lot site area of approximately 30,416.26 sq.m. and a total GFA of approximately 81,379.8 sq.m. During the Period Under Review, the hotel’s Building 9 (Dongshu Lou), Building 6 (Nansheng Lou) floors and Building 8 (Beiji Lou) have been put into full operation, while Building 7 (Qinyangzhai) is not fully open yet. The project currently has a total of 272 guest rooms, 3 restaurants and 2 banquet halls. During the Period Under Review, the average room price was approximately RMB670.27 (excluding tax) with an occupancy rate of approximately 80.94%.

(3) Investment and financial services business

The Group's investment and financial services business consists of holding and investing in various listed and unlisted equities and financial assets and provision of investment and financial related services.

During the Period Under Review, this segment recorded a profit of approximately RMB 79,480,000 (2024: loss of RMB429,390,000). The profit derived during the Period Under Review was mainly due to the reversal of impairment loss and fair value gain recognised for certain investments while the loss incurred during the Corresponding Period of 2024 was mainly because in view of delayed repayments and continuous worsening financial status of certain borrowers or debtors, credit risks of certain financial assets increased since initial recognition. Accordingly, more impairment losses were recognised.

(a) *Listed equity investments held for trading*

The portfolio of listed equity investments of the Group held for trading as at 30 June 2025 and 31 December 2024 is set out as below:

	As at 30 June 2025 RMB'000	As at 31 December 2024 RMB'000
Hong Kong listed equities securities	17,485	26,973
Singapore listed equities securities	742	635
United States listed equities securities	13,133	19,503
	31,360	47,111

Note:

These companies are listed companies on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), the Singapore Exchange, and the NASDAQ Stock Market. All of the shares held by the Group are ordinary shares of the relevant company.

(b) Other investments

Apart from the above listed equity investments, the Group also held unlisted equity investments. Certain material unlisted equity investments of the Group classified as financial assets at fair value through other comprehensive income as at 30 June 2025 and 31 December 2024 are set out as below:

As at 30 June 2025

Name of investee	Cost of investment <i>RMB'000</i>	Carrying amount <i>RMB'000</i>	Unrealised holding gain/(loss) arising on revaluation for the year <i>RMB'000</i>	Realised gain/(loss) arising from the disposal for the year <i>RMB'000</i>	Dividend received/receivable for the year <i>RMB'000</i>
Zhejiang Zheshang Chanrong Investment Partnership (Limited Partnership)* ("Zheshang Fund") (浙江浙商產融投資合夥企業 (有限合夥) (Note 1)	2,000,000	1,310,000	41,000	—	—
Jiangsu Mingying Investment Holding Limited* ("Jiangsu Investment") (江蘇民營投資控股有限公司) (Note 1)	—	—	—	(98,300)	—
		<u>1,310,000</u>	<u>41,000</u>	<u>(98,300)</u>	<u>—</u>

Note:

1. Zheshang Fund and Jiangsu Investment are primarily engaged in, among other things, equity and debt investment, investment management and investment consultation. During the Period Under Review, Jiangsu Investment was derecognised upon disposal of a subsidiary.

As at 31 December 2024

Name of investee	Cost of investment <i>RMB'000</i>	Carrying amount <i>RMB'000</i>	Unrealised holding gain/(loss) arising on revaluation for the year <i>RMB'000</i>	Realised gain/(loss) arising from the disposal for the year <i>RMB'000</i>	Dividend received/receivable for the year <i>RMB'000</i>
Zheshang Fund	2,000,000	1,269,000	30,000	–	–
Jiangsu Investment	200,000	101,700	(25,748)	(25,748)	–
		<u>1,370,700</u>	<u>4,252</u>	<u>(25,748)</u>	<u>–</u>

The future performance of the investments held by the Group will be affected by the overall economic environment, market condition and the business performance of the investee company. In this regard, the Group continued to monitor the portfolio performance and adjust the investments portfolio when necessary. The diversified investment portfolio is to implement the direction of expanding the sources of the Group's investment income and stabilizing its long term investment strategies.

