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

2024
INTERIM REPORT

Contents

Independent Review Report

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Independent review report to the board of directors of
Fullshare Holdings Limited
豐盛控股有限公司
(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim condensed consolidated financial statements of Fullshare Holdings Limited (the "**Company**") and its subsidiaries (together the "**Group**") set out on pages 4 to 74, which comprises the interim condensed consolidated statement of financial position as at 30 June 2024, and the interim condensed consolidated statement of profit or loss and other comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the six-month period then ended, and notes to the interim condensed consolidated financial statements. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on the interim condensed consolidated financial statements to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard ("**HKAS**") 34, *Interim Financial Reporting*, 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 condensed consolidated financial statements in accordance with HKAS 34.

Our responsibility is to express a conclusion on these interim condensed consolidated 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.

Independent Review 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 condensed consolidated 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.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements for the six months ended 30 June 2024 are not prepared, in all material respects, in accordance with HKAS 34.

Baker Tilly Hong Kong Limited
Certified Public Accountants

Hong Kong, 30 August 2024
Cheung Hon Pui
Practising certificate number P08297

Interim Condensed Consolidated Financial Statements

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

For the six months ended 30 June 2024
(Expressed in Renminbi)

	Note	For the six months ended 30 June **2024** **(Unaudited)** **RMB'000**	2023 (Unaudited) RMB'000
Revenue	6	**10,675,171**	11,551,515
Cost of sales and services provided	10	**(9,244,682)**	(9,697,332)
Gross profit		**1,430,489**	1,854,183
Selling and distribution expenses	10	**(262,102)**	(277,583)
Administrative expenses	10	**(412,775)**	(522,780)
Research and development costs	10	**(410,115)**	(459,359)
Net provision for impairment losses recognised on financial assets	3(ii)	**(1,056,193)**	(219,712)
Other income	8	**251,386**	204,380
Net fair value changes in financial instruments	7	**(31,143)**	19,258
Other (losses)/gains – net	9	**(600,609)**	182,811
Operating (loss)/profit		**(1,091,062)**	781,198
Finance costs	11	**(564,378)**	(604,576)
Share of results of joint ventures		**(33,792)**	4,967
Share of results of associates		**(5,530)**	(1,583)
(Loss)/profit before tax		**(1,694,762)**	180,006
Income tax credit/(expenses)	12	**167,822**	(9,994)
(Loss)/profit for the period		**(1,526,940)**	170,012

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 2024
(Expressed in Renminbi)

	For the six months ended 30 June 2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
Other comprehensive loss for the period:		
Items that may be reclassified subsequently to profit or loss:		
– Exchange differences on translation of foreign operations	**3,747**	(89,304)
– Changes in fair value of debt instruments at fair value through other comprehensive income	**(1,031)**	(890)
– Income tax relating to these items	**124**	(336)
– Share of other comprehensive income of associates	**3,843**	–
	6,683	(90,530)
Items that will not be reclassified to profit or loss:		
– Changes in fair value of equity instruments at fair value through other comprehensive income	**(262,971)**	(315,995)
– Income tax relating to these items	**66,212**	68,970
	(196,759)	(247,025)
Other comprehensive loss for the period, net of tax	**(190,076)**	(337,555)
Total comprehensive loss for the period	**(1,717,016)**	(167,543)

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 2024
(Expressed in Renminbi)

	Note	For the six months ended 30 June 2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
(Loss)/profit for the period attributable to:			
– Equity shareholders of the Company		**(1,495,728)**	(172,544)
– Non-controlling interests		**(31,212)**	342,556
		(1,526,940)	170,012
Total comprehensive (loss)/income for the period attributable to:			
– Equity shareholders of the Company		**(1,647,186)**	(436,562)
– Non-controlling interests		**(69,830)**	269,019
		(1,717,016)	(167,543)

	Note	For the six months ended 30 June 2024 (Unaudited) RMB	2023 (Unaudited) RMB (Restated)
Loss per share			
Basic and diluted loss per share	14	**(2.349)**	(0.325)

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 2024
(Expressed in Renminbi)

	Note	**30 June 2024 (Unaudited) RMB'000**	31 December 2023 (Audited) RMB'000
Non-current assets			
Property, plant and equipment	15	**11,173,595**	10,584,760
Investment properties		**4,545,307**	4,931,388
Right-of-use assets	15	**1,125,892**	1,096,638
Goodwill		**1,503,817**	1,503,817
Other intangible assets		**183,619**	218,686
Investments in joint ventures		**273,639**	303,902
Investments in associates		**337,008**	339,589
Financial assets at fair value through other comprehensive income	17	**1,410,964**	1,675,229
Financial assets at fair value through profit or loss	16	**779,437**	439,395
Consideration receivables	18(ii)	**155,132**	154,326
Loan receivables	18(i)	**132,410**	131,130
Properties under development		**530,852**	536,311
Prepayments		**–**	5,890
Deferred tax assets		**1,557,385**	1,325,068
		23,709,057	23,246,129

Interim Condensed Consolidated Financial Statements

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(continued)

as at 30 June 2024
(Expressed in Renminbi)

	Note	**30 June 2024 (Unaudited) RMB'000**	31 December 2023 (Audited) RMB'000
Current assets			
Inventories		**7,493,044**	6,548,666
Trade receivables	19	**8,820,974**	8,524,702
Consideration receivables	18(ii)	**125,696**	130,593
Loan receivables	18(i)	**139,533**	524,497
Prepayments		**2,610,290**	1,978,386
Other receivables	18(iii)	**2,006,420**	1,879,212
Income tax prepaid		**26,638**	42,984
Financial assets at fair value through other comprehensive income	17	**1,702,250**	1,809,484
Financial assets at fair value through profit or loss	16	**79,424**	501,437
Properties held for sale		**49,000**	51,836
Restricted cash	20	**3,550,994**	3,578,324
Cash and cash equivalents	20	**5,220,635**	5,693,844
		31,824,898	31,263,965
Current liabilities			
Trade and bills payables	21	**8,471,784**	7,625,165
Other payables and accruals	22	**3,557,392**	3,755,124
Contract liabilities		**1,963,748**	1,779,712
Derivative financial instruments	4(i)(d)	**17,682**	33,228
Lease liabilities		**6,749**	7,351
Bank and other borrowings	23	**11,362,313**	9,702,996
Income tax payable		**599,376**	647,684
Warranty provision		**966,055**	1,144,479
Deferred income		**65,380**	43,229
Written put option liability		**4,901,175**	4,772,175
		31,911,654	29,511,143

Interim Condensed Consolidated Financial Statements

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(continued)

as at 30 June 2024
(Expressed in Renminbi)

	Note	**30 June 2024 (Unaudited) RMB'000**	31 December 2023 (Audited) RMB'000
Net current (liabilities)/assets		**(86,756)**	1,752,822
Total assets less current liabilities		**23,622,301**	24,998,951
Non-current liabilities			
Bank and other borrowings	23	**4,859,226**	4,777,218
Deferred income		**682,512**	475,164
Lease liabilities		**5,762**	8,629
Warranty provision		**1,244,587**	1,124,470
Deferred tax liabilities		**1,088,133**	1,175,460
		7,880,220	7,560,941
Net assets		**15,742,081**	17,438,010
Capital and reserves			
Share capital		**269,500**	269,500
Reserves		**8,863,287**	10,634,529
Equity attributable to equity shareholders of the Company		**9,132,787**	10,904,029
Non-controlling interests		**6,609,294**	6,533,981
Total equity		**15,742,081**	17,438,010

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 2024

(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	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2024 (Audited)	269,500	422,833	17,760,800	1,254,535	31,777	(2,370,073)	(1,163,902)	(390,381)	(87,555)	(4,823,505)	10,904,029	6,533,981	17,438,010
Loss for the period	-	-	-	-	-	-	-	-	-	(1,495,728)	(1,495,728)	(31,212)	(1,526,940)
Other comprehensive (loss)/income for the period													
– Changes in fair value of debt instruments at fair value through other comprehensive income, net of tax	-	-	-	-	-	-	(306)	-	-	-	(306)	(601)	(907)
– Changes in fair value of equity instruments at fair value through other comprehensive income, net of tax	-	-	-	-	-	-	(147,875)	-	-	-	(147,875)	(48,884)	(196,759)
– Share of other comprehensive income of associates	-	-	-	-	-	-	3,843	-	-	-	3,843	-	3,843
– Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	(7,120)	-	(7,120)	10,867	3,747
Total comprehensive loss for the period	-	-	-	-	-	-	(144,338)	-	(7,120)	(1,495,728)	(1,647,186)	(69,830)	(1,717,016)
Partial disposal of interest in a subsidiary without loss of control (Note)	-	-	-	-	-	(124,056)	-	-	-	-	(124,056)	145,143	21,087
At 30 June 2024 (Unaudited)	269,500	422,833	17,760,800	1,254,535	31,777	(2,494,129)	(1,308,240)	(390,381)	(94,675)	(6,319,233)	9,132,787	6,609,294	15,742,081

Note:

In January 2024, the Group disposed of 0.99% equity interest of China High Speed Transmissions Equipment Group Co., Ltd. ("**CHS**") for HK$23,175,000 (equivalent to RMB21,087,000). At the date of the disposal, the proportionate share of 0.99% equity interest in CHS by non-controlling interests was RMB145,143,000. Accordingly, the Group recognised an increase in non-controlling interests of RMB145,143,000 and a decrease in equity attributable to equity shareholders of the Company of RMB124,056,000.

