豐盛
FULLSHARE

Fullshare Holdings Limited
豐盛控股有限公司

(Incorporated in the Cayman Islands with limited liability)
Stock Code: 00607

Interim Report 2026

Contents

Report on Review of Interim Condensed Consolidated Financial Statements

Prism

To the board of directors of Fullshare Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim condensed consolidated financial statements (the "Interim Financial Statements") of Fullshare Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 6 to 79, which comprise the interim condensed consolidated statement of financial position as at 30 June 2026, and the interim condensed consolidated statement of profit or loss and other comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the six months period then ended, and selected explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on Interim Financial Statements to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). The directors of the Company are responsible for the preparation and presentation of these Interim Financial Statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these Interim Financial Statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. A review of these Interim Financial Statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Report on Review of Interim Condensed Consolidated Financial Statements

BASIS FOR QUALIFIED CONCLUSION

Trade receivables, prepayments and related impairment arising from trading business and related party balances included in the new energy segment

The consolidated financial statements of the Group for the year ended 31 December 2025 were audited by us, whose report dated 17 June 2026 expressed a qualified opinion on those statements. The qualification was in respect of, among other things, the inability to obtain sufficient appropriate audit evidence regarding the trade receivables and prepayments and related impairment for purchases of bulk commodities arising from the trading business included in the new energy segment. As fully explained in note 28 to the Interim Financial Statements, as at 31 December 2025 trade receivables and prepayments with gross balances amounted to RMB3,188,981,000 and RMB3,450,531,000 respectively, both of which were fully impaired. As at 30 June 2026, the gross balance of trade receivables decreased to RMB3,182,599,000 as partial collections were received during the period, with a corresponding impairment reversal of RMB6,382,000 recognised. The remaining trade receivables balance and the prepayments balance continued to be fully impaired. This scope limitation remained unresolved as at the date of this report.

During the six months ended 30 June 2026, the Group commenced a further independent investigation in relation to the relevant transactions, and such investigation was ongoing as at 30 June 2026. No further transactions arising from the trading business and no further impairment losses were recognised for these balances, with no other substantive progress made on the relevant matters other than the partial receipts as stated above. As we were still unable to perform effective review procedures or obtain sufficient documents and explanations, we could not satisfy ourselves as to the nature, existence, accuracy, valuation and completeness of the gross amounts of these trade receivables and prepayments, nor could we verify the related accumulated impairment balances and the impairment losses reversed during the period recorded in the interim condensed consolidated statement of financial position as at 30 June 2026.

As this scope limitation remained unresolved during our review of the Interim Financial Statements for the six months ended 30 June 2026, we were unable to carry out review procedures necessary to satisfy ourselves that the disclosure of related party balances as at 30 June 2026 in the Interim Financial Statements is complete and accurate.

Report on Review of Interim Condensed Consolidated Financial Statements

BASIS FOR QUALIFIED CONCLUSION (continued)

Transactions under the Group's engineering, procurement and construction project (the "EPC project") included in the new energy segment

The consolidated financial statements of the Group for the year ended 31 December 2025 were audited by us, whose report dated 17 June 2026 expressed a qualified opinion on those statements. The qualification was in respect of, among other things, the inability to obtain sufficient appropriate audit evidence regarding the transactions under the Group's EPC project included in the new energy segment.

The Group acts as the main contractor of the EPC project. As at 30 June 2026, advance receipts from the customer for the EPC project of RMB467,760,000 were recognised as contract liabilities, and the corresponding payments to subcontractors of RMB297,212,000 and RMB997,721,000 were recognised as prepayments and inventories respectively, and no related revenue or costs were recognised in profit or loss during the six months ended 30 June 2026. During the six months ended 30 June 2026 and up to the date of this review report, the management is still in discussion with the relevant parties (including but not limited to customer and subcontractors) involved in the EPC project and matters remain ongoing. The Group plans to engage a professional institution to conduct an assessment of the EPC project, and intends to liaise with the customer and subcontractors to reach a settlement based on the assessment results. Save for the foregoing, no substantive new progress has been made. Accordingly, the management was unable to provide sufficient information to substantiate the progress of the EPC project and subcontracting costs incurred by subcontractors as at 30 June 2026. We were unable to obtain sufficient appropriate review evidence about the accuracy, valuation and completeness of the contract liabilities and of the gross carrying amounts of the prepayments and inventories in relation to the EPC project as at 30 June 2026, and accordingly we were unable to determine whether any revenue and subcontracting costs in relation to the EPC project should be recognised in profit or loss for the six months ended 30 June 2026 and the corresponding six months ended 30 June 2025.

As we were unable to obtain sufficient appropriate review evidence to satisfy ourselves as to whether the prepayments, inventories and contract liabilities related to the EPC project were free from material misstatements as at 30 June 2026. Any adjustments found to be necessary to these amounts would have a consequential effect on the Group's net assets as at 30 June 2026, the corresponding figures for the six months ended 30 June 2025, and the related disclosures in the Interim Financial Statements.

Report on Review of Interim Condensed Consolidated Financial Statements

QUALIFIED CONCLUSION

Based on our review, except for the possible effects of the matters described in the Basis for Qualified Conclusion section, nothing has come to our attention that causes us to believe that the Interim Financial Statements for the six months ended 30 June 2026 are not prepared, in all material respects, in accordance with HKAS 34.

OTHER MATTER

The comparative interim condensed consolidated statement of profit or loss and other comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the six months period ended 30 June 2025 and the relevant explanatory notes included in these Interim Financial Statements were extracted from the interim financial information of the Group for the six months ended 30 June 2025, which were not reviewed by us or any other independent auditor.

CLA Prism Hong Kong Limited*
Certified Public Accountants

Hong Kong, 31 August 2026

* *Formerly known as Prism Hong Kong Limited*

Interim Condensed Consolidated Financial Statements

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

For the six months ended 30 June 2026
(Expressed in Renminbi)

	Note	**For the six months ended 30 June 2026 (Unaudited) RMB'000**	2025 (Unaudited) RMB'000
Revenue	6	**7,859,937**	10,265,102
Cost of sales and services provided	10	**(5,970,731)**	(8,334,913)
Gross profit		**1,889,206**	1,930,189
Selling and distribution expenses	10	**(336,367)**	(343,392)
Administrative expenses	10	**(409,809)**	(405,411)
Research and development costs	10	**(592,566)**	(451,528)
Net provision for impairment losses recognised on financial assets and financial guarantee contracts	3(ii)(f)	**(205,523)**	(145,534)
Other income	8	**265,580**	219,563
Net fair value changes in financial instruments	7	**(88,208)**	(381,876)
Other (losses)/gains – net	9	**(239,084)**	129,127
Operating profit		**283,229**	551,138
Finance costs	11	**(197,815)**	(239,045)
Share of result of a joint venture		**3,671**	3,897
Share of results of associates		**(29,429)**	(61,107)
Profit before tax		**59,656**	254,883
Income tax expenses	12	**(75,695)**	(75,584)
(Loss)/profit for the period		**(16,039)**	179,299

Interim Condensed Consolidated Financial Statements

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

For the six months ended 30 June 2026
(Expressed in Renminbi)

	For the six months ended 30 June 2026 (Unaudited) RMB'000	2025 (Unaudited) RMB'000
Other comprehensive (loss)/income for the period:		
Items that may be reclassified subsequently to profit or loss:		
– Exchange differences on translation of foreign operations	**(22,380)**	(1,505)
– Changes in fair value of debt instruments at fair value through other comprehensive income	**2,959**	4,996
– Income tax relating to these items	**(450)**	(382)
– Share of other comprehensive loss of associates	**(1,696)**	(868)
	(21,567)	2,241
Items that will not be reclassified to profit or loss:		
– Changes in fair value of equity instruments at fair value through other comprehensive income	**(23,156)**	30,816
– Income tax relating to these items	**1,212**	812
	(21,944)	31,628
Other comprehensive (loss)/income for the period, net of tax	**(43,511)**	33,869
Total comprehensive (loss)/income for the period	**(59,550)**	213,168

Interim Condensed Consolidated Financial Statements

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

For the six months ended 30 June 2026
(Expressed in Renminbi)

	Note	For the six months ended 30 June 2026 (Unaudited) RMB'000	2025 (Unaudited) RMB'000
(Loss)/profit for the period attributable to:			
– Equity shareholders of the Company		**(246,788)**	(147,988)
– Non-controlling interests		**230,749**	327,287
		(16,039)	179,299
Total comprehensive (loss)/income for the period attributable to:			
– Equity shareholders of the Company		**(244,922)**	(124,120)
– Non-controlling interests		**185,372**	337,288
		(59,550)	213,168

	Note	For the six months ended 30 June 2026 (Unaudited) RMB	2025 (Unaudited) RMB
Loss per share			
Basic and diluted loss per share	14	**(0.388)**	(0.232)

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

Interim Condensed Consolidated Financial Statements

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2026
(Expressed in Renminbi)

	Note	**30 June 2026 (Unaudited) RMB'000**	31 December 2025 (Audited) RMB'000
Non-current assets			
Property, plant and equipment	15	**10,085,628**	10,329,094
Investment properties		**2,705,402**	2,756,100
Right-of-use assets	15	**1,259,521**	1,291,278
Goodwill		**1,503,817**	1,503,817
Other intangible assets		**31,572**	66,919
Investment in a joint venture		**149,268**	145,597
Investments in associates		**243,553**	276,188
Financial assets at fair value through other comprehensive income	17	**1,235,257**	1,258,943
Financial assets at fair value through profit or loss	16	**194,730**	277,397
Consideration receivables	18(ii)	**149,855**	149,587
Loan receivables	18(i)	**100,246**	100,066
Deferred tax assets		**711,950**	670,498
		18,370,799	18,825,484

Interim Condensed Consolidated Financial Statements

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

as at 30 June 2026

(Expressed in Renminbi)

	Note	**30 June 2026 (Unaudited) RMB'000**	31 December 2025 (Audited) RMB'000
Current assets			
Inventories		**8,086,928**	6,529,969
Trade receivables	19	**5,783,090**	5,990,154
Consideration receivables	18(ii)	**262,351**	317,351
Loan receivables	18(i)	**78,444**	51,599
Prepayments		**445,599**	448,871
Other receivables	18(iii)	**1,043,005**	1,073,582
Income tax prepaid		**32,675**	45,860
Financial assets at fair value through other comprehensive income	17	**2,605,967**	3,323,219
Financial assets at fair value through profit or loss	16	**497,504**	558,925
Restricted cash	20	**3,359,791**	3,159,681
Cash and cash equivalents	20	**5,028,539**	5,789,852
		27,223,893	27,289,063
Current liabilities			
Trade and bills payables	21	**10,145,021**	10,192,381
Other payables and accruals	22	**3,629,521**	3,619,698
Contract liabilities		**1,275,988**	1,262,663
Derivative financial instruments		**15,940**	32,833
Lease liabilities		**30,164**	29,323
Bank and other borrowings	23	**6,942,818**	6,838,187
Income tax payable		**201,240**	233,776
Warranty provision		**843,823**	864,364
Deferred income		**77,750**	75,470
		23,162,265	23,148,695

Interim Condensed Consolidated Financial Statements

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

as at 30 June 2026
(Expressed in Renminbi)

	Note	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Net current assets		**4,061,628**	4,140,368
Total assets less current liabilities		**22,432,427**	22,965,852
Non-current liabilities			
Bank and other borrowings	23	**4,327,627**	4,783,020
Deferred income		**615,856**	632,872
Lease liabilities		**174,894**	190,185
Warranty provision		**1,357,151**	1,338,459
Deferred tax liabilities		**843,143**	848,010
		7,318,671	7,792,546
Net assets		**15,113,756**	15,173,306
Capital and reserves			
Share capital		**269,500**	269,500
Reserves		**7,165,975**	7,410,897
Equity attributable to equity shareholders of the Company		**7,435,475**	7,680,397
Non-controlling interests		**7,678,281**	7,492,909
Total equity		**15,113,756**	15,173,306

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

Interim Condensed Consolidated Financial Statements

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 June 2026

(Expressed in Renminbi)

	Attributable to equity shareholders of the Company												
	Share capital RMB'000	Equity reserve RMB'000	Share premium RMB'000	Statutory surplus reserve RMB'000	Merger reserve RMB'000	Other reserve RMB'000	Investment revaluation reserve RMB'000	Reverse acquisition reserve RMB'000	Exchange fluctuation reserve RMB'000	Accumulated losses RMB'000	Sub-total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2026 (Audited)	269,500	422,833	17,760,800	1,026,666	9,425	949,022	(1,181,526)	(390,381)	(265,479)	(10,920,463)	7,680,397	7,492,909	15,173,306
(Loss)/profit for the period	-	-	-	-	-	-	-	-	-	(246,788)	(246,788)	230,749	(16,039)
Other comprehensive (loss)/income for the period	-	-	-	-	-	-	(14,948)	-	16,814	-	1,866	(45,377)	(43,511)
Total comprehensive (loss)/income for the period	-	-	-	-	-	-	(14,948)	-	16,814	(246,788)	(244,922)	185,372	(59,550)
At 30 June 2026 (Unaudited)	269,500	422,833	17,760,800	1,026,666	9,425	949,022	(1,196,474)	(390,381)	(248,665)	(11,167,251)	7,435,475	7,678,281	15,113,756

Interim Condensed Consolidated Financial Statements

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(continued)

for the six months ended 30 June 2026

(Expressed in Renminbi)

	Attributable to equity shareholders of the Company												
	Share capital RMB'000	Equity reserve RMB'000	Share premium RMB'000	Statutory surplus reserve RMB'000	Merger reserve RMB'000	Other reserve RMB'000	Investment revaluation reserve RMB'000	Reverse acquisition reserve RMB'000	Exchange fluctuation reserve RMB'000	Accumulated losses RMB'000	Sub-total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2025 (Audited)	269,500	422,833	17,760,800	959,719	9,425	973,702	(1,209,988)	(390,381)	(248,713)	(10,644,057)	7,902,840	6,700,735	14,603,575
(Loss)/profit for the period	-	-	-	-	-	-	-	-	-	(147,988)	(147,988)	327,287	179,299
Other comprehensive income/(loss) for the period	-	-	-	-	-	-	25,418	-	(1,550)	-	23,868	10,001	33,869
Total comprehensive (loss)/income for the period	-	-	-	-	-	-	25,418	-	(1,550)	(147,988)	(124,120)	337,288	213,168
Partial disposal of interest in a subsidiary without loss of control (Note)	-	-	-	-	-	(49,784)	-	-	-	-	(49,784)	59,174	9,390
Derecognition of a financial asset at fair value through other comprehensive income upon disposal of a subsidiary	-	-	-	-	-	-	98,300	-	-	(98,300)	-	-	-
Waiver of loan from a shareholder (Note 27)(i)(d)	-	-	-	-	-	37,500	-	-	-	-	37,500	-	37,500
At 30 June 2025 (Unaudited)	269,500	422,833	17,760,800	959,719	9,425	961,418	(1,086,270)	(390,381)	(250,263)	(10,890,345)	7,766,436	7,097,197	14,863,633

Note:

In June 2025, the Group disposed of 0.52% equity interest of China High Speed Transmissions Equipment Group Co., Ltd. ("**CHS**") for HK$10,259,000 (equivalent to RMB9,390,000). At the date of the disposal, the proportionate share of 0.52% equity interest in CHS by non-controlling interests was RMB59,174,000. Accordingly, the Group recognised an increase in non-controlling interests of RMB59,174,000 and a decrease in equity attributable to equity shareholders of the Company of RMB49,784,000.