As at 30 June 2025 and 31 December 2024, the Group did not hold any significant investment with a value greater than 5% of the Group's total assets.

(c) Investment and financial related consulting services

The Group offers a wide range of financial services to listed companies, high net-worth individuals and institutional & corporate clients, which include corporate finance, investment management, equity capital markets and money lending services, via a well-developed group of subsidiaries.

(4) Healthcare and education business and others

During the Period Under Review, the Group continued to identify appropriate investment opportunities to inject new impetus for the sustainable development of healthcare, education and other businesses. The revenue of healthcare, education and other segment was approximately RMB41,264,000 (2024: RMB253,413,000).

(5) New Energy segment

a) Wind gear transmission equipment

As a leading enterprise of wind gear transmission equipment in China, leveraging on its outstanding research, design and development capabilities, our product technology has reached an internationally advanced level, making the Group a leader in the offshore large-megawatt wind gear transmission equipment product and technology. The wind gear transmission equipment products of the Group are widely applied in both onshore and offshore wind power, and breakthroughs have been continuously achieved in the offshore wind power business, with large megawatt offshore wind gear transmission equipment products of 13.6MW-20MW being delivered to customers in bulk. The Group is fully aware that in the face of the increasingly fierce competition in the industry, adhering to a long-term perspective is a wise and stable strategic choice, and only through continuous innovation and research and development can we remain competitive in the future. To this end, relying on the StanGear™ (sliding bearing gearbox) and NGCWinGear™ (rolling bearing gearbox) product platforms and core technology platforms, we have rapidly iterated and optimised product design and have pursued closely core technologies such as computational analysis technology, intelligent manufacturing technology, material heat control technology, and experiment and testing technology, laying a solid technical foundation to cope with the development trend of large-scale, integrated and lightweight wind turbines. At the same time, keeping up with the new trend of market development, the Group has actively developed onshore and offshore large-megawatt wind gear transmission equipment with integrated transmission chain, deeply integrated digital technology, built GearSight IoT cloud platform for gearbox health monitoring and diagnosis, and created a remote diagnosis center, realising efficient management of the entire life cycle of wind gear transmission equipment products.

Up to now, the Group has maintained a strong customer portfolio. The customers of our wind gear transmission equipment products include major wind turbine manufacturers in the PRC, as well as internationally renowned wind turbine manufacturers such as GE Vernova, Siemens Energy Wind Power, Suzlon, Adani, Nordex acciona and Enercon, etc. The Group's wind gear transmission equipment products have further expanded into international markets, driven by the Group's proactive efforts to develop overseas customers and the continuous expansion of domestic OEMs into overseas markets. Global market layout will facilitate diversification of operational risks. The Group also seeks to have closer communication, cooperation and development with existing and potential overseas customers through its subsidiaries in the United States, Canada, Germany, Singapore and India.

b) Industrial gear transmission equipment

The Group's industrial gear transmission equipment products are widely used by customers in industries such as metallurgy, construction materials, rubber and plastics, petrochemicals, electric power, aerospace, mining, ports and engineering machinery.

In recent years, the Group has always adhered to the strategy for green development of industrial gear transmission equipment. With a focus on energy conservation, environmental protection and low carbon emission, as well as in-depth exploration in the transmission technology and extended driving technology, the Group has, under the iteration and upgrading of product technology in the field of heavy-duty transmission, developed standardised, modular and intelligent products which are internationally competitive and an electromechanical control integrated driving system with high efficiency, high reliability and low energy consumption. With "complete range, clear layers and precise subdivision" as our product positioning and market positioning, the Group was able to facilitate changes in sales strategies and production models, improve comprehensive competitiveness and further consolidate market advantages. During the Period under Review, the Group demonstrated a positive development trend in the fields of high-end equipment manufacturing and the domestic production of core equipment. Additionally, with the international expansion of its industrial gear transmission equipment products, the application of the Group's industrial gear transmission equipment products in overseas markets has significantly increased. Meanwhile, the Group also strengthened its efforts to provide and sell the parts and components of relevant products as well as comprehensive system solutions to its customers, helping customers to enhance their current production efficiency and reduce energy consumption without increasing capital expenditure and satisfying the diverse and differentiated needs of customers, thereby maintaining the Group's position as a major supplier in the market of industrial gear transmission equipment products.