Interim Condensed Consolidated Financial Statements

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(continued)

for the six months ended 30 June 2024

(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	Employee share trust 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	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2023 (Audited)	219,904	422,833	17,637,010	1,177,385	31,777	(35,258)	(2,307,746)	(891,365)	(390,381)	(35,318)	(3,789,798)	12,039,043	6,081,205	18,120,248
(Loss)/profit for the period	–	–	–	–	–	–	–	–	–	–	(172,544)	(172,544)	342,556	170,012
Other comprehensive loss for the period														
– Changes in fair value of debt instruments at fair value through other comprehensive income, net of tax	–	–	–	–	–	–	–	(450)	–	–	–	(450)	(776)	(1,226)
– Changes in fair value of equity instruments at fair value through other comprehensive income, net of tax	–	–	–	–	–	–	–	(181,781)	–	–	–	(181,781)	(65,244)	(247,025)
– Exchange differences on translation of foreign operations	–	–	–	–	–	–	–	–	–	(81,787)	–	(81,787)	(7,517)	(89,304)
Total comprehensive (loss)/income for the period	–	–	–	–	–	–	–	(182,231)	–	(81,787)	(172,544)	(436,562)	269,019	(167,543)
Transfer upon disposal of financial assets at fair value through other comprehensive income	–	–	–	–	–	–	–	6,026	–	–	(6,026)	–	–	–
Partial disposal of interest in a subsidiary without loss of control	–	–	–	–	–	–	(16,377)	–	–	–	–	(16,377)	25,680	9,303
At 30 June 2023 (Unaudited)	219,904	422,833	17,637,010	1,177,385	31,777	(35,258)	(2,324,123)	(1,067,570)	(390,381)	(117,105)	(3,968,368)	11,586,104	6,375,904	17,962,008

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 2024
(Expressed in Renminbi)

	For the six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Cash flows from operating activities		
(Loss)/profit before tax	**(1,694,762)**	180,006
Adjustments to reconcile (loss)/profit before tax to net cash flows	**2,640,645**	806,546
Total working capital adjustments	**(1,683,590)**	(912,530)
Net cash (used in)/generated from operations	**(737,707)**	74,022
Income taxes paid	**(117,446)**	(194,393)
Net cash used in operating activities	**(855,153)**	(120,371)
Cash flows from investing activities		
Interest received	**75,113**	80,963
Placements of pledged bank deposits	**(3,962,138)**	(5,745,708)
Withdrawal of pledged bank deposits	**4,002,047**	6,086,954
Investments in structured bank deposits	**(20,000)**	(145,000)
Redemption of structured bank deposits	**20,047**	61,375
Proceeds from disposal of financial assets at fair value through other comprehensive income	**–**	18,710

Interim Condensed Consolidated Financial Statements

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(continued)
for the six months ended 30 June 2024
(Expressed in Renminbi)

	For the six months ended 30 June 2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
Proceeds from disposal of financial assets at fair value through profit or loss	**3,383**	–
Purchases of items of property, plant and equipment	**(1,355,879)**	(1,593,509)
Proceeds from disposal of items of property, plant and equipment	**26,035**	3,655
Proceeds from disposal of investment properties	**34,413**	18,690
Payments for right-of-use assets	**(45,618)**	(55,825)
Refund of land lease deposits	**5,890**	–
Proceeds from disposal of an associate	**–**	11,500
Dividend received from an associate	**2,872**	2,900
Other investment income received	**3,624**	14,240
Receipt of government grants	**261,867**	198,111
Receipt of consideration receivables	**7,500**	–
Loans and other receivables granted	**–**	(254,000)
Receipt of loans and other receivables	**4,000**	138,763
Net cash used in investing activities	**(936,844)**	(1,158,181)

Interim Condensed Consolidated Financial Statements

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(continued)

for the six months ended 30 June 2024

(Expressed in Renminbi)

	For the six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Cash flows from financing activities		
New bank and other borrowings raised	**4,115,089**	4,460,744
Repayment of bank and other borrowings	**(2,388,638)**	(2,930,423)
Capital element of lease rental paid	**(3,643)**	(3,338)
Interest element of lease rental paid	**(296)**	(485)
Interest paid	**(427,725)**	(330,227)
Consideration received for partial disposal of interest in a subsidiary without loss of control	**21,087**	9,303
Net cash generated from financing activities	**1,315,874**	1,205,574
Net decrease in cash and cash equivalents	**(476,123)**	(72,978)
Cash and cash equivalents at the beginning of the period	**5,693,844**	4,533,808
Net effect of foreign exchange rate changes	**2,914**	43,912
Cash and cash equivalents at the end of the period	**5,220,635**	4,504,742

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 2805, Level 28, Admiralty Centre Tower 1, 18 Harcourt Road, 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 30 August 2024.

Interim Condensed Consolidated Financial Statements

2 BASIS OF PREPARATION

The interim condensed consolidated financial statements for the six months ended 30 June 2024 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 2023 annual consolidated financial statements, except for the adoption of new and amendments to Hong Kong Financial Reporting Standards ("**HKFRSs**"), 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 2023 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 HKFRSs, and should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2023.

Interim Condensed Consolidated Financial Statements

2 BASIS OF PREPARATION (continued)

The Group incurred loss of RMB1,526,940,000 during the six months ended 30 June 2024. As at 30 June 2024, the Group had net current liabilities of RMB86,756,000. As at 30 June 2024, the Group failed to fulfil certain financial obligations as set out in an earnest money agreement in respect of previous plan on disposal of equity interests of subsidiaries and certain assets (Note 22(ii),(iii)), a number of loan agreements in respect of certain overdue and defaulted borrowings (Note 23), a financial guarantee contract provided to an independent third party which caused certain of the Group's investment properties to be frozen by the court order of the People's Republic of China (the "**PRC**") (Note 24(i)) and bank and other borrowings of RMB11,362,313,000 are repayable within one year, which exceeded the Group's cash and cash equivalents of RMB5,220,635,000. In view of such circumstances, the directors of the Company have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern. The management has prepared the cash flow projections which cover a period of twelve months from 30 June 2024. The directors of the Company are satisfied that it is appropriate to prepare the interim condensed consolidated financial statements under the going concern basis after taken into consideration of the followings:

(i) The unutilised banking facilities readily available to the Group amounted to RMB468,459,000 as at 30 June 2024.

(ii) The Group plans to dispose of certain non-core and loss-making businesses and non-core investments to raise additional working capital.

(iii) The Group plans to optimise operating costs and prioritise the capital expenditures so as to minimise the Group's cash outflows.

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. They have also been reviewed by 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.

Interim Condensed Consolidated Financial Statements

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 HKFRSs (the "**Amendments**") issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2024 and applicable for the preparation of the Group's interim condensed consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

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 HKFRSs are published that are not mandatory to be adopted for annual period beginning on 1 January 2024 and early application is permitted. The Group has not early adopted any of the forthcoming new or amended HKFRSs in preparing these interim condensed consolidated financial statements.

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.

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 2023 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 (the "**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.

Interim Condensed Consolidated Financial Statements

3 FINANCIAL RISK MANAGEMENT (continued)

(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 of and sets credit limits on its customers by taking into account their financial positions, the availability of guarantees from third parties, their credit history and other factors such as current market conditions. Management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. The credit history of the customers is regularly monitored by the Group. In respect of customers with a poor credit history, the Group will use written payment reminders, or shorten or cancel credit periods, to ensure the overall credit risk of the Group is limited to a controllable extent.

The Group 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.