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

Interim Condensed Consolidated Financial Statements

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the six months ended 30 June 2026
(Expressed in Renminbi)

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Cash flows from operating activities		
Net cash generated from operations	**408,551**	1,089,647
Income taxes paid	**(139,533)**	(142,926)
Net cash generated from operating activities	**269,018**	946,721
Cash flows from investing activities		
Interest received	**58,601**	56,185
Disposal of subsidiaries	**–**	(18)
Placements of pledged bank deposits	**(4,227,853)**	(4,291,092)
Withdrawal of pledged bank deposits	**4,029,930**	3,805,345

Interim Condensed Consolidated Financial Statements

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(continued)
for the six months ended 30 June 2026
(Expressed in Renminbi)

	Note	**For the six months ended 30 June** **2026** **(Unaudited)** **RMB'000**	2025 (Unaudited) RMB'000
Proceeds from disposal of financial assets at fair value through profit or loss		**1,645**	–
Purchases of items of property, plant and equipment		**(324,499)**	(633,682)
Proceeds from disposal of items of property, plant and equipment		**14,864**	1,260
Dividend received from an associate		**–**	2,166
Other investment income received		**3,660**	633
Receipt of government grants		**27,018**	38,542
Receipt of consideration receivables		**62,050**	41,248
Purchases of a loan receivable	27(i)(h)	**(25,000)**	–
Receipt of loan receivables		**3,000**	–
Net cash used in investing activities		**(376,584)**	(979,413)

Interim Condensed Consolidated Financial Statements

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(continued)
for the six months ended 30 June 2026
(Expressed in Renminbi)

	Note	For the six months ended 30 June 2026 (Unaudited) RMB'000	2025 (Unaudited) RMB'000
Cash flows from financing activities			
New bank and other borrowings raised		**1,674,507**	2,788,870
Repayment of bank and other borrowings		**(2,014,477)**	(2,470,702)
Capital element of lease rental paid		**(14,498)**	(13,926)
Interest element of lease rental paid		**(3,791)**	(8,717)
Interest paid		**(182,953)**	(227,241)
Consideration received for partial disposal of interest in a subsidiary without loss of control		**–**	9,390
Net cash (used in)/generated from financing activities		**(541,212)**	77,674
Net (decrease)/increase in cash and cash equivalents		**(648,778)**	44,982
Cash and cash equivalents at the beginning of the period		**5,789,852**	3,965,148
Effect of foreign exchange rate changes, net		**(112,535)**	8,446
Cash and cash equivalents at the end of the period	20	**5,028,539**	4,018,576

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

Interim Condensed Consolidated Financial Statements

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 statements were approved for issue by the board of directors of the Company on 31 August 2026.

Interim Condensed Consolidated Financial Statements

2 BASIS OF PREPARATION

The interim condensed consolidated financial statements for the six months ended 30 June 2026 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 statements have been prepared in accordance with the same accounting policies adopted in the Group's 2025 annual consolidated financial statements, except for the adoption of amendments to HKFRS Accounting Standards, as set out in Note 2.1.

The preparation of interim condensed consolidated financial statements 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 statements contain interim condensed consolidated financial statements 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 2025 annual consolidated financial statements. These interim condensed consolidated financial statements 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 2025.

As at 30 June 2026, the Group failed to fulfil certain financial obligations as set out in an earnest money agreement and asset transfer agreement in respect of previous plan on disposal of equity interests of subsidiaries and certain assets (Note 22(ii),(iii)) and a number of loan agreements in respect of certain overdue and defaulted borrowings (Note 23).

2 BASIS OF PREPARATION (continued)

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 the date of this report. 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 collateral for 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 interim condensed consolidated financial statements under the going concern basis.

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

Update on material uncertainty related to control over a material subsidiary of the Group

Nanjing High Speed Gear Manufacturing Co., Ltd. ("**Nanjing High Speed**"), principally engaged in the manufacturing and sales of wind and industrial gear transmission equipment, is a material subsidiary of CHS (a listed subsidiary of the Company). Following the amendment to the articles of association of Nanjing High Speed on 29 September 2024, CHS could no longer retain definite control over its board of directors solely based on the then prevailing articles of association. The Group's consolidation of Nanjing High Speed relied on a concert agreement (the "**Concert Agreement**") entered into on the same date by two shareholders of Nanjing High Speed, namely Nanjing Gear Enterprise Management Co., Ltd. ("**Nanjing Gear**"), a wholly-owned subsidiary of CHS holding approximately 50.02% equity interest of Nanjing High Speed, and Jinhu Shifu Corporate Management Partnership (Limited Partnership) ("**Jinhu LP**"), another shareholder of Nanjing High Speed. Pursuant to the Concert Agreement, Jinhu LP shall procure its nominated directors to vote in the same manner as those nominated by Nanjing Gear at Nanjing High Speed's board meetings. Under such framework, there existed a material uncertainty that may cast significant doubt on the basis upon which CHS maintained control over Nanjing High Speed.

Interim Condensed Consolidated Financial Statements

2 BASIS OF PREPARATION (continued)

Update on material uncertainty related to control over a material subsidiary of the Group (continued)

On 30 June 2026, all shareholders of Nanjing High Speed resolved to amend its articles of association. Pursuant to the amended articles of association, Nanjing Gear is entitled to nominate five out of the nine directors of Nanjing High Speed, and has the right to designate the chairman, director(s) responsible for executing Nanjing High Speed's affairs and its financial controller. Following such amendments, CHS is able to exercise robust control over Nanjing High Speed in respect of the appointment of the majority of its directors and the designation of key management personnel. Nanjing High Speed will remain a subsidiary of the Group even if the Concert Agreement is terminated in the future.

Accordingly, the material uncertainty relating to the Group's control over Nanjing High Speed has been resolved as at 30 June 2026. The management of CHS and the Company assess that the Group had the ability to direct the relevant activities of Nanjing High Speed throughout the interim period, and therefore the financial results of Nanjing High Speed have continued to be consolidated into the Group's interim condensed consolidated financial statements.

Subsequent to the end of the interim period, Nanjing Gear completed the acquisition of 100% equity interest in Jinhu Shiji Enterprise Management Consultancy Co., Ltd. ("**Jinhu Shiji**") at a consideration of RMB2,400,000. Upon completion of the transaction, the Group's ultimate equity interest in Nanjing High Speed increased by approximately 0.028% to approximately 50.05%. Moreover, Jinhu Shiji is the sole general partner of Jinhu LP. Pursuant to the partnership agreement of Jinhu LP, Jinhu Shiji is responsible for the day-to-day partnership affairs of Jinhu LP and may represent Jinhu LP in external matters. According to the articles of association of Nanjing High Speed, Jinhu LP (as a shareholder of Nanjing High Speed) is entitled to recommend one director to the board of directors of Nanjing High Speed. Therefore, after completion of the transaction, the Group has the ability to direct Jinhu LP's recommendation of one director to the board of Nanjing High Speed.

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 2026 and applicable for the preparation of the Group's interim condensed consolidated financial statements:

Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11

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 statements.

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 2026 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 statements.

3 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including interest rate risk, foreign currency risk and equity price risk), credit risk and liquidity risk. According to the Group's risk management policies, the financial risks shall be assessed continuously by the management, taking into account of the prevailing conditions of the financial market and other relevant variables to avoid excessive concentrations of risk. The Group has not used any derivatives or other instruments for hedging purpose. The most significant financial risks to which the Group is exposed are described below.

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3 FINANCIAL RISK MANAGEMENT (continued)

The interim condensed consolidated financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's 2025 annual consolidated financial statements.

(i) Equity price risk

The Group's equity price risk is exposed through its investments in listed equity securities and certain derivative financial instruments. The Group's equity price risk is mainly concentrated on equity instruments quoted in the SEHK, the Shanghai Stock Exchange (the "**SHSE**"), the Singapore Exchange (the "**SGX**") and the NASDAQ Stock Market ("**NASDAQ**"). The Group closely monitors the equity price risk and will consider hedging the risk exposure should the need arise.

In addition, the Group also invested in certain unquoted investments for long term strategic purposes. Their performance is assessed at least bi-annually against performance of similar listed entities, based on the limited information available to the Group, together with an assessment of their relevance to the Group's long term strategic plans.

(ii) 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 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.

3 FINANCIAL RISK MANAGEMENT (continued)

(ii) Credit risk (continued)

The Group has the following types of financial assets and other item that are subject to expected credit loss ("**ECL**") model:

- Cash and cash equivalents and restricted cash;
- Trade receivables;
- Financial assets at amortised cost (excluding trade receivables);
- Bills receivables measured at FVOCI;
- Financial assets at FVPL; and
- Financial guarantee contracts.

While cash and cash equivalents and restricted cash are also subject to the impairment requirements of HKFRS 9, the identified impairment loss was immaterial.

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.

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;

Interim Condensed Consolidated Financial Statements

3 FINANCIAL RISK MANAGEMENT (continued)

(ii) Credit risk (continued)

- 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.

(a) Trade receivables

The Group applies the simplified approach to provide for ECL prescribed by HKFRS 9, which permits the use of lifetime ECL provision for trade receivables. To measure the ECL, trade receivables were grouped based on shared credit risk characteristics and days past due, unless for debtors that are credit-impaired, at which the collection of receivables are assessed individually.

For ECL assessed under the simplified approach, pursuant to which the expected loss rates are based on the payment profiles of sales over a period of 12 to 48 months and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the gross domestic product and producer price index in which it sells goods, properties and renders services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

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3 FINANCIAL RISK MANAGEMENT (continued)

(ii) Credit risk (continued)

(a) Trade receivables (continued)

On that basis, the ECL provision as at 30 June 2026 and 31 December 2025 was determined as follows:

As at 30 June 2026 (Unaudited)	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 3 years RMB'000	Between 3 and 4 years RMB'000	Over 4 years RMB'000	Total RMB'000
ECL rate	1%	26%	47%	55%	100%	12%
Gross carrying amount – Trade receivables assessed under provision matrix (excluding trade receivables of which 100% loss allowances specifically provided)	5,187,596	572,759	394,091	76,546	313,569	6,544,561
Loss allowances under provision matrix	(73,963)	(148,244)	(183,268)	(42,427)	(313,569)	(761,471)
100% loss allowances specifically provided						
– Business other than Relevant Trading Business	–	–	(2,066)	–	(994)	(3,060)
– Relevant Trading Business (Note)	–	(3,066,377)	(53,337)	(62,885)	–	(3,182,599)
Loss allowances	(73,963)	(3,214,621)	(238,671)	(105,312)	(314,563)	(3,947,130)
Net carrying amount	5,113,633	424,515	210,823	34,119	–	5,783,090

Interim Condensed Consolidated Financial Statements

3 FINANCIAL RISK MANAGEMENT (continued)

(ii) Credit risk (continued)

(a) Trade receivables (continued)

On that basis, the ECL provision as at 30 June 2026 and 31 December 2025 was determined as follows: (continued)

As at 31 December 2025 (Audited)	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 3 years RMB'000	Between 3 and 4 years RMB'000	Over 4 years RMB'000	Total RMB'000
ECL rate	1%	23%	35%	71%	100%	7%
Gross carrying amount – Trade receivables assessed under provision matrix (excluding trade receivables of which 100% loss allowances specifically provided)	5,411,630	692,690	145,598	60,861	140,391	6,451,170
Loss allowances under provision matrix	(67,214)	(159,431)	(50,945)	(43,035)	(140,391)	(461,016)
100% loss allowances specifically provided						
– Business other than Relevant Trading Business	(10,632)	–	(13,606)	–	(180,420)	(204,658)
– Relevant Trading Business (Note)	–	(3,072,759)	(116,222)	–	–	(3,188,981)
Loss allowances	(77,846)	(3,232,190)	(180,773)	(43,035)	(320,811)	(3,854,655)
Net carrying amount	5,344,416	533,259	94,653	17,826	–	5,990,154

Interim Condensed Consolidated Financial Statements

3 FINANCIAL RISK MANAGEMENT (continued)

(ii) Credit risk (continued)

(a) Trade receivables (continued)

Note:

As at 30 June 2026 and 31 December 2025, the balances of trade receivables and prepayments relating to trading business included in new energy segment which carried out with 13 customers and 3 suppliers ("**Relevant Trading Business**") were fully impaired. Details of the findings and actions are set out in Note 28.

(b) Financial assets at amortised cost (excluding trade receivables)

Financial assets at amortised cost (excluding trade receivables) include loan receivables, other receivables and consideration receivables.

Interim Condensed Consolidated Financial Statements

3 FINANCIAL RISK MANAGEMENT (continued)

(ii) Credit risk (continued)

(b) Financial assets at amortised cost (excluding trade receivables) (continued)

The Group uses three categories for financial assets at amortised cost (excluding trade receivables) which reflect their credit risk and how the ECL provision is determined for each of those categories. The Group accounts for its credit risk by appropriately providing for ECL on a timely basis. In calculating the ECL rates, the Group considers both historical loss rates and forward-looking macroeconomic data. A summary of the assumptions underpinning the Group's ECL model is as follows:

Category	Group definition of category	Basis for recognition of expected credit loss provision	Expected credit loss rate
Stage one	Debtors have a low risk of default and a strong capacity to meet contractual cash flows, or debtors frequently repay after due dates but usually settle in full	12-month ECL. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime	0% – 20%
Stage two	There have been significant increase in credit risk since initial recognition through information developed internally or externally sources, or when contractual payments are more than 30 days past due	Lifetime ECL	20% – 50%
Stage three	There is evidence indicating the receivable is credit impaired, or when contractual payments are more than 90 days past due	Lifetime ECL	50% – 100%

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3 FINANCIAL RISK MANAGEMENT (continued)

(ii) Credit risk (continued)

(b) Financial assets at amortised cost (excluding trade receivables) (continued)

As at 30 June 2026 and 31 December 2025, the Group provided the following ECL provision against financial assets at amortised cost (excluding trade receivables):

As at 30 June 2026 (Unaudited)	ECL rate	Gross carrying amount RMB'000	ECL provision RMB'000	Carrying amount (net of provision for loss allowances) RMB'000
Loan receivables (Note)	79%	868,646	(689,956)	178,690
Consideration receivables	29%	579,300	(167,094)	412,206
Other receivables	49%	2,045,288	(1,002,283)	1,043,005
		3,493,234	(1,859,333)	1,633,901

As at 31 December 2025 (Audited)	ECL rate	Gross carrying amount RMB'000	ECL provision RMB'000	Carrying amount (net of provision for loss allowances) RMB'000
Loan receivables (Note)	82%	836,340	(684,675)	151,665
Consideration receivables	27%	641,082	(174,144)	466,938
Other receivables	49%	2,107,981	(1,034,399)	1,073,582
		3,585,403	(1,893,218)	1,692,185

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3 FINANCIAL RISK MANAGEMENT (continued)

(ii) Credit risk (continued)

(b) Financial assets at amortised cost (excluding trade receivables) (continued)

Note:

As at 30 June 2026 and 31 December 2025, the ECL rate for loan receivables was relatively high due to higher credit risks of certain borrowers since initial recognition. The financial condition of certain borrowers have been significantly deteriorated with certain of their loans default in repayments and remain unsettled as at the end of the reporting period.

The Group is actively liaising with the borrowers including issuing payment demand letters, fixing the repayment plans, requesting additional securities on these borrowings, and closely monitoring the financial performance and position of the borrowers in order to protect the interests of the Group and minimise the credit risk exposures.

(c) Bills receivables measured at FVOCI

The Group expects that there is no significant credit risk associated with bills receivables since they are either held with state-owned banks or in medium to large size listed banks. Management does not expect that there will be any significant credit losses from non-performance by these counterparties.

(d) Financial assets at FVPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVOCI or designated as FVOCI are measured at FVPL.

As at 30 June 2026 and 31 December 2025, the Group is also exposed to credit risk in relation to debt investments that are measured at FVPL. The debt investments which are unrated or credit rating below the pre-set levels have to be approved by the investment committee. The management regularly reviews and monitors the portfolio of debt securities.

The maximum exposure at the end of the reporting period is the carrying amount of these investments, which is RMB129,218,000 (31 December 2025: RMB154,190,000).

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3 FINANCIAL RISK MANAGEMENT (continued)

(ii) Credit risk (continued)

(e) Financial guarantee contracts

As at 30 June 2026, financial guarantees included in new energy segment provided for in the interim condensed consolidated financial statements were as follows:

(i) During the years ended 31 December 2018 and 2019, a subsidiary of CHS (the "**Relevant Subsidiary**") executed financial guarantee contracts in respect of four loan facilities granted by a lending bank to three independent third parties, with an aggregate guaranteed principal amount of RMB180,000,000. Following the default of the underlying borrowers, the lending bank initiated legal proceedings against the Relevant Subsidiary as the guarantor in 2022.

The management of CHS continuously assesses its potential obligations arising from these financial guarantees at each reporting date, based on the developments of the litigation and external legal advice obtained. The relevant subsidiary received unfavorable court judgements during the year ended 31 December 2025, losing its defence against the bank's claims. In view of the updated legal advice, the management of CHS concluded that these financial guarantees had become credit-impaired during the year ended 31 December 2025.