c) Rail transportation gear transmission equipment

The Group's rail transportation gear transmission equipment products are widely used in the rail transportation fields such as high-speed rails, metro lines, urban trains and trams. The Group has established long-term cooperative relationships with many well-known domestic and foreign companies in the industry, such as the CRRC and the Alstom. The Group has obtained ISO/TS 22163 Certificate for the Quality Management System of International Railway Industry and CRCC Certification for Railway Products for its rail transportation gear transmission equipment products, and has obtained "Silver" Certificate for IRIS System for three consecutive years, which has laid a solid foundation for further expansion in the international rail transportation market. Currently, the products have been successfully applied to rail transportation transmission equipment in many Chinese cities, such as Beijing, Shanghai, Shenzhen, Nanjing, Hong Kong and Taipei, as well as in numerous countries and regions worldwide, such as Singapore, India, Netherlands, France, Australia, Brazil, Argentina, Canada, Mexico, South Africa, Tunis and Egypt. With optimised gearbox design technology, excellent sealing technology and effective control of the production process, the Group's rail transportation gear transmission equipment products are more environmentally friendly, and the products are well received by users.

FINANCIAL REVIEW

Revenue

The revenue of the Group decreased by approximately RMB410,069,000, or 4%, from approximately RMB10,675,171,000 for the Corresponding Period of 2024 to approximately RMB10,265,102,000 for the Period Under Review. The revenue and the changes for the Period Under Review and Corresponding Period of 2024 derived from different segments are listed as below:

Segment	Period Under Review	Corresponding Period of 2024	Changes	
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	percentage
Properties	109,643	125,416	(15,773)	(13)%
Tourism	133,870	135,208	(1,338)	(1)%
Investment and financial services	1,344	1,440	(96)	(7)%
Healthcare, education and others	41,264	253,413	(212,149)	(84)%
New Energy	9,978,981	10,159,694	(180,713)	(2) %
Total Revenue	<u>10,265,102</u>	<u>10,675,171</u>	<u>(410,069)</u>	<u>(4)%</u>

The revenue from new energy segment decreased by approximately RMB180,713,000. It was mainly due to the suspension of the trading business in bulk commodity and steel industry chain carried out by new energy segment since November 2024, resulting in a significant drop of revenue from trading business during the Period Under Review by RMB3,373,243,000 as compared with the Corresponding Period of 2024, but simultaneously, there was an enormous increase in sales of wind gear transmission equipment which greatly offset the impact from the abeyance of trading business.

The revenue from healthcare, education and others segment decreased mainly because less commodities trading were carried out in the Period Under Review.

Cost of sales and services

The cost of sales and services of the Group decreased by approximately RMB909,769,000, or 10%, from approximately RMB9,244,682,000 for the Corresponding Period of 2024 to approximately RMB8,334,913,000 for the Period Under Review. The cost and the changes for the Period Under Review and Corresponding Period of 2024 derived from different segments are listed as below:

Segment	Period Under Review	Corresponding Period of 2024	Changes	
	RMB'000	RMB'000	RMB'000	percentage
Properties	37,493	59,764	(22,271)	(37)%
Tourism	126,128	121,677	4,451	4%
Investment and financial services	31	60	(29)	(48)%
Healthcare, education and others	37,617	251,199	(213,582)	(85)%
New energy	8,133,644	8,811,982	(678,338)	(8)%
Total cost	<u>8,334,913</u>	<u>9,244,682</u>	<u>(909,769)</u>	<u>(10)%</u>

Gross profit and gross profit margin

The gross profit of the Group increased by approximately RMB499,700,000, or 35%, from approximately RMB1,430,489,000 in the Corresponding Period of 2024 to approximately RMB1,930,189,000 for the Period Under Review. The gross profit margin increased from approximately 13% in the Corresponding Period of 2024 to 19% for the Period Under Review. The gross profit of the Group was mainly derived from new energy segment. The gross profit and gross profit margin for the Period Under Review derived from new energy segment was approximately RMB1,845,337,000 and 18% (Corresponding Period of 2024: RMB1,347,712,000 and 13%) respectively. The increase in gross profit of new energy segment was mainly due to increase in gross profit generated from the wind and industrial gear transmission equipment, and the increase in gross profit margin was largely related to the result of suspension of trading business with a thin gross profit margin.