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3 FINANCIAL RISK MANAGEMENT (continued)

(ii) Credit risk (continued)

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

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

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

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3 FINANCIAL RISK MANAGEMENT (continued)

(ii) Credit risk (continued)

(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 2024 and 31 December 2023 was determined as follows:

As at 30 June 2024 (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	7%	24%	36%	68%	100%	11%
Gross carrying amount – Trade receivables assessed under provision matrix (excluding trade receivables of which 100% loss allowances specifically provided)	9,077,416	359,156	178,840	95,431	146,749	9,857,592
Loss allowances under provision matrix	(673,419)	(86,569)	(65,209)	(65,173)	(146,248)	(1,036,618)
100% loss allowances specifically provided	(12,063)	(1,029)	(1,762)	(686)	(211,310)	(226,850)
Loss allowances	(685,482)	(87,598)	(66,971)	(65,859)	(357,558)	(1,263,468)
Net carrying amount	8,403,997	272,587	113,631	30,258	501	8,820,974

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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 2024 and 31 December 2023 was determined as follows: (continued)

As at 31 December 2023 (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%	46%	68%	100%	5%
Gross carrying amount – Trade receivables assessed under provision matrix (excluding trade receivables of which 100% loss allowances specifically provided)	8,210,004	350,089	178,298	105,233	145,730	8,989,354
Loss allowances under provision matrix	(86,363)	(79,280)	(81,968)	(71,311)	(145,730)	(464,652)
100% loss allowances specifically provided	(13,293)	(891)	(891)	(20,300)	(192,433)	(227,808)
Loss allowances	(99,656)	(80,171)	(82,859)	(91,611)	(338,163)	(692,460)
Net carrying amount	8,123,641	270,809	96,330	33,922	–	8,524,702

The provision for loss allowances were recognised in profit or loss in net impairment losses on financial assets within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

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3 FINANCIAL RISK MANAGEMENT (continued)

(ii) Credit risk (continued)

(a) Trade receivables (continued)

The impairment losses on trade receivables recognised during the six months ended 30 June 2024 was relatively large as the receivables from trading business in the new energy segment were adversely affected by unfavourable market factors, such as liquidity constraints in industrial chain, which resulted in default in repayments in these trade receivables as at the end of the reporting period.

The Group does not hold any collateral or other credit enhancement over these trade receivables. The Group is still liaising with these trade debtors about the settlement arrangement, and will consider take further proper action against those debtors if necessary.

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

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

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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 ECL provision	ECL 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 ECLs. 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 ECLs	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 ECLs	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 2024 and 31 December 2023, the Group provided the following ECL provision against financial assets at amortised cost (excluding trade receivables):

As at 30 June 2024 (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)	**78%**	**1,263,385**	**(991,442)**	**271,943**
Consideration receivables	**19%**	**347,632**	**(66,804)**	**280,828**
Other receivables	**36%**	**3,113,131**	**(1,106,711)**	**2,006,420**
		4,724,148	**(2,164,957)**	**2,559,191**

As at 31 December 2023 (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)	48%	1,265,464	(609,837)	655,627
Consideration receivables	20%	354,326	(69,407)	284,919
Other receivables	35%	2,881,607	(1,002,395)	1,879,212
		4,501,397	(1,681,639)	2,819,758

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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 2024 and 31 December 2023, the ECL rate for loan receivables was relatively high due to significant increase in credit risks of certain borrowers since initial recognition. The impairment losses on loan receivables recognised during the six months ended 30 June 2024 increased significantly due to the financial conditions 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 fixing the repayment plans, requesting additional securities on these borrowings and taking recovery actions, and closely monitor the financial performances and positions 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.

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3 FINANCIAL RISK MANAGEMENT (continued)

(ii) Credit risk (continued)

For the six months ended 30 June 2024 and 2023, the summary of the net (provision for)/reversal of impairment losses on financial assets recognised in profit or loss was as follows:

	For the six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
(Provision for)/reversal of impairment losses on:		
– Trade receivables	**(572,679)**	(33,445)
– Loan receivables	**(381,605)**	(61,100)
– Consideration receivables	**2,603**	(66,578)
– Other receivables	**(104,512)**	(58,826)
– Other financial assets at amortised cost	**–**	237
	(1,056,193)	(219,712)

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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.

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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 2024 and year ended 31 December 2023.

The following tables present the financial assets and liabilities that are measured at fair value at 30 June 2024 and 31 December 2023:

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
As at 30 June 2024 (Unaudited)				
Financial assets at FVOCI:				
– Listed equity instruments	**55,853**	**–**	**–**	**55,853**
– Unlisted equity investments	**–**	**–**	**1,359,497**	**1,359,497**
– Bills receivables	**–**	**–**	**1,697,864**	**1,697,864**
Financial assets at FVPL:				
– Listed equity instruments	**72,736**	**–**	**–**	**72,736**
– Unlisted equity investments	**–**	**–**	**758,157**	**758,157**
– Derivative financial instruments	**–**	**–**	**27,968**	**27,968**
Financial liability at FVPL:				
– Derivative financial instruments	**–**	**–**	**(17,682)**	**(17,682)**
	128,589	**–**	**3,825,804**	**3,954,393**

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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 2024 and 31 December 2023: (continued)

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
As at 31 December 2023 (Audited)				
Financial assets at FVOCI:				
– Listed equity instruments	56,480	–	–	56,480
– Unlisted equity investments	–	–	1,623,329	1,623,329
– Bills receivables	–	–	1,804,904	1,804,904
Financial assets at FVPL:				
– Listed equity instruments	27,989	–	–	27,989
– Unlisted equity investments	–	–	841,586	841,586
– Trade receivables measured at FVPL	–	–	43,262	43,262
– Derivative financial instruments	–	–	27,995	27,995
Financial liability at FVPL:				
– Derivative financial instruments	–	–	(33,228)	(33,228)
	84,469	–	4,307,848	4,392,317

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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, net asset value 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 weighted average cost of capital, liquidity discount, price-to-book multiples, share price changes multiples, rate of return 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 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 2024 and 2023:

	Financial assets at FVPL				Financial assets at FVOCI		
	Unlisted equity investments RMB'000	Trade receivables RMB'000	Structured bank deposits RMB'000	Derivative financial instruments RMB'000	Unlisted equity investments RMB'000	Bills receivables RMB'000	Total RMB'000
At 1 January 2023 (Audited)	843,317	121,304	51,374	35,076	1,998,758	3,531,660	6,581,489
Acquisitions	–	260,888	145,000	–	50,000	8,647,428	9,103,316
Disposals	–	(262,627)	(61,375)	–	–	(9,470,739)	(9,794,741)
Fair value gains/(losses) recognised in profit or loss	11,900	(3,424)	439	–	–	–	8,915
Fair value losses recognised in other comprehensive income	–	–	–	–	(322,341)	(890)	(323,231)
Exchange differences	23,116	–	–	1,459	237	–	24,812
At 30 June 2023 (Unaudited)	878,333	116,141	135,438	36,535	1,726,654	2,707,459	5,600,560
At 1 January 2024 (Audited)	**841,586**	**43,262**	**–**	**27,995**	**1,623,329**	**1,804,904**	**4,341,076**
Acquisitions	**–**	**230,846**	**20,000**	**–**	**–**	**5,191,246**	**5,442,092**
Disposals	**(50,643)**	**(274,108)**	**(20,047)**	**–**	**(2,000)**	**(5,297,255)**	**(5,644,053)**
Fair value (losses)/gains recognised in profit or loss	**(43,609)**	**–**	**47**	**–**	**–**	**–**	**(43,562)**
Fair value losses recognised in other comprehensive income	**–**	**–**	**–**	**–**	**(261,832)**	**(1,031)**	**(262,863)**
Exchange differences	**10,823**	**–**	**–**	**(27)**	**–**	**–**	**10,796**
At 30 June 2024 (Unaudited)	**758,157**	**–**	**–**	**27,968**	**1,359,497**	**1,697,864**	**3,843,486**

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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) (continued)

The following tables present the changes in Level 3 fair value hierarchy items for the six months ended 30 June 2024 and 2023: (continued)

	Derivative financial instruments RMB'000
Financial liability at FVPL	
At 1 January 2023 (Audited)	(32,376)
Fair value gains recognised in profit or loss	16,400
Exchange differences	(1,677)
At 30 June 2023 (Unaudited)	(17,653)
At 1 January 2024 (Audited)	**(33,228)**
Fair value gains recognised in profit or loss	**16,426**
Exchange differences	**(880)**
At 30 June 2024 (Unaudited)	**(17,682)**

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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 – Structured bank deposits – 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 7% to 18% (31 December 2023: 3.1% 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 receivables	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 at 1.35% (31 December 2023: 1.1%)	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) Net asset value approach	N/A	N/A
		(iii) Market comparison approach	Price-to-book multiples, ranging from 0.98 to 1.22 (31 December 2023: 0.98 to 1.02); share price changes multiples at -17% (31 December 2023: -16%); Discount for lack of marketability, ranging from 15.7% to 20.5% (31 December 2023: 20.5%)	The higher the price-to-book multiples, the higher fair value; the higher the positive share price changes multiple, the higher the fair value; the lower the discount rate, 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 2023: 7.5%)	The higher the future cash flows, the higher the fair value; the earlier the recovery or payment 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 2024 would have decreased/increased by approximately RMB24,745,000 (six months ended 30 June 2023: RMB24,759,000) as a result of the changes in fair value of the financial assets.