As a result, the Group measures ECL on a lifetime basis. A full impairment loss of RMB205,352,000 was recognised for the year ended 31 December 2025, which comprised the guaranteed principal of RMB180,000,000 and accrued interest of RMB25,352,000. The corresponding financial guarantee liability of RMB205,352,000 (31 December 2025: RMB205,352,000) is included in "other payables" in the interim condensed consolidated statement of financial position as at 30 June 2026.

Interim Condensed Consolidated Financial Statements

3 FINANCIAL RISK MANAGEMENT (continued)

(ii) Credit risk (continued)

(e) Financial guarantee contracts (continued)

(ii) In previous years, CHS provided a financial guarantee in respect of a borrowing of a third party (which was previously a related party of the Group prior to 1 December 2018). Details of which are set out in CHS's announcement dated 12 June 2026. Pursuant to an extension agreement, the repayment maturity date of the borrowing was extended to 30 October 2026, and CHS's guarantee remains enforceable and valid based on legal advice obtained. As at 30 June 2026, the guaranteed principal amount was RMB400,000,000 (31 December 2025: RMB400,000,000), and the corresponding accumulated interest was RMB295,815,000 (31 December 2025: RMB276,697,000).

The management of CHS assesses the credit risk of the financial guarantee contract and measures its loss allowance at an amount equal to lifetime ECL by considering the borrower's financial position and other forward-looking information at the end of each reporting period.

Based on the results of the Group's assessment, an impairment loss of RMB23,529,000 (six months ended 30 June 2025: Nil) was recognised in profit or loss for the six months ended 30 June 2026, with a corresponding financial guarantee liability included in "other payables" in the interim condensed consolidated statement of financial position as at 30 June 2026. As at 30 June 2026, the carrying amount of the corresponding financial guarantee liability was RMB210,004,000 (31 December 2025: RMB186,475,000).

Other than the guarantee contracts mentioned above, as at 30 June 2026, the Group also provided financial guarantees to two associates (31 December 2025: two associates), details of which are set out in Note 27(iii)(b) and one independent third party (31 December 2025: one independent third party) in favour of bank loans of RMB1,850,634,000 (31 December 2025: RMB1,732,384,000) and RMB579,000,000 (31 December 2025: 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 their entirety.

Interim Condensed Consolidated Financial Statements

3 FINANCIAL RISK MANAGEMENT (continued)

(ii) Credit risk (continued)

(e) Financial guarantee contracts (continued)

At the end of the reporting period, the management has performed impairment assessment by considering the borrower's financial position, the protection of the Group's interests (such as counter-guarantee and/or other pledged assets in relation to the guarantees) and any change in credit risk based on their understanding. Based on the results of the Group's assessment, an impairment loss of RMB96,039,000 (six months ended 30 June 2025: Nil) was recognised for financial guarantees to the associates in profit or loss during the six months ended 30 June 2026, with a corresponding financial guarantee liability included in "other payables" in the interim condensed consolidated statement of financial position. No provision was recognised for financial guarantee to the independent third party during the six months ended 30 June 2026 and 2025.

(f) For the six months ended 30 June 2026 and 2025, the summary of the net (provision for)/reversal of impairment losses on financial assets and financial guarantee contracts recognised in profit or loss was as follows:

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
(Provision for)/reversal of impairment losses on:		
– Trade receivables	**(92,475)**	(14,422)
– Loan receivables	**(5,281)**	53,955
– Consideration receivables	**7,050**	(125,120)
– Other receivables	**4,751**	(59,947)
– Financial guarantee contracts	**(119,568)**	–
	(205,523)	(145,534)

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4 FAIR VALUE ESTIMATION

(i) Financial assets and liabilities

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Management has assessed that the fair values of current portion of financial assets and financial liabilities recorded at amortised cost approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair values of the non-current portion of financial assets and financial liabilities recorded at amortised cost have been calculated by discounting the expected future cash flow using rates currently available for instruments with similar terms, credit risk and remaining maturities and are not materially different to their carrying amounts. The Group's own non-performance risk for bank and other borrowings as at the end of the reporting period was assessed to be insignificant.

(a) Fair value hierarchy

The Group categorised its financial instruments measured at fair value at the end of each reporting period by the level in the fair value hierarchy as below:

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to measure the fair value of an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

4 FAIR VALUE ESTIMATION (continued)

(i) Financial assets and liabilities (continued)

(a) Fair value hierarchy (continued)

The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur. There were no transfers between Level 1, Level 2 and Level 3 during the six months ended 30 June 2026 and year ended 31 December 2025.

The following tables present the financial assets and liabilities that are measured at fair value at 30 June 2026 and 31 December 2025:

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
As at 30 June 2026 (Unaudited)				
Financial assets at FVOCI:				
– Listed equity instruments	40,372	–	–	40,372
– Unlisted equity investments	–	–	1,194,885	1,194,885
– Bills receivables	–	–	2,605,967	2,605,967
Financial assets at FVPL:				
– Listed equity instruments	8,459	–	–	8,459
– Unlisted equity investments	–	–	538,917	538,917
– Trade receivables measured at FVPL	–	–	129,218	129,218
– Derivative financial instruments	–	–	15,640	15,640
Financial liability at FVPL:				
– Derivative financial instruments	–	–	(15,940)	(15,940)
	48,831	–	4,468,687	4,517,518

Interim Condensed Consolidated Financial Statements

4 FAIR VALUE ESTIMATION (continued)

(i) Financial assets and liabilities (continued)

(a) Fair value hierarchy (continued)

The following tables present the financial assets and liabilities that are measured at fair value at 30 June 2026 and 31 December 2025: (continued)

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
As at 31 December 2025 (Audited)				
Financial assets at FVOCI:				
– Listed equity instruments	52,343	–	–	52,343
– Unlisted equity investments	–	–	1,206,600	1,206,600
– Bills receivables	–	–	3,323,219	3,323,219
Financial assets at FVPL:				
– Listed equity instruments	12,690	–	–	12,690
– Unlisted equity investments	–	–	653,225	653,225
– Trade receivables measured at FVPL	–	–	154,190	154,190
– Derivative financial instruments	–	–	16,217	16,217
Financial liability at FVPL:				
– Derivative financial instruments	–	–	(32,833)	(32,833)
	65,033	–	5,320,618	5,385,651

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4 FAIR VALUE ESTIMATION (continued)

(i) Financial assets and liabilities (continued)

(b) Valuation techniques used to determine fair values

The fair values of listed equity investments measured as financial assets at FVPL and FVOCI were derived from quoted market prices in active markets. These investments are included in Level 1 of the fair value hierarchy.

The management obtains valuation quotations from counterparties or uses valuation techniques to determine the fair values of financial instruments except as detailed above, including the discounted cash flow analysis and market comparison approach, etc. The fair values of these financial instruments may be based on unobservable inputs which may have significant impact on the valuation of these financial instruments, and therefore have been classified by the Group as Level 3 of the fair value hierarchy. The unobservable inputs which may have impact on the valuation include discount for lack of marketability, price-to-book multiples, share price changes multiples, discount rates and expected recovery date, etc.

(c) Valuation processes of the Group

The Group engages external, independent and qualified valuers to determine the fair values of the Group's certain financial instruments categorised as Level 2 and Level 3 of the fair value hierarchy. The Group's finance department works closely with the independent valuers. Discussions of valuation processes and results were held between the finance department and the valuers at least once every six months.

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4 FAIR VALUE ESTIMATION (continued)

(i) Financial assets and liabilities (continued)

(d) Fair value measurements using significant unobservable inputs (Level 3)

The following tables present the changes in Level 3 fair value hierarchy items for the six months ended 30 June 2026 and 2025:

	Financial assets at FVPL			Financial assets at FVOCI		
	Unlisted equity investments RMB'000	Trade receivables RMB'000	Derivative financial instruments RMB'000	Unlisted equity investments RMB'000	Bills receivables RMB'000	Total RMB'000
At 1 January 2025 (Audited)	767,517	101,454	18,506	1,387,606	3,348,203	5,623,286
Acquisitions	–	368,340	–	–	11,250,288	11,618,628
Disposals	–	(276,279)	–	–	(12,182,409)	(12,458,688)
Disposal of a subsidiary	–	–	–	(101,700)	–	(101,700)
Fair value losses recognised in profit or loss	(377,899)	(5,215)	–	–	–	(383,114)
Fair value gains recognised in other comprehensive income	–	–	–	41,005	4,996	46,001
Exchange differences	(11,603)	–	939	–	–	(10,664)
At 30 June 2025 (Unaudited)	378,015	188,300	19,445	1,326,911	2,421,078	4,333,749
At 1 January 2026 (Audited)	**653,225**	**154,190**	**16,217**	**1,206,600**	**3,323,219**	**5,353,451**
Acquisitions	**–**	**298,557**	**–**	**–**	**9,240,301**	**9,538,858**
Disposals	**–**	**(324,615)**	**–**	**–**	**(9,960,512)**	**(10,285,127)**
Fair value (losses)/gains recognised in profit or loss	**(103,016)**	**1,086**	**–**	**–**	**–**	**(101,930)**
Fair value (losses)/gains recognised in other comprehensive income	**–**	**–**	**–**	**(11,712)**	**2,959**	**(8,753)**
Exchange differences	**(11,292)**	**–**	**(577)**	**(3)**	**–**	**(11,872)**
At 30 June 2026 (Unaudited)	**538,917**	**129,218**	**15,640**	**1,194,885**	**2,605,967**	**4,484,627**

4 FAIR VALUE ESTIMATION (continued)

(i) Financial assets and liabilities (continued)

(d) Fair value measurements using significant unobservable inputs (Level 3) (continued)

The following tables present the changes in Level 3 fair value hierarchy items for the six months ended 30 June 2026 and 2025: (continued)

	Derivative financial instruments RMB'000
Financial liability at FVPL	
At 1 January 2025 (Audited)	(34,254)
Fair value gains recognised in profit or loss	16,200
Exchange differences	616
At 30 June 2025 (Unaudited)	(17,438)
At 1 January 2026 (Audited)	**(32,833)**
Fair value gains recognised in profit or loss	**15,940**
Exchange differences	**953**
At 30 June 2026 (Unaudited)	**(15,940)**

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4 FAIR VALUE ESTIMATION (continued)

(i) Financial assets and liabilities (continued)

(e) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in Level 3 fair value measurements.

Financial instruments	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of significant unobservable inputs to fair value
Financial assets at FVPL – Unlisted equity investments – Trade receivables – Derivative financial instruments	Level 3	Discounted cash flow with future cash flows that are estimated based on expected recoverable amounts, discounted at rates that reflect management's best estimation of the expected risk level	Expected future cash flows; expected recovery date; discount rates that correspond to the expected risk level ranging from 2.6% to 18.0% (31 December 2025: 2.6% to 18.0%)	The higher the future cash flows, the higher the fair value; the earlier the recovery date, the higher the fair value; the lower the discount rate, the higher the fair value, and vice versa
Financial assets at FVOCI – Unlisted equity investments – Bills receivable	Level 3	(i) Discounted cash flow with future cash flows that are estimated based on expected recoverable amounts, discounted at rates that reflect management's best estimation of the expected risk level	Expected future cash flows; expected recovery date; discount rate that correspond to the expected risk level ranging from 0.6% to 1.8% (31 December 2025: 0.4% to 2.3%)	The higher the future cash flows, the higher the fair value; the earlier the recovery date, the higher the fair value; the lower the discount rate, the higher the fair value, and vice versa
		(ii) Market comparison approach	Price-to-book multiples at 0.67 (31 December 2025: 0.67); share price changes multiples at -2% (31 December 2025: -2%);	The higher the price to-book multiples, the higher the fair value; the higher the positive share price changes multiple, the higher the fair value; and vice versa
Financial liability at FVPL – Derivative financial instruments	Level 3	Discounted cash flow with future cash flows that are estimated based on expected recoverable amounts, discounted at rates that reflect management's best estimation of the expected risk level	Expected future cash flows; expected recovery or payment date; discount rate that correspond to the expected risk level at 7.5% (31 December 2025: 7.5%)	The higher the future cash flows, the higher the fair value; the earlier the recovery date, the higher the fair value; the lower the discount rate, the higher the fair value, and vice versa

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4 FAIR VALUE ESTIMATION (continued)

(ii) Sensitivity analysis

The sensitivity analysis below has been determined based on the change of rate of return in isolation used in expected future cash flows that reflect the expected risk level of the financial assets at the end of the reporting period. If the respective rate of return had been 10% higher/lower, the total comprehensive loss (net of tax) for the six months ended 30 June 2026 would have decreased/increased by approximately RMB13,981,000 (six months ended 30 June 2025: the total comprehensive income (net of tax) would have increased/decreased by approximately RMB5,496,000) as a result of the changes in fair value of the financial assets. The analysis was performed on the same basis as the six months ended 30 June 2025.

5 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 resource 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.

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5 OPERATING SEGMENT INFORMATION (continued)

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, certain lease liabilities and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

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5 OPERATING SEGMENT INFORMATION (continued)

	For the six months ended 30 June 2026 (Unaudited)					
	Properties RMB'000	Tourism RMB'000	Investment and financial services RMB'000	Healthcare, education and others RMB'000	New energy RMB'000	Total RMB'000
Segment revenue:						
Sales to external customers	77,320	153,899	10,830	98,663	7,519,225	7,859,937
Fair value changes in financial instruments	–	–	(7,203)	–	(81,005)	(88,208)
Segment results	(165,931)	20,590	(3,916)	(9,813)	404,539	245,469
Reconciliation:						
Unallocated bank interest income (Note 8)						67,981
Unallocated interest income on deferred consideration (Note 8)						4,589
Unallocated income and losses, net						(36,136)
Corporate and other unallocated expenses						(24,432)
Finance costs (Note 11)						(197,815)
Profit before tax						59,656
Segment assets as at 30 June 2026 (Unaudited)	2,968,206	456,907	1,851,560	234,912	30,517,642	36,029,227
Reconciliation:						
Corporate and other unallocated assets						9,565,465
Total assets as at 30 June 2026 (Unaudited)						45,594,692
Segment liabilities as at 30 June 2026 (Unaudited)	819,331	142,979	293,483	20,839	16,055,942	17,332,574
Reconciliation:						
Corporate and other unallocated liabilities						13,148,362
Total liabilities as at 30 June 2026 (Unaudited)						30,480,936

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5 OPERATING SEGMENT INFORMATION (continued)

	For the six months ended 30 June 2025 (Unaudited)					
	Properties RMB'000	Tourism RMB'000	Investment and financial services RMB'000	Healthcare, education and others RMB'000	New energy RMB'000	Total RMB'000
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 (Note 8)						42,603
Unallocated interest income on deferred consideration (Note 8)						4,378
Gain on disposal of subsidiaries (Note 9)						105,656
Unallocated income and losses, net						(67,033)
Corporate and other unallocated expenses						(26,377)
Finance costs (Note 11)						(239,045)
Profit before tax						254,883
Segment assets as at 31 December 2025 (Audited)	3,048,985	463,987	1,876,927	207,347	30,371,334	35,968,580
Reconciliation:						
Corporate and other unallocated assets						10,145,967
Total assets as at 31 December 2025 (Audited)						46,114,547
Segment liabilities as at 31 December 2025 (Audited)	709,421	156,037	308,570	3,095	16,262,478	17,439,601
Reconciliation:						
Corporate and other unallocated liabilities						13,501,640
Total liabilities as at 31 December 2025 (Audited)						30,941,241

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5 OPERATING SEGMENT INFORMATION (continued)

(i) Revenue from external customers by locations of customers

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
The People's Republic of China (the "**PRC**")	**6,605,907**	8,985,593
United States of America (the "**USA**")	**915,128**	722,901
Europe	**74,907**	108,380
Australia	**107,907**	91,865
Other countries	**156,088**	356,363
	7,859,937	10,265,102

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6 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	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Revenue from contracts with customers		
Tourism segment:		
– Hotel operations	**153,899**	133,870
New energy segment:		
– Sales of gear products	**7,519,225**	9,978,981
Investment and financial services segment:		
– Investment and financial consulting services	**10,830**	1,344
Healthcare, education and others segment:		
– Education services	**5,735**	6,004
– Healthcare products and other services	**1,799**	679
– Trading of goods	**91,129**	34,581
	98,663	41,264
	7,782,617	10,155,459
Revenue from other sources		
Properties segment:		
– Gross rental income	**77,320**	109,643
	7,859,937	10,265,102

6 REVENUE (continued)

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

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Timing of revenue recognition:		
– Recognised at a point in time	**7,622,860**	10,014,241
– Recognised over time	**159,757**	141,218
	7,782,617	10,155,459

7 NET FAIR VALUE CHANGES IN FINANCIAL INSTRUMENTS

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Fair value losses on financial assets at FVPL	**(104,148)**	(398,076)
Fair value gains on derivative financial instruments	**15,940**	16,200
	(88,208)	(381,876)

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8 OTHER INCOME

	Note	For the six months ended 30 June **2026** **(Unaudited)** **RMB'000**	2025 (Unaudited) RMB'000
Bank interest income	(i)	**67,981**	42,603
Interest on deferred consideration		**4,589**	4,378
Other interest income	(ii)	**3,069**	2,928
Dividend income		**3,660**	633
Management fees income		**14,534**	2,197
Government grants	(iii)	**78,670**	78,263
Sales of scraps and materials		**88,764**	60,652
Others		**4,313**	27,909
		265,580	219,563

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.