Selling and distribution expenses

Selling and distribution expenses of the Group increased by approximately RMB81,290,000, or 31%, from approximately RMB262,102,000 in the Corresponding Period of 2024 to approximately RMB343,392,000 for the Period Under Review. The selling and distribution expenses mainly comprised of product packaging expenses, transportation expenses, staff costs and business expenses. The increase in selling and distribution expenses in the Period Under Review was mainly in line with the increase in sales of wind gear transmission equipment from new energy segment.

Administrative expenses

Administrative expenses of the Group decreased by approximately RMB7,364,000, or 2%, from approximately RMB412,775,000 in the Corresponding Period of 2024 to approximately RMB405,411,000 for the Period Under Review. The administrative expenses for the Period Under Review mainly included salaries and staff welfare, depreciation and amortisation of tangible and intangible assets. The decrease in the administrative expenses during the Period Under Review was mainly due to cost reduction upon the disposal of certain operating subsidiaries in September 2024, however partly offset by the increase in professional fees of legal service and independent investigation.

Research and development costs

Research and development costs of the Group increased by approximately RMB41,413,000, or 10%, from approximately RMB410,115,000 in the Corresponding Period of 2024 to approximately RMB451,528,000 for the Period Under Review. The increased in research and development costs mainly due to increase in efforts put on research and development of new products in new energy segment.

Net provision for of impairment losses on the financial assets

Net provision for impairment loss on the financial assets of the Group in the Period Under Review decreased by approximately RMB910,659,000 or 86%, from approximately RMB1,056,193,000 for the Corresponding Period of 2024 to approximately RMB145,534,000 for the Period Under Review. During the Corresponding Period of 2024, China High Speed Transmission Equipment Group Co., Ltd (“CHS”), a non wholly-owned subsidiary of the Company whose shares are listed on the Main Board of the Stock Exchange, recognised an impairment loss for certain trade receivables from trading business in new energy segment in view of the deteriorated repayment records of certain customers. Subsequently, management of CHS identified some significant findings in relation to the trading business which may involve suspected embezzlement and misappropriation of the certain of CHS’s subsidiaries’ assets. In view of that, management of CHS considered that the recoverability over the outstanding trade receivables in relation to trading business are in doubt, and for prudent sake, a full impairment was recognised in the year ended 31 December 2024. Accordingly, no further impairment was made for those trade receivables during the Period Under Review. In addition, in view of the financial condition of certain borrowers exhibited a trend/sign of deterioration, which resulted in default in repayments in these receivables, an impairment loss was recognised during the Corresponding Period of 2024. Since the overdue and defaulted loan receivables have been fully impaired, no further impairment was made during the Period Under Review.

Other income

Other income decreased by approximately RMB31,823,000, or 13%, from approximately RMB251,386,000 in the Corresponding Period of 2024 to approximately RMB 219,563,000 for the Period Under Review. Other income for the Period Under Review mainly included bank and other interest income of approximately RMB49,909,000, government grants of approximately RMB78,263,000 and sales of scraps and materials of approximately RMB60,652,000. Other income in the Corresponding Period of 2024 mainly included bank and other interest income of approximately RMB73,836,000, government grants of approximately RMB90,319,000 and sales of scraps and material of approximately RMB52,090,000.

Net fair value change in financial instruments

The Group maintains its investment segment through possessing and investing in various investments and financial products for potential or strategic purposes. The Group recorded a loss on change in fair value of financial instruments of approximately RMB381,876,000 and RMB31,143,000 in the Period Under Review and Corresponding Period of 2024 respectively. The significant increase in fair value loss was mainly derived from three limited partnerships invested by new energy segment of which the fair value was dropped from RMB423,300,000 as at 31 December 2024 to Nil as at 30 June 2025. The fair value change mainly reflected the stock market volatility and change in the expectations on the financial status of investees.