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 resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit/loss before tax except that certain income and gains/losses, penalty on past late payment on a borrowing, 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, written put option liability, consideration and deposit received for disposal of subsidiaries and assets, certain lease liabilities and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

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5 OPERATING SEGMENT INFORMATION (continued)

	For the six months ended 30 June 2024 (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	125,416	135,208	1,440	253,413	10,159,694	10,675,171
Fair value changes in financial instruments	–	–	(31,143)	–	–	(31,143)
Segment results	(405,703)	(290,782)	(429,390)	(4,344)	(80,219)	(1,210,438)
Reconciliation:						
Unallocated bank interest income (Note 8)						63,263
Unallocated interest income on deferred consideration (Note 8)						4,458
Unallocated income and losses, net						39,326
Corporate and other unallocated expenses						(26,993)
Finance costs (Note 11)						(564,378)
Loss before tax						(1,694,762)
Segment assets as at 30 June 2024 (Unaudited)	5,858,149	1,116,088	2,169,997	403,019	35,321,756	44,869,009
Reconciliation:						
Corporate and other unallocated assets						10,664,946
Total assets as at 30 June 2024 (Unaudited)						55,533,955
Segment liabilities as at 30 June 2024 (Unaudited)	1,397,472	73,815	256,373	10,214	14,153,431	15,891,305
Reconciliation:						
Corporate and other unallocated liabilities						23,900,569
Total liabilities as at 30 June 2024 (Unaudited)						39,791,874

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5 OPERATING SEGMENT INFORMATION (continued)

For the six months ended 30 June 2023 (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	126,650	160,994	1,567	4,709	11,257,595	11,551,515
Fair value changes in financial instruments	–	–	22,682	–	(3,424)	19,258
Segment results	55,255	(14,222)	(21,491)	(1,596)	704,989	722,935
Reconciliation:						
Unallocated bank interest income (Note 8)						56,298
Unallocated interest income on deferred consideration (Note 8)						4,457
Unallocated income and gains, net						125,832
Corporate and other unallocated expenses						(124,940)
Finance costs (Note 11)						(604,576)
Profit before tax						180,006
Segment assets as at 31 December 2023 (Audited)	6,339,169	1,433,985	2,665,623	550,487	32,529,027	43,518,291
Reconciliation:						
Corporate and other unallocated assets						10,991,803
Total assets as at 31 December 2023 (Audited)						54,510,094
Segment liabilities as at 31 December 2023 (Audited)	1,624,223	122,157	210,764	3,765	13,256,861	15,217,770
Reconciliation:						
Corporate and other unallocated liabilities						21,854,314
Total liabilities as at 31 December 2023 (Audited)						37,072,084

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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	
	2024	2023
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
The PRC	**9,595,472**	10,296,043
The United States	**578,531**	768,303
Europe	**100,133**	55,568
Australia	**89,013**	114,956
Other countries	**312,022**	316,645
	10,675,171	11,551,515

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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	
	2024	2023
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Revenue from contracts with customers		
Properties segment:		
– Property development and sales	**2,583**	154
– Construction consulting services	**–**	444
	2,583	598
Tourism segment:		
– Hotel operations	**130,514**	152,827
– Sales of tourist goods and services	**4,694**	8,167
	135,208	160,994
New energy segment:		
– Sales of gear products	**6,786,451**	8,250,777
– Trading of goods	**3,373,243**	3,006,818
	10,159,694	11,257,595
Investment and financial services segment:		
– Investment and financial consulting services	**1,440**	1,567
Healthcare, education and others segment:		
– Education services	**4,733**	4,635
– Healthcare products and other services	**123**	74
– Trading of goods	**248,557**	–
	253,413	4,709
	10,552,338	11,425,463
Revenue from other sources		
Properties segment:		
– Gross rental income	**122,833**	126,052
	10,675,171	11,551,515

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6 REVENUE (continued)

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

	For the six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Timing of revenue recognition:		
– Recognised at a point in time	**10,415,651**	11,265,990
– Recognised over time	**136,687**	159,473
	10,552,338	11,425,463

7 NET FAIR VALUE CHANGES IN FINANCIAL INSTRUMENTS

	For the six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Fair value (losses)/gains on financial assets at FVPL	**(47,569)**	2,858
Fair value gains on derivative financial instruments	**16,426**	16,400
	(31,143)	19,258

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8 OTHER INCOME

	Note	For the six months ended 30 June **2024** **(Unaudited)** **RMB'000**	2023 (Unaudited) RMB'000
Bank interest income	(i)	**63,263**	56,298
Interest on deferred consideration		**4,458**	4,457
Other interest income	(ii)	**6,115**	17,574
Dividend income		**3,624**	14,240
Management fees income		**19,781**	18,164
Government grants	(iii)	**90,319**	39,802
Sales of scraps and materials		**52,090**	38,734
Others		**11,736**	15,111
		251,386	204,380

Notes:

(i) Bank interest income is principally derived from restricted cash and cash equivalents.

(ii) Other interest income is principally derived from loan receivables and other financial assets at amortised cost.

(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	
	2024	2023
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Fair value (losses)/gains on investment properties	**(351,668)**	429
Gains/(losses) on disposal of property, plant and equipment	**8,296**	(462)
Loss on swap contracts	**(18,334)**	(18,305)
(Provision for)/reversal of impairment losses on property, plant and equipment	**(268,081)**	11,680
Foreign exchange gains – net	**29,132**	187,506
Others	**46**	1,963
	(600,609)	182,811

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10 EXPENSES BY NATURE

	For the six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Employee benefit expenses:		
Staff costs		
– Salaries and other benefits	**905,091**	903,776
– Pension scheme contributions	**86,507**	74,180
Other items:		
Cost of inventories sold	**8,264,057**	8,846,440
Cost of properties sold	**2,497**	151
Amortisation of other intangible assets	**35,067**	34,855
Depreciation of right-of-use assets	**15,079**	16,677
Depreciation of property, plant and equipment	**398,266**	294,224
Advertising expenses	**29,029**	11,941
Write-down of inventories	**11,731**	17,079
Write-down of properties held for sale	**339**	–
Write-down of properties under development	**5,459**	–
Penalty on past late payment on a borrowing	**–**	100,000
Others	**576,552**	657,731
	10,329,674	10,957,054
Represented by:		
– Cost of sales and services provided	**9,244,682**	9,697,332
– Selling and distribution expenses	**262,102**	277,583
– Administrative expenses	**412,775**	522,780
– Research and development costs	**410,115**	459,359
	10,329,674	10,957,054

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11 FINANCE COSTS

	For the six months ended 30 June 2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
Interest on bank and other borrowings	**436,749**	476,166
Less: Interest capitalised at rates ranging from 3.60% to 3.95% (six months ended 30 June 2023: 3.95% to 4.05%) per annum	**(1,667)**	(1,075)
	435,082	475,091
Interest on lease liabilities	**296**	485
Unwinding of discount on written put option liability	**129,000**	129,000
	564,378	604,576

12 INCOME TAX (CREDIT)/EXPENSES

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

	For the six months ended 30 June 2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
Current tax – charge for the period		
– The PRC	**52,125**	135,752
– Hong Kong	**22,421**	5,637
– Australia	**303**	298
– The United States	**5,501**	–
– Others	**6,695**	5,434
Over-provision in respect of prior years	**(1,561)**	(73,755)
Deferred tax	**(253,306)**	(63,372)
	(167,822)	9,994

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12 INCOME TAX (CREDIT)/EXPENSES (continued)

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

PRC CIT has been provided at the rate of 25% (six months ended 30 June 2023: 25%) on the taxable profits of the Group's PRC subsidiaries, except those listed below, for the six months ended 30 June 2024.

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**
Nanjing High Speed Gear Manufacturing Co., Ltd	31 December 2023
Nanjing High Speed & Accurate Gear (Group) Co., Ltd.	31 December 2023
Nanjing High Accurate Rail Transportation Equipment Co., Ltd.	31 December 2023
NGC (Baotou) Transmission Equipment Co., Ltd. ("**NGC (Baotou)**")	31 December 2021 (Note)

Note:

The approval of preferential tax rate of NGC (Baotou) was issued in December 2021. The preferential tax rate was applicable for 3 years when it was first approved by the taxation authority. As at the end of the reporting period, NGC (Baotou) is in the process of applying to renew the qualification of the high technology development enterprises to continuously enjoy the preferential tax rate, and expected that successful renewal could be obtained by the end of 2024.

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12 INCOME TAX (CREDIT)/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 other places other than the PRC are subject to income tax rates of 8.25% to 30% (six months ended 30 June 2023: 8.25% to 30%) prevailing in the places in which these enterprises operated for the six months ended 30 June 2024.

(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. The Group is operating in Hong Kong and Singapore which have yet to introduce its draft legislation for implementation of the Pillar Two Model Rules, including the tax law that implements the global minimum tax and qualified domestic minimum top-up tax, it is expected that the new regime will come into effect for the Group's financial year beginning on 1 January 2025. The Group is also operating in certain jurisdictions where the Pillar Two Model Rules is effective. The management of the Group estimated that the effective tax rates of these jurisdictions in which the Group operates are higher than 15%. Based on the assessment for the six months ended 30 June 2024, the Group has no exposure to Pillar Two income taxes arising in these jurisdictions and the impact of these rules on the Group's income tax position is not expected to be material.