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9 OTHER (LOSSES)/GAINS – NET

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Gain on disposal of subsidiaries	**–**	105,656
Fair value losses on investment properties	**(50,699)**	–
(Losses)/gains on disposal of property, plant and equipment	**(2,029)**	2,035
Loss on swap contracts	**(17,205)**	(18,081)
Reversal of/(provision for) impairment losses on property, plant and equipment	**3,116**	(7,284)
Foreign exchange (losses)/gains – net	**(177,212)**	50,867
Others	**4,945**	(4,066)
	(239,084)	129,127

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10 EXPENSES BY NATURE

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Cost of inventories sold	**4,927,587**	7,320,775
Amortisation of other intangible assets	**39,045**	39,722
Depreciation of right-of-use assets	**30,692**	9,315
Depreciation of property, plant and equipment	**536,325**	398,575
Employee benefit expenses	**1,059,248**	977,869
Write-down of inventories	**88,725**	129,060
Others	**627,851**	659,928
	7,309,473	9,535,244
Represented by:		
– Cost of sales and services provided	**5,970,731**	8,334,913
– Selling and distribution expenses	**336,367**	343,392
– Administrative expenses	**409,809**	405,411
– Research and development costs	**592,566**	451,528
	7,309,473	9,535,244

11 FINANCE COSTS

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Interest on bank and other borrowings	**194,024**	230,147
Interest on lease liabilities	**3,791**	8,898
	197,815	239,045

12 INCOME TAX EXPENSES

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

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Current tax – charge for the period		
– The PRC	**96,880**	130,147
– Hong Kong	**10,750**	9,539
– Australia	**307**	293
– The USA	**14,302**	14,498
– Others	**1,342**	675
Over-provision in respect of prior years	**(2,119)**	(20,975)
Deferred tax	**(45,767)**	(58,593)
	75,695	75,584

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12 INCOME TAX EXPENSES (continued)

(a) PRC Corporate Income Tax ("CIT")

PRC CIT has been provided at the rate of 25% (six months ended 30 June 2025: 25%) on the taxable profits of the Group's PRC subsidiaries, except those listed below, for the six months ended 30 June 2026.

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	Year ending during which approval will expire
NGC (Huai'an) High Speed Gear Manufacturing Co., Ltd. ("**NGC Huai'an**")	31 December 2024	31 December 2027
NGC (Baotou) Transmission Equipment Co., Ltd.	31 December 2024	31 December 2027
Nanjing High Speed	31 December 2023	31 December 2026
Nanjing High Speed & Accurate Gear (Group) Co., Ltd.	31 December 2023	31 December 2026
Nanjing High Accurate Rail Transportation Equipment Co., Ltd.	31 December 2023	31 December 2026

12 INCOME TAX EXPENSES (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 places other than the PRC are subject to income tax rates of 8.25% to 30% (six months ended 30 June 2025: 8.25% to 30%) prevailing in the places in which these enterprises operated for the six months ended 30 June 2026.

(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 2026, Pillar Two legislation has been enacted and is in effect in certain jurisdictions where the Group operates. During the six months ended 30 June 2026, 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 statements.

13 DIVIDENDS

The board of directors has resolved not to declare any interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

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14 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	
	2026	2025
	(Unaudited)	(Unaudited)
Loss attributable to equity shareholders of the Company (in RMB'000)	**(246,788)**	(147,988)
Weighted average number of ordinary shares in issue	**636,763,934**	636,763,934
Basic loss per share (in RMB)	**(0.388)**	(0.232)

No diluted loss per share for both the six months ended 30 June 2026 and 2025 was presented as there were no potential dilutive ordinary shares in issue.

15 PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

During the six months ended 30 June 2026, additions to property, plant and equipment and right-of-use assets amounted to RMB328,620,000 (six months ended 30 June 2025: RMB417,238,000) and nil (six months ended 30 June 2025: RMB162,527,000) respectively.

Property, plant and equipment with a net book value of RMB16,893,000 (six months ended 30 June 2025: RMB3,378,000) were disposed of by the Group during the six months ended 30 June 2026, resulting in net losses on disposal of RMB2,029,000 (six months ended 30 June 2025: net gains on disposal of RMB2,035,000).

Due to the dynamic business environment and the Group's business development recently, the management of the Group conducted impairment assessment on recoverable amounts of certain property, plant and equipment. Based on the result of the assessment, the recoverable amounts were higher (six months ended 30 June 2025: lower) than the carrying amounts, reversal of impairment losses of RMB3,116,000 (six months ended 30 June 2025: impairment losses of RMB7,284,000) was recognised in "Other (losses)/gains – net" during the six months ended 30 June 2026.

16 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at FVPL comprise:

- Equity investments that are held for trading;
- Equity investments for which the Group has not elected to recognise fair value gains and losses through other comprehensive income; and
- Other non-equity investments that do not qualify for measurement at either amortised cost or FVOCI.

	Note	**30 June 2026 (Unaudited) RMB'000**	31 December 2025 (Audited) RMB'000
Non-current assets			
Derivative financial instruments	(i)	**15,640**	16,217
Unlisted equity investments	(ii)	**179,090**	261,180
		194,730	277,397
Current assets			
Listed equity investments	(iii)	**8,459**	12,690
Unlisted equity investments	(ii)	**359,827**	392,045
Trade receivables measured at FVPL	(iv)	**129,218**	154,190
		497,504	558,925
		692,234	836,322

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16 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

Note:

(i) Derivative financial instruments

Pursuant to the sale and purchase agreement entered into between Fullshare Investment Management II Limited, the general partner of Fullshare Value Fund I (A) L.P., a joint venture of the Group and the purchaser dated 30 August 2019 ("**GSH Disposal Agreement**"), details of transactions are disclosed with the Company's relevant contingent liabilities in Note 24, the Company is entitled to 23% of the distributable proceeds, if any, after the qualifying transactions as specified in the GSH Disposal Agreement ("**Qualifying Transactions**") are completed. At 30 June 2026, the Qualifying Transactions have not been completed. The separate derivative associated with GSH Disposal Agreement was measured at FVPL amounting to RMB15,640,000 (31 December 2025: RMB16,217,000).

(ii) Unlisted equity investments

In December 2020, the Group entered into three limited partnership agreements in respect of the establishment of partnerships in the PRC. Pursuant to the limited partnership agreements, the Group contributed RMB120,000,000, RMB120,000,000 and RMB100,000,000 respectively as a limited partner, which had been paid up by the Group to the partnerships. As at 30 June 2026, these investments had an aggregate fair value of RMB178,939,000 (31 December 2025: RMB261,030,000), and an aggregate fair value loss of RMB82,091,000 (six months ended 30 June 2025: RMB423,300,000) was recognised in profit or loss during the six months ended 30 June 2026.

The remaining amounts include the unlisted equity investments with individual amount less than RMB500,000,000.

(iii) Listed equity investments

The balances as at 30 June 2026 and 31 December 2025 represented equity shares of securities listed in Hong Kong, Singapore and the USA.

The fair values of equity shares are based on the closing prices of these securities quoted on the SEHK, the SGX and the NASDAQ as at the end of the reporting period. The directors of the Company consider that the closing prices of these securities are the fair values of these investments.

(iv) Trade receivables measured at FVPL

In 2021 and 2022, the Group entered into several agreements with a bank to sell all of its eligible trade receivables under certain customers and all right, title, interest and benefit the Group has in each such eligible trade receivables on a non-recourse basis without the need for any further action or documentation on the part of the Group or the bank, at a discount calculated based on the base rate and number of days for early payment as specified in the agreements.

At 30 June 2026, such trade receivables that are held solely for selling purpose amounting to RMB129,218,000 (31 December 2025: RMB154,190,000) were classified as financial assets at FVPL. For the six months ended 30 June 2026, fair value gain of RMB1,086,000 (six months ended 30 June 2025: fair value loss of RMB5,215,000) was recognised in "Net fair value changes in financial instruments".

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17 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Financial assets at FVOCI comprise:

- Equity investments which are not held for trading, and the Group has irrevocably elected at initial recognition to recognise in this category. These are strategic investments and the Group considers this classification to be more relevant; and

- Debt securities where the contractual cash flows are solely principal and interest and the objective of the Group's business model is achieved both by collecting contractual cash flows and selling financial asset.

	Note	**30 June 2026 (Unaudited) RMB'000**	31 December 2025 (Audited) RMB'000
Non-current assets			
Listed equity investments	(i)	**40,372**	52,343
Unlisted equity investments	(ii)	**1,194,885**	1,206,600
		1,235,257	1,258,943
Current assets			
Debt investments – Bills receivables	(iii)	**2,605,967**	3,323,219
		3,841,224	4,582,162

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17 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (continued)

Note:

(i) The balances as at 30 June 2026 represented the fair values of equity shares listed in the PRC and the USA, which amounting to RMB28,283,000 (31 December 2025: RMB36,362,000) and RMB12,089,000 (31 December 2025: RMB15,981,000) respectively.

(ii) On 17 April 2017, Nanjing High Accurate Drive Equipment Manufacturing Group Co., Ltd.（南京高精傳動設備製造集團有限公司）(a non wholly-owned subsidiary of the Group) entered into a limited partnership agreement with thirty-four other partners in respect of the establishment of an investment fund in the PRC named Zhejiang Zheshang Chanrong Equity Investment Fund L.P.（浙江浙商產融股權投資基金合夥企業（有限合夥））(the "**Zheshang Fund**") and the subscription of interest therein. Pursuant to the limited partnership agreement, the full registered capital contribution to the investment fund is RMB65,910,000,000, among which, RMB2,000,000,000 was contributed by the Group as a limited partner, which had been fully paid up by the Group to the investment fund. The investment in Zheshang Fund was revalued on 30 June 2026 and 31 December 2025 based on valuations performed by an independent professional qualified valuer by market approach. As at 30 June 2026, the fair value of the investment in Zheshang Fund amounted to RMB1,186,000,000 (31 December 2025: RMB1,197,000,000) is classified as non-current asset and a fair value loss of RMB11,000,000 (six months ended 30 June 2025: a fair value gain of RMB41,000,000) was recognised in other comprehensive income for the six months ended 30 June 2026.

The remaining amounts include the unlisted equity investments with individual amount less than RMB500,000,000.

(iii) Bills receivables that are held for collection of contractual cash flows and for selling purpose are measured at FVOCI. Bills receivables that are held by the Group are usually collected at maturity date or discounted to banks in the PRC by a way of selling before the maturity date.

18 FINANCIAL ASSETS AT AMORTISED COST (EXCLUDING TRADE RECEIVABLES)

(i) Loan receivables

	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Loans to third parties	**768,400**	736,274
Loan to an associate	**100,246**	100,066
Less: Loss allowance (Note 3 (ii)(b))	**(689,956)**	(684,675)
	178,690	151,665
Represented:		
– Current portion	**78,444**	51,599
– Non-current portion	**100,246**	100,066
	178,690	151,665

(ii) Consideration receivables

	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Consideration receivables (Notes (i)-(iii))	**579,300**	641,082
Less: Loss allowance (Note 3 (ii)(b))	**(167,094)**	(174,144)
	412,206	466,938
Represented:		
– Current portion	**262,351**	317,351
– Non-current portion	**149,855**	149,587
	412,206	466,938

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18 FINANCIAL ASSETS AT AMORTISED COST (EXCLUDING TRADE RECEIVABLES) (continued)

(ii) Consideration receivables (continued)

Note:

(i) As at 30 June 2026 and 31 December 2025, consideration receivables include deferred consideration receivable (the "**Deferred Consideration**") for disposal of 72.71% equity interest in Sparrow Early Learning Pty Limited ("**Sparrow**"), an associate of the Group, amounting to AUD32,000,000 (equivalent to RMB149,855,000) (31 December 2025: AUD32,000,000 (equivalent to RMB149,587,000)) and consideration receivable for disposal of equity interest of Shanghai Joyu Culture Communication Company Limited ("**Shanghai Joyu**") amounting to RMB154,710,000 (31 December 2025: RMB161,760,000). The disposal of Sparrow was completed in March 2022. The Deferred Consideration is receivable at the 5th anniversary from the completion date of disposal and bears an interest at 6% per annum. The disposal of Shanghai Joyu was completed in October 2022, and the consideration receivable is past due as at 30 June 2026 and 31 December 2025.

(ii) During the year ended 31 December 2024, Nanjing Handa Import and Export Trade Co., Ltd. ("**Nanjing Handa**"), a subsidiary of the Company, entered into a loan assignment agreement with an independent third party (the "**Loan Purchaser**"), pursuant to which Nanjing Handa agreed to assign, and the Loan Purchaser agreed to accept, all the Nanjing Handa's rights, title and interest in an intragroup loan with principal of RMB250,000,000, at a consideration of RMB250,000,000 (the "**Loan Assignment**") to be paid within one year. As at 31 December 2024, the consideration receivable of RMB250,000,000 in relation to the Loan Assignment is unsecured, interest-free and repayable within one year.

On 30 December 2025, Nanjing Handa and the Loan Purchaser entered into a supplemental agreement (the "**Supplemental Agreement**"), pursuant to which the Loan Purchaser was required to pay a down payment of RMB10,000,000 within 10 working days from the date of the Supplemental Agreement. Following the timely receipt of the RMB10,000,000 down payment, the Supplemental Agreement became effective. Consequently, the maturity date for the remaining consideration was extended by two years to 26 June 2027, with a fund usage fee at 3% per annum on the outstanding balance charged from 18 March 2025 until full settlement.

The management considered that there was no significant increase in credit risk and the risk of default was insignificant. Consequently, no impairment loss was recognised in the interim condensed consolidated statement of profit or loss and other comprehensive income for the reporting period.

18 FINANCIAL ASSETS AT AMORTISED COST (EXCLUDING TRADE RECEIVABLES) (continued)

(ii) Consideration receivables (continued)

Note: (continued)

(iii) As at 30 June 2026, the balance of RMB34,735,000 (31 December 2025: RMB79,735,000) included in consideration receivables is unsettled consideration related to disposal of a Nanjing Fengsheng Kanglv Co., Ltd. ("**Fengsheng KL**") which was completed in September 2024. During the six months ended 30 June 2026, the Group received partial settlement of RMB45,000,000. The consideration receivable is past due as at 30 June 2026 and 31 December 2025. The receivable is interest-free and secured by 20% equity interests of the Fengsheng KL.

(iii) Other receivables

	Note	**30 June 2026 (Unaudited) RMB'000**	31 December 2025 (Audited) RMB'000
Amounts due from third parties			
– Deposit for land lease		**75,000**	75,000
– Receivables from the former subsidiaries of the bundle transaction		**512,847**	516,046
– Redemption receivables from an insurance company	(i)	**612,600**	612,600
– Refundable deposit	(ii)	**62,515**	68,795
– Value-added tax recoverable		**121,001**	190,986
– Others		**598,461**	590,318
		1,982,424	2,053,745
Amounts due from associates		**62,864**	54,236
		2,045,288	2,107,981
Less: Loss allowance	3(ii)(b)	**(1,002,283)**	(1,034,399)
		1,043,005	1,073,582

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18 FINANCIAL ASSETS AT AMORTISED COST (EXCLUDING TRADE RECEIVABLES) (continued)

(iii) Other receivables (continued)

All of the amounts due from the Group's associates are unsecured, interest-free and repayable on credit terms similar to those offered to the other debtors of the Group.