Other gains/(losses) – net

During the Period Under Review, other gains mainly included gain on disposal of subsidiaries of approximately RMB105,656,000 and exchange gains of approximately RMB50,867,000.

During the Corresponding Period of 2024, other losses mainly included fair value losses of investment properties of approximately RMB351,668,000 and provision for impairment losses on property, plant and equipment of approximately RMB268,081,000. The decrease in the fair value of investment properties was in line with the worsening of the PRC property market while the impairment mainly related to a hotel operated in the PRC. In view of the negative impact brought by the economic downturn in the PRC, the management considered that the operating income generated from the hotel may not meet the expectation at the initial investment plan and there may be an indicator of impairment. Therefore, the management reassessed the recoverable amount of the hotel during the Corresponding Period of 2024, and found that it was lower than its carrying value. Accordingly, impairment loss was recognised.

Finance costs

Finance costs of the Group decreased by approximately RMB325,333,000, or 58%, from approximately RMB564,378,000 in the Corresponding Period of 2024 to approximately RMB239,045,000 for the Period Under Review, which was mainly due to (i) the disposal of certain operating subsidiaries with heavy debts in September 2024 which led the average borrowing amount of the Group for the Period Under Review dropped significant when compared with that in the Corresponding Period of 2024; (ii) the absence of interest expenses on put option liabilities during the Period Under Review, and (iii) a decrease in loan interest rates.

Share of result of joint ventures and associates

The Group's share of net losses from its joint ventures and associates amounted to approximately RMB57,210,000 (Corresponding Period of 2024: RMB39,322,000) The increase in share of losses was mainly due to the performances of certain investees being less satisfying during the Period Under Review.

Income tax expense/credit

For the Period Under Review, the current tax expense and the deferred tax credit of the Group amounted to approximately RMB134,177,000 and RMB58,593,000 respectively, and in the Corresponding Period of 2024, the current tax expense and the deferred tax credit of the Group amounted to approximately RMB85,484,000 and RMB253,306,000 respectively.

The increase in current tax expense in the Period Under Review was mainly because the increase in profits derived from new energy segment. The decrease in deferred tax credit during the Period Under Review was mainly due to no fair value loss of investment properties recognised and recognition of impairment losses on certain receivables during the Period Under Review was far smaller than Corresponding Period of 2024.

Profit for the Period Under Review

In the Period Under Review, the Group recorded a profit after tax of approximately RMB179,299,000 (Corresponding Period of 2024: loss after tax of approximately RMB1,526,940,000). The profits made in the Period Under Review was mainly because of the increase in operating profits from new energy segment, gain on disposal of subsidiaries, decrease in provision for impairment losses recognised on financial assets and certain properties, plant and equipment, and no significant decrease in fair value of investment properties.

LIQUIDITY, FINANCIAL RESOURCES AND GEARING RATIO

For the Period Under Review, the Group financed its operations and investments mainly by internally generated funds and debt financing.

Cash position

As at 30 June 2025, the Group had cash and cash equivalents (excluding the restricted cash) of approximately RMB4,018,576,000 (31 December 2024: RMB3,965,148,000), representing an increase by approximately RMB53,428,000 or 1% as compared to 31 December 2024. The Group's cash and cash equivalents remain stable. The Group regularly and closely monitors its funding and treasury position to meet the funding requirements of the Group.

Bank and other borrowings and corporate bonds

As at 30 June 2025, the debt profile of the Group was analysed as follows:

	As at 30 June 2025 RMB'000	As at 31 December 2024 RMB'000
Bank and other borrowings repayable:		
Within one year or on demand	5,691,250	6,359,850
Between one and two years	3,133,162	2,437,237
Between two to five years	2,376,230	2,326,768
Over five years	571,876	637,980
Total debts	11,772,518	11,761,835

As at 30 June 2025, the total debt of the Group increased by approximately RMB10,683,000 or 0.1%, as compared with 31 December 2024.