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13 DIVIDENDS

The board of directors has resolved not to declare any interim dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

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	
	2024	2023
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Loss attributable to equity shareholders of the Company	**(1,495,728)**	(172,544)

	For the six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
		(Restated)
Weighted average number of ordinary shares in issue	**636,763,934**	530,293,506
Basic loss per share (in RMB)	**(2.349)**	(0.325)

There were no potential dilutive ordinary shares for the six months ended 30 June 2024 whereas the computation of diluted loss per share did not assume the exercise of the Company's outstanding options as the exercise price of those options was higher than the average market price for shares for the six months ended 30 June 2023. For the six months ended 30 June 2023, in addition to the adjustment of 17,521,400 shares held for the Group's share award scheme, the weighted average number of ordinary shares in issue was also adjusted on the assumption that the share consolidation of every 50 ordinary shares into 1 consolidated share, which was effective on 4 December 2023, had been effective since 1 January 2023.

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

During the six months ended 30 June 2024, additions to property, plant and equipment and right-of-use assets amounted to RMB1,266,957,000 (six months ended 30 June 2023: RMB1,394,677,000) and RMB45,618,000 (six months ended 30 June 2023: RMB55,825,000) respectively.

Property, plant and equipment with a net book value of RMB17,739,000 (six months ended 30 June 2023: RMB4,117,000) were disposed of by the Group during the six months ended 30 June 2024, resulting in net gains on disposal of RMB8,296,000 (six months ended 30 June 2023: net losses on disposal of RMB462,000).

Due to the economic downturn in the PRC, the management of the Group considered there is an indication for impairment and conducted impairment assessment on recoverable amounts of certain property, plant and equipment for which the economic performance was lower than expected. Based on the result of the assessment, the recoverable amounts were lower than the carrying amounts and therefore, impairment losses of RMB268,081,000 was recognised in "Other (losses)/gains – net" during the six months ended 30 June 2024.

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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 2024 (Unaudited) RMB'000**	31 December 2023 (Audited) RMB'000
Non-current assets			
Derivative financial instruments	(i)	**27,968**	27,995
Unlisted equity investments	(ii)	**751,469**	411,400
		779,437	439,395
Current assets			
Listed equity investments	(iii)	**72,736**	27,989
Unlisted equity investments	(ii)	**6,688**	430,186
Trade receivables measured at FVPL		**–**	43,262
		79,424	501,437
		858,861	940,832

Interim Condensed Consolidated Financial Statements

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

Notes:

(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 (the "**GSH Disposal Agreement**"), details of transactions are disclosed with the Company's relevant contingent liabilities in Note 24(ii), the Company is entitled to 23% of the distributable proceeds, if any, after the qualifying transactions as specified in the GSH Disposal Agreement (the "**Qualifying Transactions**") are completed. At 30 June 2024, the Qualifying Transactions have not been completed. The separate derivative associated with the GSH Disposal Agreement was measured at FVPL amounting to RMB27,968,000 (31 December 2023: RMB27,995,000).

(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 2024, these investments had an aggregate fair value of RMB423,300,000 (31 December 2023: RMB411,400,000), and an aggregate fair value gain of RMB11,900,000 (six months ended 30 June 2023: RMB11,900,000) was recognised in profit or loss during the six months ended 30 June 2024.

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

(iii) The balances as at 30 June 2024 and 31 December 2023 represented the fair values of equity shares listed in Hong Kong, Singapore and the United States, which amounting to RMB38,349,000 (31 December 2023: RMB27,236,000), RMB684,000 (31 December 2023: RMB753,000) and RMB33,703,000 (31 December 2023: nil) respectively.

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 period/year end dates. The directors of the Company consider that the closing prices of these securities are the fair values of these investments.

On 16 May 2024, an unlisted equity investment of the Group, returned certain of the capital invested by the Group by way of distribution in specie of ordinary shares of an entity listed in the United States with a market value of RMB50,643,000. An aggregate fair value loss of RMB16,940,000 was recognised in profit or loss during the six months ended 30 June 2024.

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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 2024 (Unaudited) RMB'000**	31 December 2023 (Audited) RMB'000
Non-current assets			
Listed equity investments	(i)	**55,853**	56,480
Unlisted equity investments	(ii)	**1,355,111**	1,618,749
		1,410,964	1,675,229
Current assets			
Debt investments – Bills receivables	(iii)	**1,697,864**	1,804,904
Unlisted equity investments	(ii)	**4,386**	4,580
		1,702,250	1,809,484
		3,113,214	3,484,713

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

Notes:

(i) The balances as at 30 June 2024 and 31 December 2023 represented the fair values of equity shares listed in the PRC and the United States, which amounting to RMB33,439,000 (31 December 2023: RMB38,975,000) and RMB22,414,000 (31 December 2023: RMB17,505,000) 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)) ("**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 2024 and 31 December 2023 based on valuations performed by an independent professional qualified valuer by market comparison approach. As at 30 June 2024, the fair value of the investment in Zheshang Fund amounted to RMB1,025,000,000 (31 December 2023: RMB1,239,000,000) is classified as non-current asset and a fair value loss of RMB214,000,000 (six months ended 30 June 2023: RMB264,665,000) was recognised in other comprehensive income for the six months ended 30 June 2024.

On 25 April 2016, Nanjing Fullshare Dazu Technology Company Limited (南京豐盛大族科技股份有限公司) ("**Fullshare DZ**") (a wholly owned subsidiary of the Group) entered into an agreement with other ten companies in respect of the establishment of a company in the PRC named Jiangsu Minying Investment Holding Limited (江蘇民營投資控股有限公司) ("**Jiangsu Investment**"). As at 30 June 2024, capital contribution of RMB400,000,000 (31 December 2023: RMB400,000,000) was invested by the Group. The investment in Jiangsu Investment was revalued on 30 June 2024 and 31 December 2023 based on valuations performed by an independent professional qualified valuer by market comparison approach and net asset value approach with reference to net asset value of financial statements of Jiangsu Investment respectively. As at 30 June 2024, the fair value of the investment in Jiangsu Investment amounted to RMB203,400,000 (31 December 2023: RMB254,896,000) is classified as non-current asset.

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.

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18 FINANCIAL ASSETS AT AMORTISED COST (EXCLUDING TRADE RECEIVABLES)

(i) Loan receivables

	30 June 2024 (Unaudited) RMB'000	31 December 2023 (Audited) RMB'000
Loans to third parties	**1,159,609**	1,162,227
Loan to an associate	**103,776**	103,237
Less: Loss allowance	**(991,442)**	(609,837)
	271,943	655,627
Represented:		
– Current portion	**139,533**	524,497
– Non-current portion	**132,410**	131,130
	271,943	655,627

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

(ii) Consideration receivables

	30 June 2024 (Unaudited) RMB'000	31 December 2023 (Audited) RMB'000
Consideration receivables (Note)	**347,632**	354,326
Less: Loss allowance	**(66,804)**	(69,407)
	280,828	284,919
Represented:		
– Current portion	**125,696**	130,593
– Non-current portion	**155,132**	154,326
	280,828	284,919

Note:

As at 30 June 2024, consideration receivables include deferred consideration receivable ("**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 RMB155,132,000) (31 December 2023: AUD32,000,000 (equivalent to RMB154,326,000)) and consideration receivable for disposal of equity interest of Shanghai Joyu Culture Communication Company Limited ("**Shanghai Joyu**") amounting to RMB192,500,000 (31 December 2023: RMB200,000,000). 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 2024 and 31 December 2023.

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

(iii) Other receivables

	Note	**30 June 2024 (Unaudited) RMB'000**	31 December 2023 (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		**515,917**	515,854
– Redemption receivables from an insurance company	(i)	**1,123,843**	1,123,843
– Refundable deposit	(ii)	**63,467**	63,467
– Others		**1,284,215**	1,048,108
		3,062,442	2,826,272
Amounts due from joint ventures		**870**	847
Amounts due from associates		**49,819**	54,488
		3,113,131	2,881,607
Less: Loss allowance		**(1,106,711)**	(1,002,395)
		2,006,420	1,879,212

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

(iii) Other receivables (continued)

Notes:

(i) The balances represented redemption receivables on two insurance products purchased from an insurance company. In February and March 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 aggregate cash value of the insurance investments was RMB1,123,843,000. 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 for one of the insurance products, as the total amount due is not yet received by the Group.

As at the date of this report, the case is still on going, currently under the second trial of the jurisdiction issue. 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 2024 and 31 December 2023, 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.