Note:

(i) The balances represented redemption receivables on the insurance products purchased from an insurance company. In February 2023, the Group submitted the policy surrender requests to the insurance company to withdraw the cash value of insurance products. At the redemption date, the cash value of the insurance investments was RMB612,600,000. In November 2023, the Group initiated a legal proceeding against the insurance company at Nanjing Intermediate People's Court to enforce the insurance company's repayment obligation, as the total amount due is not yet received by the Group.

As at the date of this report, the case is still ongoing and currently under the second trial. Based on the opinion of the legal counsel, it is expected that it is highly probable that the Group will succeed in the legal proceeding. Management does not expect this legal proceeding would have any material adverse impact on the business operations and the financial position of the Group.

(ii) On 22 June 2022, the Group entered into a non-legally binding memorandum of understanding with an independent third party (the "**Potential Vendor**") in relation to a possible conditional voluntary cash offer for 100% equity interest in an entity (the "**Possible Sale and Purchase**"). A refundable earnest deposit of HK$70,000,000 was paid to the Potential Vendor accordingly. On 30 September 2022, a supplemental agreement was entered into pursuant to which if, among others, no definitive agreement in respect of the Possible Sale and Purchase was entered into on or before 31 March 2023, the Potential Vendor shall refund and return in full the earnest deposit (without any income accrued thereon) to the Group within 7 business days. Up to 31 March 2023, no definitive agreement has been reached with the Potential Vendor. As at 30 June 2026 and 31 December 2025, the deposit has yet to be refunded and such amount, pursuant to the memorandum of understanding is unsecured and bears an interest at 10% per annum.

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19 TRADE RECEIVABLES

	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Trade receivables		
– Relevant Trading Business	**3,182,599**	3,188,981
– Businesses other than Relevant Trading Business	**6,547,621**	6,655,828
Less: Loss allowance		
– Relevant Trading Business	**(3,182,599)**	(3,188,981)
– Businesses other than Relevant Trading Business	**(764,531)**	(665,674)
	5,783,090	5,990,154

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 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Within 90 days	**3,647,270**	4,146,516
91 to 180 days	**477,031**	795,033
181 to 365 days	**989,332**	402,867
Over 365 days	**669,457**	645,738
	5,783,090	5,990,154

The Group generally allows a credit period of 45 days to 180 days (31 December 2025: 45 days to 180 days) to its trade customers and 180 days (31 December 2025: 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.

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20 RESTRICTED CASH AND CASH AND CASH EQUIVALENTS

	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Cash and bank balances	**8,388,330**	8,949,533
Less: Restricted cash		
– Pledged bank deposits	**(3,341,251)**	(3,143,328)
– Restricted bank deposits	**(18,540)**	(16,353)
	(3,359,791)	(3,159,681)
Cash and cash equivalents	**5,028,539**	5,789,852

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term time deposits are made for varying periods between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term time deposit rates. Bank balances, pledged bank deposits and restricted bank deposits are deposited with creditworthy banks and other financial institutions with no recent history of default. As at 30 June 2026, certain bank accounts with balance of RMB16,905,000 (31 December 2025: RMB15,212,000) are frozen by the court order in the PRC due to the default in repayment of an earnest deposit received for a proposed acquisition of assets upon the proposed acquisition was cancelled.

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21 TRADE AND BILLS PAYABLES

	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Trade payables		
– Amounts due to third parties	**4,844,491**	4,398,857
– Amount due to an associate	**18**	9,200
Bills payables	**5,300,512**	5,784,324
	10,145,021	10,192,381

The 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 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Within 90 days	**5,977,084**	6,421,371
91 to 180 days	**3,807,083**	3,171,888
181 to 365 days	**39,750**	261,805
Over 365 days	**321,104**	337,317
	10,145,021	10,192,381

Amount due to an associate included in trade and bills payables is repayable within 90 days (31 December 2025: 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 2025: 90 to 180 days).

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22 OTHER PAYABLES AND ACCRUALS

	Note	**30 June 2026 (Unaudited) RMB'000**	31 December 2025 (Audited) RMB'000
Accruals		**828,526**	926,640
Amounts due to associates	(i)	**2,812**	4,635
Refundable deposit received	(ii)	**644,000**	644,000
Other tax payables		**109,328**	42,465
Other payables	(iii)	**1,150,263**	1,059,673
Payroll and welfare payables		**146,268**	317,653
Liability arising from financial guarantee contracts		**511,396**	391,827
Payables for purchase of property, plant and equipment		**236,928**	232,805
		3,629,521	3,619,698

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 CHS 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 35(ii) of the Group's 2025 annual consolidated financial statements. No repayment was made by the Group during the six months ended 30 June 2026. 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.

22 OTHER PAYABLES AND ACCRUALS (continued)

Note: (continued)

(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 pursuant to the court judgement in 2022, the Group had to refund the Asset Consideration, penalty and overdue interests to Jiangsu Anke based on the terms of the 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.

As at 30 June 2026, certain bank accounts with accumulated balances of RMB16,905,000 (31 December 2025: RMB15,212,000) and the legal title of certain of investment properties with carrying value of RMB2,368,000,000 as at 30 June 2026 (31 December 2025: RMB2,368,000,000) were frozen by the court order in the PRC.

Up to the date of these interim condensed consolidated financial statements, 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 RMB328,487,000 (31 December 2025: RMB322,064,000) recognised in other payables as at 30 June 2026 could be repaid through internal funding or sale of certain non-major assets and will not have a significant impact to the Group's operations.

The remaining other payables mainly comprised outstanding amounts due to independent third parties, which are unsecured, interest-free and repayable on demand.

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23 BANK AND OTHER BORROWINGS

	30 June 2026		31 December 2025	
	Current	**Non-current**	Current	Non-current
	(Unaudited)	**(Unaudited)**	(Audited)	(Audited)
	RMB'000	**RMB'000**	RMB'000	RMB'000
Secured				
– Bank loans	**1,855,359**	**3,458,667**	1,344,207	3,864,921
Total secured borrowings	**1,855,359**	**3,458,667**	1,344,207	3,864,921
Unsecured				
– Bank loans	**4,051,699**	**608,960**	4,379,964	658,099
– Loans from a shareholder	**654,407**	**–**	654,407	–
– Loans from a company wholly owned by Mr. Ji Changqun ("**Mr. Ji**")	**198,841**	**–**	271,630	–
– Loan from a joint venture	**182,512**	**–**	187,967	–
– Loans from other third parties	**–**	**260,000**	12	260,000
Total unsecured borrowings	**5,087,459**	**868,960**	5,493,980	918,099
	6,942,818	**4,327,627**	6,838,187	4,783,020

Bank and other borrowings carry interests ranging from 0% to 8% (31 December 2025: 0% to 8%) per annum. As at 30 June 2026, loans from a shareholder and a company wholly owned by Mr. Ji in aggregate of RMB853,248,000 (31 December 2025: RMB926,037,000) are interest-free and the loan from a joint venture of RMB182,512,000 (31 December 2025: RMB187,967,000) carries an effective interest rate at 8% (31 December 2025: 8%) per annum.

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23 BANK AND OTHER BORROWINGS (continued)

Bank and other borrowings are repayable as follows:

	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Within one year or on demand	**6,942,818**	6,838,187
Between one and two years	**1,752,052**	2,297,620
Between two and five years	**2,539,897**	2,337,453
Over five years	**35,678**	147,947
	11,270,445	11,621,207

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.

(iii) The Group's assets as disclosed in Note 26.

In addition, bank and other borrowings of RMB615,121,000 (31 December 2025: RMB618,390,000) were guaranteed by Mr. Ji.

(b) During the six months ended 30 June 2026, certain of the borrowings with principal amounting to RMB732,633,000 (31 December 2025: RMB187,967,000) were overdue and defaulted, and overdue interest expense of RMB12,063,000 (six months ended 30 June 2025: RMB7,710,000) was recognised during the six months ended 30 June 2026. 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 statements. Management considers that these borrowings could be repaid through internal fundings and will not have a significant impact to the Group's operations.

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24 CONTINGENT LIABILITIES

As at 30 June 2026, contingent liabilities not provided for in the interim condensed consolidated financial statements were as follows:

On 30 August 2019, a sale and purchase agreement was 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 RMB893,349,000) (31 December 2025: SGD169,822,000 (equivalent to approximately RMB924,171,000)) (the "**Guarantee Money**") as at 30 June 2026. 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 2026 and 31 December 2025.

25 CAPITAL COMMITMENTS

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

	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Contracted but not provided for:		
– property, plant and equipment	**382,718**	526,107

26 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 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Property, plant and equipment	**2,870,306**	2,676,759
Investment properties	**2,684,042**	2,734,741
Investment in associate	**–**	19,124
Right-of-use assets	**343,980**	273,670
Financial assets at FVOCI	**128,111**	579,871
Pledged bank deposits	**3,341,251**	3,143,328
	9,367,690	9,427,493

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27 RELATED PARTY TRANSACTIONS

In addition to the transactions detailed elsewhere in these interim condensed consolidated financial statements, the Group also had the following significant transactions with related parties during the period:

(i) Transactions with related parties

	Note	For the six months ended 30 June 2026 (Unaudited) RMB'000	2025 (Unaudited) RMB'000
Associates:			
– Interest income	(a)	**3,069**	2,928
– Rental paid	(b)	**17,446**	25,090
– Interest expenses on lease liabilities	(b)	**3,697**	8,503
– Dividend income		**–**	2,166
– Assignment of a loan receivable	(h)	**37,000**	–
Joint ventures:			
– Interest expense	(c)	**7,300**	7,710
The Group's shareholder:			
– Waiver of loans	(d)	**–**	37,500
The company wholly owned by Mr. Ji:			
– Management service income	(e)	**129**	144
– Repayment of loans	(f)	**66,944**	1,688
The Group's substantial shareholder:			
– Guarantees provided	(g)	**6,929**	7,304

27 RELATED PARTY TRANSACTIONS (continued)

(i) Transactions with related parties (continued)

Notes:

(a) The interest income is derived from a loan to Sparrow. During the six months ended 30 June 2026, interest income of approximately RMB3,069,000 (six months ended 30 June 2025: RMB2,928,000) was recognised and the Group received outstanding interests of Nil (six months ended 30 June 2025: RMB2,934,000).

(b) During the year ended 31 December 2023 and 2024, the Group entered into several lease agreements with Nanjing Yiming Technology Development Co., Ltd. (南京逸名科技發展股份有限公司) (formerly known as Nanjing Fullshare Dazu Technology Co., Ltd. (南京豐盛大族科技股份有限公司)) ("**Nanjing Yiming**"). Upon the disposal of Fengsheng KL, Nanjing Yiming became an associate of the Group, and the Group recognised right of use assets and lease liabilities amounting to RMB184,044,000. During the year ended 31 December 2025, the Group negotiated with Nanjing Yiming to modify the lease terms and rental amounts. The related right-of-use assets and lease liabilities were remeasured at the respective effective dates of the lease modifications, with aggregate carrying amounts of RMB215,519,000 and RMB218,653,000 respectively. During the six months ended 30 June 2026, the Group paid rent of RMB17,446,000 (six months ended 30 June 2025: RMB25,090,000), and interest expense on lease liabilities of RMB3,697,000 (six months ended 30 June 2025: RMB8,503,000) was recognised in profit or loss.

(c) On 13 March 2017, the Group entered into an agreement with Fullshare Value Fund I L.P. to borrow US$53,739,000 (equivalent to RMB370,558,000) at an interest rate of 8% per annum. During the six months ended 30 June 2026, interest expense of RMB7,300,000 (six months ended 30 June 2025: RMB7,710,000) was recognised in profit or loss.

(d) The Group entered into several loan agreements with Magnolia Wealth International Limited ("**Magnolia**"), the single largest shareholder of the Company. During the six months ended 30 June 2025, Magnolia assigned certain debts owed by the Group to Fullshare Group Pte. Ltd., an entity in which Mr. Ji also holds the entire interests and granted a waiver of loan of RMB37,500,000 to the Group, which was credited to "other reserves" in the consolidated statement of changes in equity of the Group. As at 30 June 2026 and 31 December 2025, amounts due to Magnolia are interest-free and repayable on demand.

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27 RELATED PARTY TRANSACTIONS (continued)

(i) Transactions with related parties (continued)

Notes: (continued)

(e) The management service income is derived from the transactions which are carried out on terms agreed by the Group and Fullshare Group Pte. Ltd.

(f) As at 30 June 2026 and 31 December 2025, amounts due to Fullshare Group Pte. Ltd. are interest-free and repayable on demand. During the six months ended 30 June 2026, the Group repaid loans of RMB66,944,000 (six months ended 30 June 2025: RMB1,688,000) to Fullshare Group Pte. Ltd.

(g) During the six months ended 30 June 2026 and 30 June 2025, a guarantee of HK$8,000,000 (equivalent to RMB6,929,000 and RMB7,304,000 respectively) at maximum provided by Mr. Ji to a subsidiary of the Group for securing its loan portfolio.

(h) During the six months ended 30 June 2026, Nanjing Yiming entered into a loan assignment agreement with Nanjing Fullshare Kangju Technology Co., Ltd.（南京豐盛康居科技有限公司）(“**Fullshare Kangju**”), a subsidiary of the Group, pursuant to which Nanjing Yiming agreed to assign, and Fullshare Kangju agreed to accept, all the Nanjing Yiming’s rights, title and interest in an independent third party’s loan with principal of RMB37,000,000, at a cash consideration of RMB25,000,000. The loan receivable is secured by a personal guarantee, bears an interest at 7% per annum and is receivable by the end of 2028.

(ii) Outstanding balances arising from transactions with related parties:

The Group’s outstanding balances with its related parties as at the end of the reporting period are disclosed in loan receivables (Note 18(i)), other receivables (Note 18(iii)), trade and bills payables (Note 21), other payables and accruals (Note 22) and bank and other borrowings (Note 23).

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27 RELATED PARTY TRANSACTIONS (continued)

(iii) Outstanding guarantees provided to and provided by the related parties:

(a) During the year ended 31 December 2018, the Group has provided guarantees to Nanjing Jiangong Industrial Group Co., Ltd. (南京建工產業集團有限公司) ("**Nanjing Jiangong Industrial**") and Nanjing Jiangong Group Co. Ltd. (南京建工集團有限公司) ("**Nanjing Jiangong**"), which were controlled by a close member of Mr. Ji's family, in favour of their bank loans of RMB440,000,000 and RMB710,000,000 respectively, by pledging a commercial property directly held by Nanjing Deying Property Limited (a wholly-owned subsidiary of the Company) with gross floor areas of approximately 100,605 square meters with auxiliary facilities located at Yuhuatai District, Nanjing, Jiangsu Province, the PRC.

On 13 June 2018 and 20 September 2018, Mr. Ji, Nanjing Jiangong Industrial and Nanjing Jiangong executed two guarantee letters (collectively referred to as the "**Guarantee Letters**") in favour of the Group. Pursuant to the Guarantee Letters, Mr. Ji undertook that before the respective bank loans are fully repaid or the pledge is released, the balance of loans granted by him (and/or any companies controlled by him) to the Group (the "**Granted Loans**") shall be at least HK$550,000,000 (equivalent to RMB483,113,000) and HK$900,000,000 (equivalent to RMB761,293,000) respectively; Nanjing Jiangong Industrial and Nanjing Jiangong undertook that it would provide a loan to the Company with substantially the same commercial terms as the loan agreement or pledge assets with equivalent value to the Company.

On 6 July 2022, Nanjing Jiangong Industrial and Nanjing Jiangong were no longer related parties to the Group and became third parties to the Group. However, the guarantees provided to Nanjing Jiangong Industrial and Nanjing Jiangong and the Guarantee Letters remain valid as at 31 December 2023.

During the year ended 31 December 2024, the pledge in relation to the loan of Nanjing Jiangong Industrial was released and accordingly, the respective counter guarantee with the Granted Loans shall be at least HK$550,000,000 (equivalent to RMB483,113,000) provided by Mr. Ji was lapsed.

As at 30 June 2026 and 31 December 2025, since the Granted Loans exceeded the outstanding amount of the respective bank loans, no provision for the obligations due to guarantee has been made.