Leverage

The gearing ratio of the Group as at 30 June 2025, calculated as a ratio of the sum of bank and other borrowings to total assets, was approximately 26% (31 December 2024: 26%). The net equity of the Group as at 30 June 2025 was approximately RMB14,863,633,000 (31 December 2024: approximately RMB14,603,575,000).

As at 30 June 2025, the Group recorded total current assets of approximately RMB26,308,976,000 (31 December 2024: RMB24,748,906,000) and total current liabilities of approximately RMB21,554,886,000 (31 December 2024: RMB22,092,483,000). The current ratio of the Group, calculated by dividing total current assets by total current liabilities, was about 1.2 as at 30 June 2025 (31 December 2024: 1.1).

FOREIGN EXCHANGE EXPOSURE

The assets, liabilities and transactions of the Group are mainly denominated in RMB, Hong Kong dollars, Australian dollars, US dollars, Euros and Singaporean dollars. The Group currently does not have a foreign currency hedging policy. In order to manage and reduce foreign exchange exposure, the management will evaluate the Group's foreign exchange exposure from time to time and take actions as appropriate.

TREASURY POLICIES

As at 30 June 2025, bank and other borrowings of approximately RMB11,027,109,000, RMB512,050,000, RMB4,748,000 and RMB228,611,000 (31 December 2024: RMB11,010,298,000, RMB521,431,000, RMB6,579,000 and RMB223,527,000) were denominated in RMB, US dollars, Hong Kong dollars and Australia dollars respectively. The debts in various currencies were mainly made to finance the operation of Group's entities in different jurisdictions.

Bank and other borrowings of approximately RMB4,471,504,000 (31 December 2024: RMB4,661,763,000) were at fixed interest rates, the remaining balances were either at variable rates or non-interest bearing. Cash and cash equivalents held by the Group were mainly denominated in RMB, Hong Kong and Australia dollars. The Group currently does not have foreign exchange and interest rate hedging policies. However, the management of the Group monitors the foreign exchange and interest rate exposure from time to time and will consider hedging significant foreign exchange and interest rate exposure if needed.

PLEDGE OF ASSETS

Details of the Group's pledged assets as at 30 June 2025 are set out in note 20 to the interim condensed consolidated financial information disclosed in this announcement.

OPERATING SEGMENT INFORMATION

Details of the operating segment information of the Group for the Period Under Review, are set out in note 4 to the interim condensed consolidated financial information disclosed in this announcement.

CAPITAL COMMITMENTS

Details of the capital commitments of the Group as at 30 June 2025 are set out in note 19 to the interim condensed consolidated financial information disclosed in this announcement.

CONTINGENT LIABILITIES

Details of contingent liabilities of the Group as at 30 June 2025 are set out in note 18 to the interim condensed consolidated financial information disclosed in this announcement.

SUBSEQUENT EVENTS

The Group has no material events subsequent to 30 June 2025 as of the date of this report.

MATERIAL RISK WARNING

On 29 September 2024, the articles of association of Nanjing High Speed Gear Manufacturing Co., Ltd* (南京高速齒輪製造有限公司) (“**Nanjing High Speed**”) were changed, as the result of which the Company has lost its definite control over the board of Nanjing High Speed. Nanjing High Speed, principally engaged in the manufacturing and sales of wind and industrial gear transmission equipment, is the key subsidiary of the Group, which together with its own subsidiaries generated sales revenue of approximately RMB9,802.72 million for the Period Under Review, amounting to over 98% of the total revenue of CHS and around 95% of the total revenue of the Group.

The Company understands that Nanjing Gear Enterprise Management Co., Ltd.* (南京高齒企業管理有限公司) (“**Nanjing Gear Management**”) has entered into an acting in concert agreement (the “**Concert Agreement**”) with Jinhu Shifu Corporate Management Partnership (Limited Partnership)* (金湖驪福企業管理合夥企業(有限合夥)) (“**Jinhu LP**”), both being the shareholders of Nanjing High Speed, on the same date of the amendment of the articles of association of Nanjing High Speed. Pursuant to the Concert Agreement, Jinhu LP would procure the respective directors nominated by it to vote in the same manner as those nominated by Nanjing Gear Management in the board meetings of Nanjing High Speed.