19 TRADE RECEIVABLES

	30 June 2024 (Unaudited) RMB'000	31 December 2023 (Audited) RMB'000
Trade receivables		
– Amounts due from third parties	**10,081,012**	9,214,266
– Amounts due from joint ventures	**3,430**	2,896
Less: Loss allowance	**(1,263,468)**	(692,460)
	8,820,974	8,524,702

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19 TRADE RECEIVABLES (continued)

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 2024 (Unaudited) RMB'000	31 December 2023 (Audited) RMB'000
Within 90 days	**6,360,510**	6,878,649
91 to 180 days	**1,395,294**	888,032
181 to 365 days	**648,193**	356,960
Over 365 days	**416,977**	401,061
	8,820,974	8,524,702

The Group generally allows a credit period of 180 days (31 December 2023: 90 days) to its trade customers and 180 days (31 December 2023: 180 days) for sales of gear products. Apart from that, the Group does not have a standardised and universal credit period granted to its customers for other sales, and the credit period of individual customers is considered on a case-by-case basis and stipulated in the relevant contracts, as appropriate.

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

As at 30 June 2024, trade receivables with carrying amount of RMB398,794,000 (31 December 2023: RMB398,794,000) were pledged as collateral for the Group's borrowings (Note 26).

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20 RESTRICTED CASH AND CASH AND CASH EQUIVALENTS

	30 June 2024 (Unaudited) RMB'000	31 December 2023 (Audited) RMB'000
Cash and bank balances	**8,771,629**	9,272,168
Less: Restricted cash		
– Pledged bank deposits	**(3,522,489)**	(3,562,398)
– Restricted bank deposits	**(28,505)**	(15,926)
	(3,550,994)	(3,578,324)
Cash and cash equivalents	**5,220,635**	5,693,844

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 with no recent history of default.

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21 TRADE AND BILLS PAYABLES

	30 June 2024 (Unaudited) RMB'000	31 December 2023 (Audited) RMB'000
Trade payables		
– Amounts due to third parties	**4,314,150**	3,674,795
– Amount due to an associate	**18**	18
Bills payables	**4,157,616**	3,950,352
	8,471,784	7,625,165

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

	30 June 2024 (Unaudited) RMB'000	31 December 2023 (Audited) RMB'000
Within 90 days	**4,221,920**	4,858,691
91 to 180 days	**207,204**	2,010,171
181 to 365 days	**3,528,696**	441,457
Over 365 days	**513,964**	314,846
	8,471,784	7,625,165

Amount due to an associate included in trade and bills payables is repayable within 90 days (31 December 2023: 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 2023: 90 to 180 days).

Interim Condensed Consolidated Financial Statements

22 OTHER PAYABLES AND ACCRUALS

	Note	**30 June 2024 (Unaudited) RMB'000**	31 December 2023 (Audited) RMB'000
Accruals		**1,376,289**	1,377,138
Amounts due to associates	(i)	**17,672**	17,636
Refundable deposit received	(ii)	**644,000**	644,000
Other tax payables		**206,447**	130,281
Other payables	(iii)	**724,177**	757,927
Payroll and welfare payables		**126,622**	274,996
Liability arising from financial guarantee contracts		**2,300**	2,672
Payables for purchase of property, plant and equipment		**459,885**	550,474
		3,557,392	3,755,124

Notes:

(i) All of the amounts due to associates are non-trade nature, unsecured, interest-free and repayable within 180 days (31 December 2023: 180 days).

(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 37(ii) of the Group's 2023 annual consolidated financial statements. No repayment was made by the Group during the six months ended 30 June 2024. 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.

Interim Condensed Consolidated Financial Statements

22 OTHER PAYABLES AND ACCRUALS (continued)

Notes: (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 per the court judgement in 2022, the Group had to refund the Asset Consideration, penalty and overdue interests to Jiangsu Anke based on the term of 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 2024, certain bank accounts with accumulated balances of RMB3,115,000 (31 December 2023: RMB6,554,000) were frozen by the court order in the PRC. In July 2024, the legal title of certain of investment properties with carrying value of RMB2,478,457,000 as at 30 June 2024 was frozen by the execution order issued.

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 RMB302,937,000 (31 December 2023: RMB297,889,000) recognised in other payables as at 30 June 2024 could be repaid through internal funding or sale of certain non-major assets and will not have significant impact to the Group's operations.

Interim Condensed Consolidated Financial Statements

23 BANK AND OTHER BORROWINGS

	30 June 2024		31 December 2023	
	Current	**Non-current**	Current	Non-current
	(Unaudited)	**(Unaudited)**	(Audited)	(Audited)
	RMB'000	**RMB'000**	RMB'000	RMB'000
Secured				
– Bank loans	**1,660,366**	**3,185,042**	739,000	3,651,100
– Loans from other financial institutions	**2,502,408**	**–**	2,457,236	46,500
– Loans from other third parties	**146,385**	**–**	150,010	–
Total secured borrowings	**4,309,159**	**3,185,042**	3,346,246	3,697,600
Unsecured				
– Bank loans	**5,677,986**	**1,396,598**	4,501,000	1,052,032
– Loans from a shareholder	**1,009,364**	**–**	1,426,939	–
– Loan from a joint venture	**195,273**	**–**	190,231	–
– Loans from other financial institutions	**–**	**–**	50,000	–
– Loans from other third parties	**170,531**	**277,586**	188,580	27,586
Total unsecured borrowings	**7,053,154**	**1,674,184**	6,356,750	1,079,618
	11,362,313	**4,859,226**	9,702,996	4,777,218

Bank and other borrowings carry interests ranging from 0% to 15% (31 December 2023: 0% to 15%) per annum. As at 30 June 2024, loans from a shareholder of RMB1,009,364,000 (31 December 2023: RMB1,426,939,000) are interest-free and the loan from a joint venture of RMB195,273,000 (31 December 2023: RMB190,231,000) carries an effective interest rate at 8% (31 December 2023: 8%) per annum.

Interim Condensed Consolidated Financial Statements

23 BANK AND OTHER BORROWINGS (continued)

Bank and other borrowings are repayable as follows:

	30 June 2024 (Unaudited) RMB'000	31 December 2023 (Audited) RMB'000
Within one year or on demand	**11,362,313**	9,702,996
Between one and two years	**1,724,789**	2,077,535
Between two and five years	**2,095,561**	1,479,027
Over five years	**1,038,876**	1,220,656
	16,221,539	14,480,214

Notes:

(a) Certain of the Group's bank and other borrowings are secured by:

(i) All of the equity interests in Fullshare DZ and NGC (Huai'an) High Speed Gear Manufacturing Co., Ltd., and certain equity interests in Tianjin Heheng Investment Development Co., Ltd. (天津合恒投資發展有限公司), all of which are subsidiaries of the Group.

(ii) 30,400,000 ordinary shares of the Company held by a company, controlled by Mr. Ji. Changqun ("**Mr. Ji**").

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

In addition, bank and other borrowings of RMB836,937,000 (31 December 2023: RMB807,716,000) were guaranteed by Mr. Ji. Bank and other borrowings of RMB1,593,711,000 (31 December 2023: RMB1,612,600,000) were guaranteed by Mr. Ji and a close family member of Mr. Ji as at 30 June 2024.

(b) As at 31 December 2020, a loan from Huarong International Trust Co., Ltd. ("**Huarong**") with principal amounting to RMB500,000,000 (the "**Principal**") was past due. Two investment properties of the Group are pledged as security (the "**Pledged Properties**"). The rights in relation to the loan were subsequently transferred to China CITIC Financial Asset Management Co., Ltd. (formerly known as China Huarong Asset Management Co., Ltd.) by Huarong. The Pledged Properties were put up for auction by the lender during the year ended 31 December 2021. However, such auction met with no response.

On 26 January 2022, the Group signed a settlement agreement with the lender and rescheduled the repayment by four instalment payments on or before 15 April 2022. It is further agreed that interest of 8% per annum on the outstanding principal is charged until all of the principal is repaid; and in case the first instalment of RMB50,000,000 is received on or before 28 January 2022, the lender will withdraw the auction of the Pledged Properties.

Interim Condensed Consolidated Financial Statements

23 BANK AND OTHER BORROWINGS (continued)

Notes: (continued)

(b) (continued)

On 28 January 2022, the Group paid the first instalment payment and the auction had been withdrawn by the lender. Subsequently, the Group repaid an aggregate of RMB137,444,000 over the Principal and defaulted in repayment of the outstanding balance, and the legal charges over the Pledged Properties remains.

During the year ended 31 December 2023, the lender reinitiated the legal action and obtained the enforcement order from the court to mandate the Group to fulfil the repayment obligation, bear the default interests and fees in accordance with the relevant agreement. During the six months ended 30 June 2024, a default interest of RMB31,327,000 (six months ended 30 June 2023: RMB71,355,000) was recognised in profit or loss. Up to the date of these interim condensed consolidated financial statements, the Group is still negotiating the repayment schedule with the lender while the Pledged Properties with carrying value of RMB932,828,000 as at 30 June 2024 is not confiscated by the lender. Management considers that the repayments could be made in full through internal fundings and will not have a significant impact to the Group's operations.