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27 RELATED PARTY TRANSACTIONS (continued)

(iii) Outstanding guarantees provided to and provided by the related parties: (continued)

(b) 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 Yiming and its subsidiary (the "**Nanjing Yiming Group**") to the said financial institutions in an aggregate principal sum of approximately RMB964,761,000 (31 December 2025: RMB965,361,000) with interest rates ranging from 7.8% to 12% (31 December 2025: 7.8% to 12%) (the "**Guarantee Obligations**") as at 30 June 2026.

At the date of the completion for the disposal of Fengsheng KL, such guarantees and pledged assets has not been released. To secure and indemnify the Company's obligations under the Guaranteed Obligations, on the date of the equity transfer agreement to dispose of Fensheng 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 interest of Fengsheng KL in favour of the Company; and (ii) the purchaser and Fengsheng KL executed a counter-guarantee agreement in favour of the Company to provide a counter-guarantee.

As at 30 June 2026, the total amount due from Nanjing Yiming Group to Great Wall Assets and CITIC was approximately RMB1,850,634,000 (31 December 2025: RMB1,732,384,000). The management assesses the credit risk of the financial guarantee contracts and measures the loss allowance at an amount equal to lifetime ECL and an impairment loss of RMB96,039,000 (six months ended 30 June 2025: Nil) was recognised in profit or loss during the six months ended 30 June 2026.

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

27 RELATED PARTY TRANSACTIONS (continued)

(iv) Compensations of key management personnel of the Group:

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Short term employee benefits	**3,164**	5,732
Post-employment benefits	**128**	72
Total compensations paid to key management personnel	**3,292**	5,804

28 IMPAIRMENT LOSSES ON TRADE RECEIVABLES AND PREPAYMENTS IN RELATION TO TRADING BUSINESS INCLUDED IN NEW ENERGY SEGMENT

Three subsidiaries of CHS (the "**Relevant Subsidiaries**") carried out transactions in trading business included in new energy segment mainly with 13 customers (the "**Customers**") and 3 suppliers (the "**Suppliers**"). As at 30 June 2026, the Group's trade receivables and prepayments relating to the Relevant Trading Business amounted to RMB3,182,599,000 (31 December 2025: RMB3,188,981,000) and RMB3,450,531,000 (31 December 2025: RMB3,450,531,000) respectively, are recorded in the interim condensed consolidated financial statements.

Under the Relevant Trading Business, the Relevant Subsidiaries entered into procurement and cooperation agreements (the "**Procurement and Cooperation Agreements**") and/or a number of purchase agreements (collectively referred to as the "**Purchase Agreements**") with the Suppliers in prior years.

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28 IMPAIRMENT LOSSES ON TRADE RECEIVABLES AND PREPAYMENTS IN RELATION TO TRADING BUSINESS INCLUDED IN NEW ENERGY SEGMENT (continued)

As stipulated in the Procurement and Cooperation Agreements and the Purchase Agreements, the Relevant Subsidiaries were required to pay a lump sum payment (the "**Upfront Payments**") and the contract sum for the respective purchase transactions (the "**Purchase Prepayments**"), respectively, before the Relevant Subsidiaries purchased goods from the Suppliers. Upon expiry of the Procurement and Cooperation Agreements, the Relevant Subsidiaries had the right to set-off such lump sum payment against the trade payables arising from designated purchases from the Suppliers. The Upfront Payments are interest-bearing at 8% per annum from the date the Upfront Payments were placed, and until the goods are delivered by the Suppliers.

During the six months ended 30 June 2026, no transaction were entered into by the Relevant Subsidiaries with the Customers and the Suppliers.

With the assistance of the legal counsel, the Group has initiated recovery actions over the outstanding trade receivables and prepayments balances relating to the trading business in 2024. However, during the course of the recovery actions, management noted that the Customers and the Suppliers either could not be reached or advised that the amounts owed to the Group had already been settled.

As detailed in CHS's announcements dated 24 November 2024, 6 February 2025, 2 March 2025, 16 March 2025 and 24 November 2025, an independent investigation (the "**Independent Investigation**") on matters relating to certain sales and purchase agreements of the Relevant Subsidiaries' trading business, and the corresponding outstanding trade receivables and prepayments, was carried out, and the Nanjing Public Security Bureau, Jiangning Branch has also initiated a formal investigation (the "**Criminal Investigation**") into a criminal case involving suspected embezzlement and misappropriation of Relevant Subsidiaries' funds and assets.

28 IMPAIRMENT LOSSES ON TRADE RECEIVABLES AND PREPAYMENTS IN RELATION TO TRADING BUSINESS INCLUDED IN NEW ENERGY SEGMENT (continued)

In view of these circumstances, management of CHS considered that the recoverability of the outstanding trade receivables and prepayments of RMB6,639,512,000 in total as at 31 December 2025 was in doubt. For the sake of prudence, full impairment had been recognised in previous years. During the six months ended 30 June 2026, partial collections were received in respect of the trade receivables and the Group accordingly reversed impairment losses of RMB6,382,000 for the current period. The recoverability of the remaining outstanding trade receivables and the realisability of prepayments continues to be subject to significant doubt, and the relevant balances remain fully impaired.

During the six months ended 30 June 2026, there was no material progress in recovering these balances other than the partial receipts as stated above or obtaining sufficient underlying documentation. The initial third-party independent investigation carried out during the 2025 reporting period did not obtain sufficient appropriate evidence to resolve the uncertainties surrounding these transactions, and the Criminal Investigation was still in progress. A follow-up third-party independent investigation was commenced during the six months ended 30 June 2026 and remained ongoing as at 30 June 2026.

29 EVENTS AFTER THE REPORTING PERIOD

Reference is made to the announcements of the Company dated 26 January 2026, 27 January 2026, 16 March 2026, 2 July 2026, 17 July 2026 and 31 July 2026 regarding the subscription of new shares under general mandate.

On 2 July 2026, a deed of novation was entered into, pursuant to which the rights and obligations of the original subscriber under the subscription agreement for 72,000,000 new shares were novated to a new subscriber (a wholly-owned subsidiary of the original subscriber). On 17 July 2026, the subscription agreement for 55,000,000 new shares was terminated by mutual agreement. Consequently, the total subscription proceeds were reduced from HK$133,350,000 to HK$75,600,000, with net proceeds of approximately HK$75,000,000 to be used for repayment of part of the Group's loan and amounts payable and replenishment of the Group's general working capital.

On 31 July 2026, all conditions precedent to the subscription of 72,000,000 new shares were satisfied and the subscription was completed. The shares were allotted and issued at HK$1.05 per share, and the subscriber became a substantial shareholder holding approximately 10.16% of the enlarged issued share capital of the Company.

Additional information required by the Listing Rules

BUSINESS REVIEW

During the six months ended 30 June 2026 (the "**Period Under Review**") and the six months ended 30 June 2025 (the "**Corresponding Period of 2025**"), the revenue of the Fullshare Holdings Limited (the "**Company**") and its subsidiaries (collectively referred to as "**Group**") was derived from property, tourism, investment and financial services, healthcare and education and new energy businesses.

(1) Property business

The Group is engaged in the property investment 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 2026, 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%

Additional information required by the Listing Rules

	Address	Existing use	Term of contract	Gross floor areas ("GFA") (sq.m.)	Interest attributable to the Group
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 Group's previous 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. Accordingly, the Group continues to manage the operation of Yuhua Salon 109.

(2) Tourism business

During the year 2025, 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 in Queensland, Australia 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.

Additional information required by the Listing Rules

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 AUD400.29, with an occupancy rate of 59.98%.

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 (the "**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 continues 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), Building 8 (part of Beiji Lou) and Building 7 (Qinyangzhai) have all been put into operation. 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 RMB659.22 (excluding tax) with an occupancy rate of approximately 77.53%.

(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 loss of approximately RMB3,916,000 (2025: profit of RMB79,480,000). The loss incurred during the Period Under Review was mainly due to fair value loss recognised for certain investments.

Additional information required by the Listing Rules

(a) *Listed equity investments held for trading*

The portfolio of listed equity investments of the Group held for trading as at 30 June 2026 and 31 December 2025 is set out as below:

	As at 30 June 2026 RMB'000	As at 31 December 2025 RMB'000
Hong Kong listed equities securities	**2,555**	2,247
Singapore listed equities securities	**741**	799
United States listed equities securities	**5,163**	9,644
	8,459	12,690

Note:

These companies are listed companies on The Stock Exchange of Hong Kong Limited, 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. The material unlisted equity investment of the Group classified as financial assets at fair value through other comprehensive income as at 30 June 2026 and 31 December 2025 is set out as below:

As at 30 June 2026

Name of investee	Cost of investment RMB'000	Carrying amount RMB'000	Unrealised holding loss arising on revaluation for the period RMB'000	Realised loss arising from the disposal for the period RMB'000	Dividend received/ receivable for the period RMB'000
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	1,186,000	(11,000)	–	–

Note:

1. Zheshang Fund is primarily engaged in, among other things, equity and debt investment, investment management and investment consultation.

Additional information required by the Listing Rules

As at 31 December 2025

Name of investee	Cost of investment	Carrying amount	Unrealised holding loss arising on revaluation for the year	Realised loss arising from the disposal for the year	Dividend received/ receivable for the year
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Zheshang Fund	2,000,000	1,197,000	(72,000)	–	–

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 investment portfolio when necessary. The diversified investment portfolio is to implement the direction of expanding the sources of the Group's investment income and stabilising its long-term investment strategies.

As at 30 June 2026 and 31 December 2025, 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 RMB98,663,000 (2025: RMB41,264,000).

Additional information required by the Listing Rules

(5) New Energy segment

a) *Wind gear transmission equipment*

As a leading enterprise of wind gear transmission equipment in China, leveraging our outstanding research, design and development capabilities, our product technology has reached an internationally leading level, consolidating the Group's leadership in the offshore large-megawatt wind gear transmission equipment. The wind gear transmission equipment products of the Group are widely applied in both onshore and offshore wind power, and breakthroughs continue to be made 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 NGC StanGear (rolling bearing gearbox) and NGCWinGear (sliding bearing gearbox) product platforms and core technology platforms, the second-generation sliding bearing technology has achieved large-scale and rapid promotion and application, continuously consolidating and strengthening the leading market position of the products; meanwhile, the Group has 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 is actively developing onshore and offshore large-megawatt wind gear transmission equipment with integrated transmission chain, deeply integrating digital technology, building the GearSight IoT cloud platform for gearbox health monitoring and diagnosis, and creating a remote diagnosis center, realising efficient management of the entire life cycle of wind gear transmission equipment products.

Additional information required by the Listing Rules

Up to now, the Group has maintained a high-quality and stable customer portfolio. The customers of the Group's wind gear transmission equipment products include major wind turbine manufacturers in the People's Republic of China (the "**PRC**"), such as Goldwind Science & Technology, Windey Energy Technology, Dongfang Electric Wind Power and SANY Renewable Energy, as well as internationally renowned wind turbine manufacturers such as GE Vernova, Siemens Energy Wind Power, Nordex acciona and Suzlon, etc. In the course of proactively expanding its overseas customer base, leveraging the overseas expansion of domestic wind turbine manufacturers, the wind gear transmission equipment products of the Group will further broaden its overseas market footprint. Meanwhile, a global market layout also facilitates diversification of operational risks. The Group has been committed to building closer communication, cooperation and development relationships with existing and potential overseas customers through its subsidiaries in the United States (the "**U.S.**"), Germany, India and Singapore.

b) *Industrial gear transmission equipment*

The Group's industrial gear transmission equipment products are widely used by customers in industries such as metallurgy, building materials, mining, petrochemicals, port cranes, construction machinery, rubber/plastic machinery, sugar extraction, power generation, new energy, aerospace and the low-altitude economy.

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 comprehensively advanced the technological iteration and upgrade of traditional products. Empowered by new thinking, new technologies and new services, the Group actively explores innovative development of its industrial gear transmission equipment in new fields, new markets and new industries. The Group's industrial gear transmission equipment business adheres to the operational concept of "preserving existing business, identifying growth opportunities and optimising structure", with a focus on boosting sales to major customers, while actively expanding into emerging and overseas markets. Leveraging the three transformations strategy of "globalisation, high-end development and branding", together with the brand strength of "Nanjing High Speed Gear", the Group closely follows the "going global" strategy under the Belt and Road Initiative. Based on a "zero-defect" foundation, it implements the quality management principle of "getting it right the first time", reshapes brand

Additional information required by the Listing Rules

value, and vigorously enhances the influence and market share of its industrial gear transmission equipment products in overseas markets, thereby supporting the Group's gear transmission equipment business in embarking on a new stage of development. In recent years, the Group has shown a positive development trend in the fields of high-end equipment manufacturing and localisation of core equipment, and with the further international expansion of industrial gear transmission equipment products, the overseas market application of the Group's industrial gear transmission equipment products 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 and stable cooperative relationships with many well-known domestic and foreign companies in the industry, such as CRRC, Alstom and Hyundai Rotem. Currently, the Group's rail transportation transmission equipment products have been successfully applied to rail transportation equipment in 26 cities in Mainland China, including Beijing, Shanghai, Shenzhen and Nanjing, as well as Hong Kong, China and Taipei, China; meanwhile, the products have also been exported overseas and successfully put into use in rail transportation projects in 22 countries, including Singapore, India, the Netherlands, France, Australia, Brazil, Argentina, Canada, Mexico, South Africa, Tunis and Egypt. Nanjing High Accurate Rail Transportation Equipment Co., Ltd. of the Group has obtained the ISO/TS 22163 (IRIS) Certificate for the Quality Management System of International Railway Industry, and its rail transportation gear transmission equipment products have also obtained the CRCC Certification for Railway Products and have been awarded the "Silver" performance rating under the IRIS system for four consecutive years, achieving industry access and deep cultivation in the field of rail transportation transmission equipment, which has laid a solid foundation for further expansion in the domestic and overseas rail transportation markets. In recent years, the Group has actively expanded the maintenance market for rail transportation gear transmission equipment products, cooperated with customers to establish maintenance bases in Shanghai, Nanjing and other places, and has cumulatively maintained more than 10,000 sets of gear transmission equipment products of various brands. With optimised gearbox design technology, excellent sealing technology and effective control of the production process, the Group's rail transportation gear transmission equipment products demonstrate outstanding environmental friendliness and are well received by users.

Additional information required by the Listing Rules

PROSPECT

In the second half of 2026, the Group will continue to maintain the stable development of each segment while paying attention to the market, especially major domestic high-quality projects in healthcare segment, explore the asset-light model and invest with a cautious attitude in order to achieve a considerable comprehensive return. The Group will continue to pay attention to and exit some projects with low-return or poor cash flow 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 corporate governance and internal control and risk management, control operational and financial risks and enhance its risk resistance capability.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group is convinced that good corporate risk management is of particular importance to its sustainable development, corporate reputation and shareholder value. The Group is committed to maintaining a high standard of management based on the principle of emphasising integrity, transparency, accountability and independence, as well as conducting risk assessments and preventive measures for sustainable future development from time to time. The principal risks of the Group are summarised and managed as follows.

Macro-economic environment

At present, the Group operates real estate and healthcare tourism business and holds financial assets mainly for investment in the PRC. Changes in the economic environment may lead to adverse risks in the business environment. In 2026, the overall development of the real estate industry remained unpromising as it was still hovering at a low level. The real estate market was still under a very sluggish state.

Management's response: Currently, the Group's property assets are mainly self-owned and are distributed both domestically and internationally to mitigate risks in the domestic market. The shopping malls and hotels under the Group's operation and management are in good operating condition. The Company believes that the overall economic environment is expected to improve in the future, which may promote the development of the property market to a certain extent and enhance the value of the Company's properties. The Group will continue to pay attention to the policy direction in the real estate and finance sectors, improve asset management level and optimise the Group's asset deployment. The Group will adjust its investment portfolios according to the actual market conditions through clear risk management policies and sound investment strategies, so as to further enhance the Group's profitability.

Additional information required by the Listing Rules

Market competition

China's commercial market is seeing fierce competition in areas including but not limited to commercial management services, design, branding, and environmental supporting facilities of complexes. If the number of shopping malls in the regions where the Group operates increases, leading to more competitors, who continue to improve their products, it may have a negative impact on the overall profitability of the Group.

Management's response: The Group will, with health as a core theme, adjust the level of commercial and hospitality services, and introduce ancillary services such as Chinese medicine and wellness services to reduce the risk of competition. The Group will continuously adjust its business format, and make further efforts to improve the quality of its products and services, and effectively expand the market demand for the Group's products and services through accurate positioning and seeking effective risk control.