The Concert Agreement can however be terminated upon events such as Jinhu LP ceases to hold any shares in Nanjing High Speed (which CHS cannot control) or if Jinhu LP votes against (regardless of whether the relevant resolution is passed) any proposal to amend the articles of association of Nanjing High Speed. The articles of association of Nanjing High Speed will need to be amended if the directors nomination powers of shareholders (including those given to Jinhu LP) were to be changed, even if it is due to the change of any of the minority shareholders.

While CHS may have control over Nanjing High Speed based the terms of the Concert Agreement and the amended articles of association of Nanjing High Speed together, it is obvious that CHS is exposed to the whim of Jinhu LP and the other minority shareholders that did not exist prior to the such amendment.

The Company has finally obtained a copy of the Concert Agreement in connection with the preparation of the Company's 2025 interim results and sought legal and other professional advisors' view over such an arrangement. The Board has good bases to believe that (i) pursuant to the amended articles of Nanjing High Speed and without the Concert Agreement, CHS does not have the right to appoint the majority of the members of the board of Nanjing High Speed or control a majority of the votes of its board members; and (ii) if the Concert Agreement is terminated, without any other arrangements or changes to the current situation, Nanjing High Speed will no longer be a subsidiary of the Company and the results of Nanjing High Speed will no longer be consolidated into the Company's consolidated financial statements.

Therefore, the Company would like to draw highest attention to the risk that Nanjing High Speed will cease to be a subsidiary of the Company at any time. For details, please refer to the announcements of the Company dated 7 March 2025, 13 March 2025 and 31 March 2025 and the annual report of the Company for the year ended 31 December 2024.

The Company has requested the board of directors of CHS to convene an extraordinary general meeting in March 2025 to remove the core responsible persons for this matter, namely Mr. Hu Jichun and Mr. Hu Yueming. However, CHS issued two announcements to postpone such extraordinary general meeting twice, ultimately postponing it for 3 years to 30 June 2028. The Company requested the board of directors of CHS to convene another extraordinary general meeting in September 2025 to restructure the board of CHS, however, CHS also postponed such extraordinary general meeting till 30 June 2028. The Company reserves its rights to take various lawful and compliant measures, including but not limited to, filing complaints and initiating judicial proceedings, to protect the interests of the Company and all shareholders of the Company.

PROSPECT

In the second half of 2025, there are still uncertainties in the overall economic environment of the market. The Group will continue to maintain the stable development of each segment while paying attention to the market, especially major domestic high-quality healthcare projects, and invest with a cautious attitude in order to achieve a considerable comprehensive return. The Group will pay attention to and exit some low-return projects to improve the Group's business portfolio structure and cash flow. The Group firmly believes that a diversified business portfolio can bring sustainable and stable revenue, and that the synergies between the businesses will be fully utilised, thus laying a solid foundation for the Group's development.

The Group will continue to strive to maintain a prudent financial management policy, improve the effectiveness of capital utilisation, strengthen internal corporate governance, control operational and financial risks and enhance its risk resistance capability.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES OR JOINT VENTURES

During the Period Under Review, the Group did not have any material acquisition or disposal of subsidiaries, associates or joint ventures. The Group has no specific future plan for major investment or acquisition for major capital assets or other businesses. However, the Group will continue to identify new opportunities for business development.

THE COMPANY AND AUDIT COMMITTEE’S VIEW ON THE QUALIFIED OPINION (THE “QUALIFIED OPINION”) ON THE INDEPENDENT AUDITOR’S REPORT ON THE COMPANY’S CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (THE “ANNUAL REPORT 2024”)

For details of the basis of the Qualified Opinion and the Company and Audit Committee’s view on the Qualified Opinion, please refer to the Annual Report 2024. There are also Qualified Opinion on the interim results and interim report of CHS.