(c) On 12 March 2018, the Group entered into a sale and leaseback agreement with Great Wall Guosing Financial Leasing Co., Ltd. (the "**Lessor**") with principal amounting to RMB500,000,000. An investment property was pledged as security. On 24 October 2022, the Group entered into a settlement agreement with the Lessor to further provide the entire equity interests in Fullshare DZ (the "**Secured Shares**") as security.

On 26 April 2023, the Lessor initiated a legal proceeding to freeze the Secured Shares. On 25 May 2023, the Group entered into a renewed settlement agreement with the Lessor to extend the repayment of the outstanding principal of approximately RMB215,583,000. During the year ended 31 December 2023, the Group repaid RMB17,500,000 over the principal and defaulted in repayment of the remaining balance. On 31 January 2024, the Group entered into a supplementary agreement with the Lessor to extend the repayment of outstanding principal to 31 December 2024. However, the Group failed to meet the repayment schedule of supplementary agreement. On 15 May 2024, the Group received an execution order, pursuant to which, the pledged investment property with carrying value of RMB248,942,000 as at 30 June 2024 will be put into an open auction of the rights of respective loan aforesaid. Up to the date of these interim condensed consolidated financial statements, the auction is not initiated yet and the Secured Shares remain frozen by the court order in the PRC.

(d) As at 30 June 2024, certain of the borrowings (including the aforesaid loans set out in Note (b) and (c)) with principal amounting to RMB2,183,445,000 (31 December 2023: RMB2,206,636,000) were overdue and defaulted, and overdue interest of RMB46,698,000 (six months ended 30 June 2023: RMB93,608,000) was recognised during the six months ended 30 June 2024. 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.

Interim Condensed Consolidated Financial Statements

23 BANK AND OTHER BORROWINGS (continued)

Notes: (continued)

(e) Saved as disclosed above, the Group complied with the covenant as set out for its non-current loans during the six months ended 30 June 2024. Accordingly, these loans are classified as non-current liability as at 30 June 2024. The Group expects to comply with these covenants for at least 12 months after the reporting date.

24 CONTINGENT LIABILITIES

As at 30 June 2024, contingent liabilities not provided for in the interim condensed consolidated financial statements were as follows:

(i) As at 30 June 2024, the Group provided financial guarantees to one associate (31 December 2023: one associate) and two independent third parties (31 December 2023: three independent third parties) in favour of bank loans of RMB16,022,000 (31 December 2023: RMB24,024,000) and RMB728,440,000 (31 December 2023: RMB1,139,800,000), respectively. These amounts represented the balances that the Group could be required to be paid if the guarantees were called upon in its entirety. As at 30 June 2024 and 31 December 2023, the legal title of certain investment properties provided as a financial guarantee to an entity (the "**Warrantee**") with carrying value of RMB134,000,000 (31 December 2023: RMB139,179,000) were frozen by the PRC's court order. Up to the date of these interim condensed consolidated financial statements, those investment properties are neither released from being frozen nor put for auction. In view that the Group has a borrowing owed to the Warrantee which exceeded the carrying value of investment properties under guarantee contract, and the right of the Group to set off the borrowing with the Warrantee by the value of the investment properties in case of confiscation pursuant to the agreement with the Warrantee, the management of the Group considered that the protection of the Group's interests was sufficient. Accordingly, no provision for the obligation due to this financial guarantee has been made as at 30 June 2024 and 31 December 2023.

At the end of the reporting period, an amount of RMB2,300,000 (31 December 2023: RMB2,672,000) has been recognised in the interim condensed consolidated financial statements as liabilities for the financial guarantees.

Interim Condensed Consolidated Financial Statements

24 CONTINGENT LIABILITIES (continued)

(ii) 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 (the "**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 RMB910,236,000) (31 December 2023: SGD169,822,000 (equivalent to approximately RMB911,090,000)) (the "**Guarantee Money**") as at 30 June 2024. 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 2024 and 31 December 2023.

(iii) On 17 October 2023, the Group received a penalty notice of RMB69,730,000 from the government of a municipality in the PRC (the "**Penalty**") claiming the delayed completion of certain properties.

In the opinion of the directors, based on the opinion of the legal counsel and the latest policy development from the central government of the PRC, the possibility of demanding the payment of the Penalty is remote. Accordingly, no provision for the Penalty has been made as at 30 June 2024.

Interim Condensed Consolidated Financial Statements

25 CAPITAL COMMITMENTS

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

	30 June 2024 (Unaudited) RMB'000	31 December 2023 (Audited) RMB'000
Contracted, but not provided for:		
– Property, plant and equipment	**995,576**	1,853,478
– Capital contributions to associates	**–**	133,000
– Capital contributions to joint ventures	**50,000**	50,000
	1,045,576	2,036,478

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, independent third parties and connected persons as follows:

	Note	**30 June 2024 (Unaudited) RMB'000**	31 December 2023 (Audited) RMB'000
Property, plant and equipment		**3,664,363**	3,948,536
Investment properties		**4,234,145**	4,502,440
Right-of-use assets		**338,263**	342,352
Trade receivables	19	**398,794**	398,794
Financial assets at FVOCI		**428,699**	549,354
Properties under development		**530,852**	536,311
Properties held for sale		**49,000**	49,339
Pledged bank deposits		**3,522,489**	3,562,398
		13,166,605	13,889,524

Interim Condensed Consolidated Financial Statements

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

		For the six months ended 30 June	
		2024	2023
		(Unaudited)	(Unaudited)
	Note	**RMB'000**	RMB'000
Associates:			
– Interest income	(a)	**3,028**	2,981
– Dividend income		**2,889**	2,900
Joint ventures:			
– Interest expense	(b)	**7,697**	7,384
The Group's shareholder:			
– Loans received	(c)	**700**	41,047
– Repayment of loans	(c)	**426,822**	21,500
The subsidiaries of the Group's substantial shareholder:			
– Management service income	(d)	**147**	301

Notes:

(a) The interest income is derived from a loan to Sparrow. During the six months ended 30 June 2024, interest income of approximately RMB3,028,000 (six months ended 30 June 2023: RMB2,981,000) was recognised and the Group received outstanding interests of RMB3,054,000 (six months ended 30 June 2023: RMB2,995,000).

Interim Condensed Consolidated Financial Statements

27 RELATED PARTY TRANSACTIONS (continued)

(i) Transactions with related parties (continued)

Notes: (continued)

(b) 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 2024, interest expense of RMB7,697,000 (six months ended 30 June 2023: RMB7,384,000) was recognised in profit or loss.

(c) The Group entered into several loan agreements with Magnolia Wealth International Limited ("**Magnolia**"), the single largest shareholder of the Company. As at 30 June 2024, amounts due to Magnolia are interest-free and repayable on demand (31 December 2023: interest-free and repayable on demand). During the six months ended 30 June 2024, the Group received loans of RMB700,000 (six months ended 30 June 2023: RMB41,047,000) and repaid loans of RMB426,822,000 (six months ended 30 June 2023: RMB21,500,000).

(d) The management service income is derived from the transactions which are carried out on terms agreed by the Group and the counterparty, which is ultimately controlled by Mr. Ji.

(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 receivables (Note 19), trade and bills payables (Note 21), other payables and accruals (Note 22) and bank and other borrowings (Note 23).

(iii) Outstanding counter-guarantee provided by the related party to the Group:

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 (南京德盈置業有限公司), 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.

Interim Condensed Consolidated Financial Statements

27 RELATED PARTY TRANSACTIONS (continued)

(iii) Outstanding counter-guarantee provided by the related party to the Group: (continued)

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 six months ended 30 June 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 2024 and 31 December 2023, since the Granted Loans exceeded the outstanding amount of the respective bank loans, no provision for the obligations due to guarantee has been made.

(iv) Outstanding guarantee provided by related party to the Group:

As at 30 June 2024 and 31 December 2023, a guarantee of HK$8,000,000 (equivalent to RMB7,446,000 and RMB7,253,000 respectively) at maximum was provided by Mr. Ji to a subsidiary for securing its loan portfolio.

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27 RELATED PARTY TRANSACTIONS (continued)

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

	For the six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Short term employee benefits	**4,582**	6,035
Post-employment benefits	**162**	277
Total compensations paid to key management personnel	**4,744**	6,312

28 EVENTS AFTER THE REPORTING PERIOD

Very substantial disposal of 100% equity interests in Nanjing Fengsheng Kanglv Co., Ltd.

On 29 August 2024, the Group entered into an equity transfer agreement with an independent third party (the "**KL Purchaser**"), pursuant to which the Group conditionally agreed to dispose of the entire equity interests in Nanjing Fengsheng Kanglv Co., Ltd. (南京豐盛康旅有限公司) ("**Fengsheng KL**") to the KL Purchaser at a total consideration of RMB950,000,000 (the "**Fengsheng KL Disposal**"). Fengsheng KL holds 73.33% equity interests of Fullshare DZ, one of the Group's principal subsidiaries engaged in property development and investment in the PRC. Upon the completion of the Fengsheng KL Disposal, the Group will still hold 26.67% equity interests in Fullshare DZ. Therefore, Fullshare DZ will cease to be a subsidiary and become an associate of the Group since then.