Fluctuations in exchange rate

At present, the Group's operating currency is primarily RMB. However, the Group's export sales and equipment import are mainly denominated in US dollars and Euros. In addition, the Group's overseas corporate assets and liabilities are mainly held in foreign currencies. As exchange rates continue to fluctuate, the Group's operating cash flows and asset prices are subject to fluctuations in exchange rate.

Management's response: The Group will continue tracking changes in national monetary policies and the global economy and pay close attention to hedging tools of exchange rate risks in the market. It will actively manage financial assets by formulating measures and strategies to manage foreign exchange risks, so as to reduce the impact of fluctuations in exchange rate on the Group.

Additional information required by the Listing Rules

FINANCIAL REVIEW

Revenue

The revenue of the Group decreased by approximately RMB2,405,165,000, or 23%, from approximately RMB10,265,102,000 for the Corresponding Period of 2025 to approximately RMB7,859,937,000 for the Period Under Review. The revenue and the changes for the Period Under Review and Corresponding Period of 2025 derived from different segments are listed as below:

Segment	Period Under Review	Corresponding Period of 2025	Changes	
	RMB'000	RMB'000	RMB'000	percentage
Properties	77,320	109,643	(32,323)	(29)%
Tourism	153,899	133,870	20,029	15%
Investment and financial services	10,830	1,344	9,486	706%
Healthcare, education and others	98,663	41,264	57,399	139%
New Energy	7,519,225	9,978,981	(2,459,756)	(25)%
Total Revenue	7,859,937	10,265,102	(2,405,165)	(23)%

The decrease of the revenue of the Group mainly derived from new energy segment which contributed the largest decrease to the revenue of the Group amounting to approximately RMB2,459,756,000. It was mainly due to the decrease in deliveries of wind gear transmission equipment.

Additional information required by the Listing Rules

Cost of sales and services

The cost of sales and services of the Group decreased by approximately RMB2,364,182,000, or 28%, from approximately RMB8,334,913,000 for the Corresponding Period of 2025 to approximately RMB5,970,731,000 for the Period Under Review. The cost and the changes for the Period Under Review and Corresponding Period of 2025 derived from different segments are listed as below:

Segment	Period Under Review	Corresponding Period of 2025	Changes	
	RMB'000	RMB'000	RMB'000	percentage
Properties	25,018	37,493	(12,475)	(33)%
Tourism	138,498	126,128	12,370	10%
Investment and financial services	4,778	31	4,747	15,313%
Healthcare, education and others	94,437	37,617	56,820	151%
New energy	5,708,000	8,133,644	(2,425,644)	(30)%
Total cost	5,970,731	8,334,913	(2,364,182)	(28)%

Gross profit and gross profit margin

The gross profit of the Group decreased by approximately RMB40,983,000, or 2%, from approximately RMB1,930,189,000 in the Corresponding Period of 2025 to approximately RMB1,889,206,000 for the Period Under Review. The gross profit margin increased from approximately 19% in the Corresponding Period of 2025 to 24% 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 RMB1,811,225,000 and 24% (Corresponding Period of 2025: RMB1,845,337,000 and 18%) respectively. The decrease in gross profit of new energy segment was mainly due to decrease in gross profit generated from the wind and industrial gear transmission equipment, and the increase in gross profit margin was because of the new products launched and efforts to acquire new customers.

Additional information required by the Listing Rules

Selling and distribution expenses

Selling and distribution expenses of the Group decreased by approximately RMB7,025,000, or 2%, from approximately RMB343,392,000 in the Corresponding Period of 2025 to approximately RMB336,367,000 for the Period Under Review. The selling and distribution expenses comprised mainly of product packaging expenses, transportation expenses, staff costs and business expenses. The decrease in selling and distribution expenses in the Period Under Review was mainly in line with the decrease in sales of wind gear transmission equipment from new energy segment.

Administrative expenses

Administrative expenses of the Group increased by approximately RMB4,398,000, or 1%, from approximately RMB405,411,000 in the Corresponding Period of 2025 to approximately RMB409,809,000 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.

Research and development costs

Research and development costs of the Group increased by approximately RMB141,038,000, or 31%, from approximately RMB451,528,000 in the Corresponding Period of 2025 to approximately RMB592,566,000 for the Period Under Review. The increased in research and development costs was mainly due to increase in efforts put on research and development of new products in new energy segment.

Net provision for impairment losses recognised on the financial assets and financial guarantee contracts

A net impairment loss on the financial assets and financial guarantee contracts of the Group in the Period Under Review increased by approximately RMB59,989,000 or 41%, from approximately RMB145,534,000 for the Corresponding Period of 2025 to approximately RMB205,523,000 for the Period Under Review. The impairment losses on trade receivables and financial guarantee contracts recognised during the Period Under Review was mainly due to the financial condition of certain customers and borrowers exhibited a trend/sign of deterioration, which resulted in default in repayments in these receivables or respective loans covered by the guarantees provided by the Group as at the end of the reporting period.

Additional information required by the Listing Rules

Other income

Other income increased by approximately RMB46,017,000, or 21%, from approximately RMB219,563,000 in the Corresponding Period of 2025 to approximately RMB265,580,000 for the Period Under Review. Other income for the Period Under Review mainly included bank and other interest income of approximately RMB71,050,000, government grants of approximately RMB78,670,000 and sales of scraps and materials of approximately RMB88,764,000. Other income in the Corresponding Period of 2025 mainly included bank and other interest income of approximately RMB45,531,000, government grants of approximately RMB78,263,000 and sales of scraps and material of approximately RMB60,652,000.

Net fair value change in financial instruments

The Group maintains its investment segment through processing and investing in various investment and financial products for potential or strategic use purposes. The Group recorded a loss on change in fair value of financial instruments of approximately RMB88,208,000 and RMB381,876,000 in the Period Under Review and Corresponding Period of 2025 respectively. During the Corresponding Period of 2025, the significant 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 (losses)/gains – net

During the Period Under Review, other losses mainly included exchange losses of approximately RMB177,212,000 and fair value losses of investment properties of approximately RMB50,699,000. The decrease in fair value of investment properties reflected the ongoing weakness in PRC property market.

During the Corresponding Period of 2025, other gains mainly included gain on disposal of subsidiaries of approximately RMB105,656,000 and exchange gains of approximately RMB50,867,000.

Additional information required by the Listing Rules

Finance costs

Finance costs of the Group decreased by approximately RMB41,230,000, or 17%, from approximately RMB239,045,000 in the Corresponding Period of 2025 to approximately RMB197,815,000 for the Period Under Review, which was mainly due to the lower average borrowing amount of the Group for the Period Under Review than in the Corresponding Period of 2025 and a decrease in loan interest rates.

Share of result of joint venture and associates

The Group's share of net losses from its joint venture and associates amounted to approximately RMB25,758,000 (Corresponding Period of 2025: RMB57,210,000) The 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 RMB121,462,000 and RMB45,767,000 respectively, and in the Corresponding Period of 2025, the current tax expense and the deferred tax credit of the Group amounted to approximately RMB134,177,000 and RMB58,593,000 respectively.

The decrease in current tax expense in the Period Under Review was mainly because the decrease in profits derived from new energy segment.

Loss for the Period Under Review

In the Period Under Review, the Group recorded a loss after tax of approximately RMB16,039,000 (Corresponding Period of 2025: profit after tax of approximately RMB179,299,000). The loss incurred in the Period Under Review was mainly because of the non-recurring of one-off gain on disposal of a subsidiary recorded during the Corresponding Period of 2025; the increase in the net provision for impairment losses recognised on financial assets and financial guarantee contracts; and the fair value losses of investment properties recognised during the Period Under Review.

Additional information required by the Listing Rules

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 2026, the Group had cash and cash equivalents (excluding the restricted cash) of approximately RMB5,028,539,000 (31 December 2025: RMB5,789,852,000), representing a decrease of approximately RMB761,313,000 or 13% as compared to 31 December 2025. 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 2026, the debt profile of the Group was analysed as follows:

	As at 30 June 2026 RMB'000	As at 31 December 2025 RMB'000
Bank and other borrowings repayable:		
Within one year or on demand	**6,942,818**	6,838,187
Between one and two years	**1,752,052**	2,297,620
Between two to five years	**2,539,897**	2,337,453
Over five years	**35,678**	147,947
Total debts	**11,270,445**	11,621,207

As at 30 June 2026, the total debt of the Group decreased by approximately RMB350,762,000 or 3%, as compared with 31 December 2025.

Additional information required by the Listing Rules

Leverage

The gearing ratio of the Group as at 30 June 2026, calculated as a ratio of the sum of bank and other borrowings to total assets, was approximately 25% (31 December 2025: 25%). The net equity of the Group as at 30 June 2026 was approximately RMB15,113,756,000 (31 December 2025: RMB15,173,306,000).

As at 30 June 2026, the Group recorded total current assets of approximately RMB27,223,893,000 (31 December 2025: RMB27,289,063,000) and total current liabilities of approximately RMB23,162,265,000 (31 December 2025: RMB23,148,695,000). The current ratio of the Group, calculated by dividing total current assets by total current liabilities, was about 1.2 as at 30 June 2026 (31 December 2025: 1.2).

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 2026, bank and other borrowings of approximately RMB10,608,347,000, RMB381,354,000 and RMB280,744,000 (31 December 2025: RMB10,878,786,000, RMB459,597,000, and RMB282,824,000) were denominated in RMB, US dollars and Australian dollars respectively. The debts in various currencies were mainly made to finance the operation of the Group's entities in different jurisdictions.

Bank and other borrowings of approximately RMB3,685,386,000 (31 December 2025: RMB3,592,043,000) 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.

Additional information required by the Listing Rules

PLEDGE OF ASSETS

Details of the Group's pledged assets as at 30 June 2026 are set out in note 26 to the interim condensed consolidated financial statements in this report.

OPERATING SEGMENT INFORMATION

Details of the operating segment information of the Group for the Period Under Review, are set out in note 5 to the interim condensed consolidated financial statements in this report.

CAPITAL COMMITMENTS

Details of the capital commitments of the Group as at 30 June 2026 are set out in note 25 to the interim condensed consolidated financial statements in this report.

CONTINGENT LIABILITIES

Details of contingent liabilities of the Group as at 30 June 2026 are set out in note 24 to the interim condensed consolidated financial statements in this report.

SUBSEQUENT EVENTS

Strengthened control over Nanjing High Speed Gear Manufacturing Co., Ltd.

Reference is made to the section headed "Material Risk Warning" in the annual report of the Company for the year ended 31 December 2025. Unless otherwise defined, capitalised terms used in this section shall have the same meanings as those set out therein.

The Board noted that the articles of association of Nanjing High Speed were amended with the approval of all its shareholders on 30 June 2026. These amendments allow Nanjing Gear to exercise robust control over Nanjing High Speed in terms of the appointment of the majority of its directors and designation of persons responsible for its affairs, and thus effectively mitigate the potential risk of deconsolidation, even if the Concert Agreement is terminated in the future.

For further details, please refer to the Company's announcements dated 7 March 2025, 13 March 2025, 16 September 2025, 10 October 2025, 14 October 2025 and 3 July 2026.

Additional information required by the Listing Rules

Acquisition of all equity interest in Jinhu Shiji

Subsequent to the reporting date of 30 June 2026, the Board noted that Nanjing Gear completed the acquisition of 100% equity interest in Jinhu Shiji Enterprise Management Consultancy Co., Ltd. ("**Jinhu Shiji**"). Upon completion of the transaction, the ultimate equity interest the group of China High Speed Transmission Equipment Group Co., Ltd. ("**CHS**") in Nanjing High Speed increased by approximately 0.028% to approximately 50.05%. Moreover, Jinhu Shiji is the sole general partner of Jinhu LP. Pursuant to the partnership agreement of Jinhu LP, Jinhu Shiji is responsible for the day-to-day partnership affairs of Jinhu LP and may represent Jinhu LP in external matters. According to the articles of association of Nanjing High Speed, Jinhu LP (as a shareholder of Nanjing High Speed) is entitled to recommend one director to the board of directors of Nanjing High Speed. Therefore, after completion of the transaction, the CHS group's has the ability to direct Jinhu LP's recommendation of one director to the board of Nanjing High Speed.

Further investigation on trade receivables, prepayments and related impairment arising from trading business and related party balances of CHS

The Board noted that on 10 June 2026, CHS announced the appointment of a New Independent Investigator to conduct a Further Investigation into the Relevant Transactions. This review focuses on tracing cash flows and documentation to assess commercial substance, identifying participants and processes to detect irregularities or conflicts of interest, and examining the causes of bad debts together with recovery efforts. While the scope is broadly consistent with the earlier FTI Consulting investigation, the Further Investigation was initiated to address limitations in the FTI Final Report and to reassess matters with more reliable evidence. Commenced in June 2026, the investigation is expected to take five to six months. For further details, please refer to the Company's announcement dated 5 August 2026 and CHS's announcements dated 10 June 2026 and 5 August 2026. Capitalised terms used herein shall have the same meanings as those defined in the aforementioned announcements.

Internal control review of CHS's internal control systems

On 14 August 2026, the Board noted that CHS announced the appointment of Lixin Certified Public Accountants (Special General Partnership) as its internal control consultant to conduct a further overall review of the effectiveness of the Group's internal control system. The consultant will evaluate the Group's existing internal control policies and identify irregularities, systems, potential conflicts of interest and internal control deficiencies, and provide recommendations for enhancement measures.

Additional information required by the Listing Rules

Save as disclosed above and in note 29 to the interim condensed consolidated financial statements and elsewhere in this report, there were no other material subsequent events after 30 June 2026.

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 plans for material investments or capital assets, or acquisitions for major capital assets or other businesses. However, the Group will continue to identify significant new opportunities for business development.

THE COMPANY AND AUDIT COMMITTEE'S VIEW ON THE QUALIFIED CONCLUSION (THE "QUALIFIED CONCLUSION") ON THE INDEPENDENT AUDITOR'S REVIEW REPORT ON THE COMPANY'S INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

The Company's and the Audit Committee's View on the Qualified Conclusion

Reference is made to the section headed "The Company's and the Audit Committee's View on the Qualified Conclusion" in the interim results announcement of CHS for the six months ended 30 June 2026 (the "**CHS Interim Results Announcement**"). In summary, to address the matters giving rise to the qualified conclusion:

- CHS's management acknowledges that sufficient appropriate evidence remains unavailable in respect of certain transactions and balances, including trade receivables and prepayments arising from the trading business and related-party balances, due to historical limitations in obtaining complete supporting documentation. During the period, other than partial collections of certain trade receivables and the corresponding reversals of impairment losses, no material progress was made in resolving these matters. CHS commissioned a further independent investigation into the relevant transactions, which remained ongoing as at the date of this interim report; and

- CHS's management will continue to use all reasonable efforts to verify and reconcile the accounts relating to the EPC project undertaken by Nanjing High Accurate Drive Equipment Manufacturing Group Co., Ltd. and obtain the requisite financial and project information from the project owner and subcontractors. Where necessary, CHS will consider appropriate legal and commercial actions.

Additional information required by the Listing Rules

As the matters giving rise to the qualified conclusion arose from CHS's historical operations, the management of the Company and the audit committee of the Company (the "**Audit Committee**") concur with the views of CHS's management and the Company's auditor. The Company will continue to work closely with CHS's management and the Company's auditor with a view to resolving these legacy matters as soon as practicable.

Further details of CHS's views and actions are set out in the CHS Interim Results Announcement and CHS's interim report for the six months ended 30 June 2026.

The Company's Action Plan to Address the Qualified Conclusion

Following the restructuring of CHS's board of directors in the first quarter of 2026, the Company has maintained close collaboration with CHS's current board and management. The Company will continue to monitor CHS's progress in conducting the further independent investigation, recovering and reconciling the relevant outstanding balances, obtaining the requisite supporting documentation, and resolving the matters relating to the EPC project.

The Company will also continue to oversee the implementation of enhanced internal control measures at CHS to prevent the recurrence of similar historical limitations and strengthen corporate governance across the Group. The Company will work closely with CHS's management and the Company's auditor to address the matters giving rise to the qualified conclusion as soon as practicable.