As the issues as described in the basis of Qualified Opinion remain and the Qualified Opinion only relates to the business and operations of CHS, our management and Audit Committee concur with their adopted measures. For further updated details of CHS’s view and actions, please refer to the interim results announcement of CHS published on 29 August 2025 and the interim report of CHS for the six months ended 30 June 2025.

The Company also emphasizes that despite numerous and repeated formal requests, CHS has not provided enough financial information to either the Company or the independent accountant engaged by the Company in order to complete the review of the Company’s 2025 interim results. Hence, the 2025 interim results and interim report of the Company were not supported by any opinion from the independent accountant.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities (including sale of treasury shares (as defined in the the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”))) of the Group during the Period Under Review. As at 30 June 2025, the Company did not own any treasury shares (including any treasury shares held or deposited with CCASS (as defined in the Listing Rules)).

EMPLOYEES

As at 30 June 2025, the Group had 8,911 employees (31 December 2024: 8,807 employees). The Group’s total staff costs (including executive directors’ remuneration) amounted to approximately RMB977,869,000 for the Period Under Review (for the six months ended 30 June 2024: approximately RMB991,598,000). Employees’ remunerations are determined according to the Group’s operating results, job requirements, market salary level and ability of individuals. The Group regularly reviews its remuneration policy and additional benefit programs and makes necessary adjustments to bring them in line with the industry level. In addition to basic salaries, the Group has established revenue sharing programs and performance appraisal plans to provide rewards according to the Group’s results and employees’ individual performance.

CORPORATE GOVERNANCE CODE

The Company has applied the principles and complied with the code provisions of the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 to the Listing Rules during the Period Under Review save for the following deviation:

Under the Code Provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. During the Period Under Review, the positions of chairman and chief executive officer (the “**CEO**”) of the Company were held by Mr. Ji Changqun. The Board believes that the holding of both positions of chairman and CEO by the same individual allows more effective planning and execution of business strategies. In addition, the Board is of the view that the balanced composition of the executive and independent non-executive Directors on the Board and the various committees of the Board in overseeing different aspects of the Company’s affairs would provide adequate safeguards to ensure a balance of power and authority. The Board will review regularly to ensure that this structure will not impair the balance of power and authority between the Board and the management of the Group.

AUDIT COMMITTEE REVIEW

The Company established an audit committee (the “**Audit Committee**”) with written terms of reference in compliance with the CG Code as set out in Appendix C1 to the Listing Rules. The Audit Committee currently comprises three independent non-executive Directors. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal financial control system of the Group, and to review the Group’s interim and annual reports and financial statements. The unaudited interim condensed consolidated financial statements for the Period Under Review have been reviewed by the Audit Committee.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding the securities transactions by the Directors. All Directors have confirmed that, following a specific enquiry by the Company, they have complied with the required standard as set out in the Model Code throughout the Period Under Review.

CLARIFICATION

Reference is made to the announcement of the Company dated 14 October 2025. The Company would like to clarify that none of the Company or its subsidiaries or Mr. Ji Changqun (the chairman of the Board) and their respective associates or affiliates (other than CHS and its subsidiaries and its associates or affiliates), were party to any scheme to defraud any of the Relevant Subsidiaries and misappropriate the Relevant Amounts as alleged by CHS or its subsidiaries that commenced the legal proceedings under High Court Action No. 656 of 2025. As the litigation is ongoing, the Company has been advised by its legal counsels that it is inappropriate to provide further information regarding the particulars of the litigation.

RESUMPTION OF TRADING

At the request of the Company, trading in the shares of the Company was suspended with effect from 9:00 a.m. on Monday, 1 September 2025 pending the release of this interim results announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the shares of the Company with effect from 9:00 a.m. on Monday, 3 November 2025.

By Order of the Board
Fullshare Holdings Limited
JI CHANGQUN
Chairman

Hong Kong, 31 October 2025

As at the date of this announcement, the executive Directors are Mr. Ji Changqun (Chairman), Ms. Du Wei, Mr. Shen Chen and Mr. Ge Jinzhu; and the independent non-executive Directors are Mr. Lau Chi Keung, Mr. Tsang Sai Chung and Mr. Huang Shun.

* *For identification purposes only*