USE OF PROCEEDS

The aggregate net proceeds received from the placing completed on 9 June 2022 (the "**Placing**") was approximately HK$294.7 million.

As disclosed in the annual report of the Company for the year ended 31 December 2025 (the "**2025 Annual Report**"), HK$224.7 million has been utilised during the year ended 31 December 2022, and HK$70 million of the net proceeds from the Placing which was originally utilised as earnest money on an investment engaged in the e-commerce business will be refunded to the Company (the "**Refund**") as the relevant memorandum of understanding has lapsed and the Company intends to apply such amount for working capital and general corporate purpose (including paying expenses for operating and financing activities and may also include repayment of indebtedness which may become due and payable).

Additional information required by the Listing Rules

The amount of the net proceeds brought forward in the beginning of the Period Under Review was HK$70 million.

As disclosed in the 2025 Annual Report, the remaining net proceeds are expected to be utilized by 31 December 2026. The expected timeline of full utilization is based on the best estimation of the Directors barring unforeseen circumstances and would be subject to change depending on actual receipt of the Refund. There has been no change in the intended use of the remaining net proceeds as previously disclosed in the 2025 Annual Report if the Refund amount can be received. Up to the date of this report, the Refund is still outstanding. The Company will publish further announcement(s) for any significant developments in relation to any change or delay in the use of proceeds from the Placing.

The table below sets out the details of the revised allocation and status of utilisation of the net proceeds during the Period Under Review:

Usage of net proceeds	**Amount of net proceeds brought forward in the beginning of the Period Under Review and the revised allocation of usage** (HK$ million)	**Actual utilised amount of net proceeds during the Period Under Review** (HK$ million)	**Unutilised amount of net proceeds as of 30 June 2026** (HK$ million)	**Expected timeline of full utilisation**
Working capital and general corporate purpose (including paying expenses for operating and financing activities and may also include repayment of indebtedness which may become due and payable)	70.0	–	70.0	By 31 December 2026
Total	70.0	–	70.0	

Additional information required by the Listing Rules

SHARE SUBSCRIPTION

On 26 January 2026, the Company entered into the subscription agreement I (as amended and supplemented by the supplemental agreement I dated 27 January 2026 and the supplemental deed dated 17 July 2026) (the "**Subscription Agreement I**") with Mr. Zhang Tao (張濤) (the "**Subscriber I**") and the subscription agreement II (as amended and supplemented by the supplemental agreement II dated 27 January 2026) (the "**Subscription Agreement II**") with Mr. Zhang Zhongmin (張忠民) (the "**Subscriber II**") (collectively, the "**Subscription Agreements**").

Pursuant to the Subscription Agreements, the Company conditionally agreed to allot and issue, and the Subscriber I and Subscriber II conditionally agreed to subscribe for, 72,000,000 subscription shares (the "**Subscription I**") and 55,000,000 subscription shares (the "**Subscription II**"), respectively or a total of 127,000,000 subscription shares at a subscription price of HK$1.05 per subscription share (the "**Subscription**") or a total consideration of HK$133,350,000. The aggregate nominal value of all the 127,000,000 subscription shares is HK$63,500,000. The subscription shares will be fully paid and rank pari passu with all other issued shares of the Company (the "**Share(s)**") in all respects as at the date of issue. The market price of the subscription shares was HK$1.30 per Share as quoted on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 26 January 2026, being the date of the Subscription Agreements.

On 2 July 2026, the Company, the Subscriber I and Honour Gold Holdings Limited (譽金控股有限公司) (a company incorporated in the British Virgin Islands with limited liability and wholly owned by the Subscriber I) (the "**New Subscriber I**") entered into the deed of novation, pursuant to which the parties agreed that the New Subscriber I will assume all the rights and obligations of the Subscriber I under the Subscription Agreement I, in place of the Subscriber I, with effect from 2 July 2026.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Subscribers is a third party independent of and not connected with the Company or its connected persons. Upon completion of the Subscription I, the New Subscriber I has become a substantial shareholder (as defined in the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**")) of the Company.

The Directors considered that the Subscription represents a good opportunity to raise additional capital for the Company while broadening the shareholder base of the Company.

On 17 July 2026, the Company and the Subscriber II entered into a termination agreement, pursuant to which the Company and the Subscriber II mutually agreed to terminate the Subscription Agreement II. The termination will not have any material adverse impact on the business operation and financial position of the Group.

Additional information required by the Listing Rules

Following the termination of the Subscription II and upon completion of the Subscription I, the net proceeds (after deduction of all relevant expenses) from the Subscription I will amount to approximately HK$75 million, representing the net subscription price (after deduction of relevant expenses) of approximately HK$1.042 per subscription share. The Company intends to apply the net proceeds from the Subscription I as to (i) approximately HK$47 million for the repayment of part of the Group's loan and amounts payable; and (ii) approximately HK$28 million for the replenishment of the Group's general working capital for its existing businesses and corporate purposes, including staff costs, professional fees, rental payments and general administrative and operating expenses of the Group, as set out in the Company's announcement dated 17 July 2026.

The Subscription I has yet completed at the end of the reporting period.

Subsequent to the reporting period, the Subscription I was completed on 31 July 2026. All the 72,000,000 subscription shares with the aggregate nominal value of HK$36,000,000 have been allotted and issued by the Company to the New Subscriber I at the subscription price of HK$1.05 per subscription share.

Details of the Subscription were set out in the announcements of the Company dated 26 January 2026, 27 January 2026, 16 March 2026, 2 July 2026, 17 July 2026 and 31 July 2026.

The following table sets forth the utilisation of the net proceeds from the Subscription I as at the date of this report:

Usage of net proceeds	**Amount of net proceeds** (HK$ million)	**Actual utilised amount of net proceeds as at the date of this report** (HK$ million)	**Unutilised amount of net proceeds as at the date of this report** (HK$ million)	**Expected timeline of full utilisation**
(i) repayment of the Group's loan and amounts payable	47	33.44	13.56	By 31 December 2026
(ii) replenishment of the Group's general working capital for its existing businesses and corporate purposes, including staff costs, professional fees, rental payments and general administrative and operating expenses of the Group	28	23	5	By 31 December 2026
Total	**75**	**56.44**	**18.56**	

Additional information required by the Listing Rules

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 Listing Rules)) of the Group during the Period Under Review. As at 30 June 2026, 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 2026, the Group had 9,258 employees (31 December 2025: 9,077 employees). The Group's total staff costs (including executive directors' remuneration) amounted to approximately RMB1,059,248,000 for the Period Under Review (for the six months ended 30 June 2025: approximately RMB977,869,000). 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.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2026, the interests and short positions of the Directors and the chief executives of the Company in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**")) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO); or (ii) were required to be recorded in the register required to be kept by the Company under Section 352 of the SFO; or (iii) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules, were as follows:

Additional information required by the Listing Rules

Long positions in the Shares or underlying Shares

Name of Director	Nature of interests	Number of issued Shares held/underlying Shares held under equity derivatives	Approximate percentage of the total issued share capital of the Company[(2)]
Mr. Ji Changqun ("**Mr. Ji**")	Beneficial owner and interest in controlled corporation[(1)]	170,685,859[(1)]	26.81%

Notes:

(1) As at 30 June 2026, 18,190,200 Shares are held by Mr. Ji directly as the beneficial owner. In addition, by virtue of the SFO, Mr. Ji is deemed to be interested in 152,495,659 Shares held by Magnolia Wealth International Limited ("**Magnolia Wealth**"), a company incorporated in the British Virgin Islands (the "**BVI**") which is wholly-owned by Mr. Ji. Accordingly, Mr. Ji is interested in 170,685,859 Shares in total. As disclosed in the Company's announcement dated 16 November 2023, the Board received a letter informing the Company that China CITIC Bank Corporation Limited, Nanjing branch (as the chargee) appointed receivers and managers over 97,600,000 Shares (then 4,880,000,000 Shares prior to the share consolidation of the Company which took effect on 4 December 2023) which are registered and beneficially held by Mr. Ji and Magnolia Wealth. For details of the receivers, please see the section headed "Substantial Shareholders" of this report.

(2) The approximate percentage has been calculated based on the total of 636,763,934 Shares in issue as at 30 June 2026.

Save as disclosed above, none of the Directors or chief executives of the Company had any interests or short positions in any Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or required to be recorded in the register kept by the Company pursuant to Section 352 of the SFO, or as otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code as at 30 June 2026.

Additional information required by the Listing Rules

SUBSTANTIAL SHAREHOLDERS

Based on the disclosure of interests filed on the Stock Exchange's website, as at 30 June 2026, the following persons (other than a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept under Section 336 of the SFO:

Name of Shareholder	Nature of interests	Number of issued Shares held/underlying Shares held [7]		Approximate percentage of the total issued share capital of the Company[8]
Magnolia Wealth	Beneficial owner[1]	152,495,659	(L)	23.95%
Ms. Zhang Hongyun (張洪雲)	Beneficial owner	60,000,000	(L)	9.42%
Mr. Wu Jianzhong (巫建忠)	Beneficial owner	43,120,000	(L)	6.77%
Superb Colour Limited ("**Superb Colour**")	Beneficial owner[2]	19,343,569 19,648,843	(L) (S)	3.04% 3.09%
	Interest of controlled corporation[2]	14,305,273	(L)	2.24%
Huarong Huaqiao Asset Management Co., Ltd. (華融華僑資產管理股份有限公司) ("**Huarong Huaqiao**")	Interest of controlled corporation[2]	33,648,842 19,648,843	(L) (S)	5.28% 3.09%
China Huarong Asset Management Co., Ltd. (中國華融資產管理股份有限公司) ("**China Huarong Asset**")	Interest of controlled corporation[2]	33,648,842 19,648,843	(L) (S)	5.28% 3.09%
China Citic Bank Corporation Limited (中信銀行股份有限公司)	Person having a security interest in shares[3]	98,040,000	(L)	15.40%
Mr. Chan Man Hoi (陳文海)	Receiver[4]	97,600,000	(L)	15.33%
Mr. Guo Xichu (郭喜初)	Receiver[4]	97,600,000	(L)	15.33%
Mr. Zhang Tao (張濤)	Beneficial owner[5]	72,000,000	(L)	11.31%
Mr. Zhang Zhongmin (張忠民)	Beneficial owner[6]	55,000,000	(L)	8.64%

Additional information required by the Listing Rules

Notes:

1. The entire issued share capital of Magnolia Wealth is beneficially owned by Mr. Ji.

2. References were made to the disclosures of interests made by Huarong Huaqiao and China Huarong Asset on the Stock Exchange's website on 5 March 2020 respectively. Superb Colour has long position in 33,648,842 Shares (directly interested in 19,343,569 Shares and indirectly interested in 14,305,273 Shares through a 100% controlled corporation, namely Shanghai Asset Management LP) and short position in 19,648,843 Shares.

   Superb Colour is a company incorporated under the laws of BVI which is a wholly-owned subsidiary of Pure Virtue Enterprises Limited ("**Pure Virtue**"). Pure Virtue is a company incorporated under the laws of BVI which is wholly-owned by China Huarong Overseas Investment Holdings Co., Limited ("**China Huarong Overseas**"). China Huarong Overseas is a company incorporated under the laws of Hong Kong and is a wholly-owned subsidiary of Huarong Huaqiao. Therefore, Huarong Huaqiao is deemed to be interested in the said Shares held by Superb Colour under the SFO.

   Huarong Huaqiao is an enterprise established under the laws of the PRC and is beneficially owned as to 91% by Huarong Zhiyuan Investment & Management Co., Ltd. ("**Huarong Zhiyuan**"). Huarong Zhiyuan is wholly-owned by China Huarong Asset. As such, China Huarong Asset is deemed to be interested in the said Shares held by Superb Colour under the SFO.

3. China Citic Bank Corporation Limited (中信銀行股份有限公司) held 98,040,000 Shares as holder of security interest.

4. References were made to the disclosure of interests dated 24 March 2025. Mr. Chan Man Hoi (陳文海) and Mr. Guo Xichu (郭喜初) were appointed as new joint and several receivers over 97,600,000 Shares. For details, please see the section headed "Directors' and Chief Executives' Interests in Shares, Underlying Shares and Debentures" of this report.

5. Pursuant to the Subscription Agreement I dated 26 January 2026 (as supplemented by a supplemental agreement dated 27 January 2026), Mr. Zhang Tao agreed to subscribe for 72,000,000 subscription shares at HK$1.05 per subscription share. Upon completion of the subscription, Mr. Zhang Tao would be interested in 72,000,000 subscription shares, representing approximately 11.31% of total issued share capital of the Company as at 30 June 2026. As at 30 June 2026, such share subscription has not yet completed. For details, please see the section headed "Share Subscription" of this report.

6. Pursuant to the Subscription Agreement II dated 26 January 2026 (as supplemented by a supplemental agreement dated 27 January 2026), Mr. Zhang Zhongmin agreed to subscribe for 55,000,000 subscription shares at HK$1.05 per subscription share. Upon completion of the subscription, Mr. Zhang Zhongmin would be interested in 55,000,000 subscription shares, representing approximately 8.64% of total issued share capital of the Company as at 30 June 2026. Such share subscription has not yet completed as at 30 June 2026 and was terminated on 17 July 2026. For details, please see the section headed "Share Subscription" of this report.

7. The letter "L" denotes long position in the Shares; and the letter "S" denotes short position in the Shares.

8. The approximate percentage has been calculated based on the total of 636,763,934 Shares in issue as at 30 June 2026.

Additional information required by the Listing Rules

Save as disclosed above, the Company has not been notified of any other person (other than Directors or chief executives of the Company) who had any interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept under Section 336 of the SFO as at 30 June 2026.

COMPETING BUSINESS

As disclosed in the circular of the Company dated 28 October 2013 relating to, amongst other things, the very substantial acquisition in relation to the acquisition of Nanjing Fullshare Asset Management Group Limited* (南京豐盛資產管理集團有限公司) (formerly known as Nanjing Fullshare Asset Management Limited* (南京豐盛資產管理有限公司)) (an enterprise established under the laws of the PRC with limited liability and currently a wholly-owned subsidiary of the Company) and the reverse takeover involving a new listing application (the "**RTO Circular**"), pursuant to the non-competition undertaking dated 25 October 2013 entered into between the Controlling Shareholders (as defined in the RTO Circular) and the Company (the "**Non-Competition Undertaking**"), save for continuing their engagements in the Excluded Projects (as defined in the RTO Circular) and certain exceptions relating to their holding of and/or being interested in shares and other securities in any member of the Group and any other company listed on a recognised stock exchange engaging in the restricted business (please refer to the RTO Circular for details) set out in the Non-Competition Undertaking, the Controlling Shareholders will not be allowed to engage in any residential property (including villas) and mixed-use property (as defined in the section headed "Glossary of Technical Terms" of the RTO Circular) development business in the PRC (the "**Restricted Business**"), and they will only be involved in the commercial property development business. For further details in respect of the Non-Competition Undertaking, please refer to the RTO Circular. As at 30 June 2026, the Controlling Shareholders and any of their respective associates (other than the members of the Group) did not, directly or indirectly, whether on their own or jointly with another person or company, own, invest in, participate in, develop, operate or engage in any business or company which directly or indirectly competes or may compete with the Restricted Business. Save for the Non-Competition Undertaking, as at 30 June 2026, the Controlling Shareholders did not give any other non-competition undertaking to the Company.

Additional information required by the Listing Rules

The Company has received the written declarations from Mr. Ji and Magnolia Wealth on their compliance with the undertaking under the Non-Competition Undertaking for the Period Under Review. Based on the declarations received from Mr. Ji and Magnolia Wealth and after review, the independent non-executive Directors considered that Mr. Ji and Magnolia Wealth had complied with the terms set out in the Non-Competition Undertaking for the Period Under Review.

Save as disclosed above, as at 30 June 2026, none of the Directors had an interest in the business, apart from the business of the Group, which competes or is likely to compete, either directly or indirectly, with the business of the Group.

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. 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.

Additional information required by the Listing Rules

AUDIT COMMITTEE REVIEW

The Company established 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 and the Company's auditor in accordance with Hong Kong Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the HKICPA.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted 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 and certain employees of the Company or any of its subsidiaries who are likely to be in possession of inside information of the Company. 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.

By Order of the Board
Fullshare Holdings Limited
JI CHANGQUN
Chairman

Hong Kong, 31 August 2026

As at the date of this report, 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 purpose only*