As at the date of approval of these interim condensed consolidated financial statements, completion of the Fengsheng KL Disposal is subject to the satisfaction of the conditions precedent set out in the equity transfer agreement.

Details of the Fengsheng KL Disposal is set out in the Company's announcement dated 29 August 2024.

Additional Information Required by the Listing Rules

BUSINESS REVIEW

During the six months ended 30 June 2024 (the "**Period Under Review**"), the revenue of Fullshare Holdings Limited (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") was derived from property, tourism, investment and financial services, healthcare and education and new energy businesses.

(1) Property business

(a) Property sales

During the Period Under Review, the Group had contracted sales for an aggregate gross floor area ("**GFA**") of approximately 271 sq.m for approximately Renminbi ("**RMB**") 2,713,000, while during the six months ended 30 June 2023 (the "**Corresponding Period of 2023**"), the Group had no contracted sales. The small contracted sales volume was mainly because most of the old projects had been disposed of in previous years and the real estate market in the People's Republic of China (the "**PRC**") has been relatively sluggish in recent years.

As at 30 June 2024, a breakdown of the major properties held by the Group in the PRC and their construction status was as follows:

Project name	Address	Project type	Construction progress of the project	Expected completion date	Site area (sq.m.)	GFA completed (sq.m.)	GFA under construction (sq.m.)	Accumulated contracted sales GFA (sq.m.)	Interest attributable to the Group
Xiangti Villa (香醍名邸) Phase 2	Intersection of Tuanbo Avenue and Daminghu Road, Tuanbo West District, Tuanbo New City, Jinghai County, Tianjin, the PRC	Residential project	Not yet commence construction	Third quarter of 2027	30,932	–	–	–	80%
Xiangti Villa (香醍名邸) Phase 3A	Intersection of Tuanbo Avenue and Daminghu Road, Tuanbo West District, Tuanbo New City, Jinghai County, Tianjin, the PRC	Residential project	Completed	Completed	6,644	5,585	–	–	80%
Xiangti Villa (香醍名邸) Phase 3B	Intersection of Tuanbo Avenue and Daminghu Road, Tuanbo West District, Tuanbo New City, Jinghai County, Tianjin, the PRC	Residential project	Under construction	Fourth quarter of 2025	35,521	–	69,448	192	80%
Xiangti Villa (香醍名邸) Phase 4	Intersection of Tuanbo Avenue and Daminghu Road, Tuanbo West District, Tuanbo New City, Jinghai County, Tianjin, the PRC	Residential project	Completed	Completed	28,459	23,433	–	18,625	80%
					101,556	29,018	69,448	18,817	

Additional Information Required by the Listing Rules

(b) Investment properties

As at 30 June 2024, the investment properties of the Group mainly included Yuhua Salon* (雨花客廳), Wonder City* (虹悅城), Liuhe Happy Plaza Project* (六合歡樂廣場項目), Huitong Building Project* (匯通大廈項目), Nantong Youshan Meidi Garden Project* (南通優山美地花園項目), Zhenjiang Youshan Meidi Garden Project* (鎮江優山美地花園項目) and Weihai Project* (威海項目).

	Address	Existing use	Term of contract	GFA (sq.m.)	Interest attributable to the Group
Nanjing					
Yuhua Salon (雨花客廳) – Epark	No. 109 Ruanjian Avenue, Yuhuatai District, Nanjing, Jiangsu Province, the PRC	Shopping mall and carparks	Medium-term covenant	77,711#	100%
Yuhua Salon (雨花客廳) – Feng Sheng Shang Hui (豐盛商滙) (certain office units)	No. 119 Ruanjian Avenue, Yuhuatai District, Nanjing, Jiangsu Province, the PRC	Office and carparks	Medium-term covenant	3,503#	100%
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	GFA (sq.m.)	Interest attributable to the Group
Nantong					
Huitong Building Project (匯通大廈項目)	No. 89 middle, Zhongxiu Street, Nantong, Jiangsu Province, the PRC	Commercial	Medium-term covenant	20,461	100%
Nantong Youshan Meidi Garden Project (南通優山美地花園項目)	No. 1888, Xinghu Avenue, Nantong, Jiangsu Province, the PRC	Commercial	Medium-term covenant	20,671	100%
Zhenjiang					
Zhenjiang Youshan Meidi Garden Project (鎮江優山美地花園項目)	No. 139,140,141 Guyang Road, Jingkou District, Zhenjiang, Jiangsu Province, the PRC	Commercial	Medium-term covenant	7,278	100%
Weihai					
Weihai Project (威海項目)	Block 1, No. 229, Rongshan Road, Chengshan, Rongcheng City, Weihai, Shandong Province, the PRC	Commercial	Medium-term covenant	6,472	100%
				255,230	

GFA of carparks is not included.

(c) *Green building services and entrusted construction services*

During the Period Under Review, the Group engaged in provision of technical design and consulting services, green management services and entrusted construction services in the PRC. During the Period Under Review, the revenue from both green building services and entrusted construction services was approximately RMBnil (six months ended 30 June 2023: RMB444,000).

Additional Information Required by the Listing Rules

(2) Tourism business

During the Period Under Review, the Group has 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, the Sheraton project in Australia and 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 lot is currently held for future development.

The Sheraton project is located in Port Douglas, Queensland, Australia, a globally renowned tourist resort. The project comprises the Sheraton Mirage Resort and the Golf Club and has a total of 295 guest rooms, 7 restaurants and bars, and an 18-hole golf course, with a total land lot site area of approximately 1,108,297 sq.m., and a total GFA of approximately 62,328 sq.m. As of the end of June 2024, the average room price was AUD394, with an occupancy rate of 46%.

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 sq.m. and a total GFA of approximately 81,380 sq.m. During the Period Under Review, the hotel's Building 9 (Dongshu Lou) and Building 6 (Nansheng Lou) floors have been put into full operation, while Building 7 (Qinyangzhai) and Building 8 (Beiji Lou) are not fully open yet. The project currently has a total of 272 guest rooms, 3 restaurants and 2 banquet halls. As of the end of June 2024, the average room price was approximately RMB648 (excluding tax) with an occupancy rate of approximately 80%.

Additional Information Required by the Listing Rules

(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 RMB 429,390,000 (six months ended 30 June 2023: RMB21,491,000). The increase in loss was mainly because in view of delayed repayments and continuous worsening financial status of certain borrowers or debtors, credit risk of certain financial assets increased since initial recognition. Accordingly, more impairment losses were recognised.

(a) Listed equity investments held for trading

The portfolio of listed equity investments of the Group held for trading as at 30 June 2024 and 31 December 2023 is set out as below:

	As at 30 June 2024 RMB'000	As at 31 December 2023 RMB'000
Hong Kong listed equities securities	**38,349**	27,236
Singapore listed equities securities	**684**	753
United States listed equities securities	**33,703**	–
	72,736	27,989

Notes:

(a) 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) During the Period Under Review, an unlisted equity investment of the Group returned certain capital invested by the Group by way of distribution in specie of ordinary shares of an entity listed in the United States with a market value of RMB50,643,000 at the date of distribution.

Additional Information Required by the Listing Rules

(b) Other investments

Apart from the above listed equity investments, the Group also held unlisted equity investments. Certain material unlisted equity investments of the Group classified as financial assets at fair value through other comprehensive income as at 30 June 2024 and 31 December 2023 are set out as below:

As at 30 June 2024

Name of investee	Cost of investment RMB'000	Carrying amount RMB'000	Unrealised holding gain/(loss) arising on revaluation for the period RMB'000	Realised gain/(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)* (浙江浙商產融投資合夥企業 (有限合夥) ("**Zheshang Fund**") *(Note 1)*	**2,000,000**	**1,025,000**	**(214,000)**	**–**	**–**
Jiangsu Minying Investment Holding Limited* (江蘇民營投資控股有限公司) ("**Jiangsu Investment**") *(Note 1)*	**400,000**	**203,400**	**(51,496)**	**–**	**–**
		1,228,400	**(265,496)**	**–**	**–**

Note:

1. Zheshang Fund and Jiangsu Investment are 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 2023

Name of investee	Cost of investment	Carrying amount	Unrealised holding gain/(loss) arising on revaluation for the year	Realised gain/(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	1,239,000	(302,019)	–	–
Jiangsu Investment	400,000	254,896	(74,169)	–	14,000
		1,493,896	(376,188)	–	14,000

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 investments 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 2024 and 31 December 2023, 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, education and others business

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 others segment was approximately RMB253,413,000 (six months ended 30 June 2023: RMB4,709,000).

Additional Information Required by the Listing Rules

(5) New Energy segment

a) Wind gear transmission equipment

As a leading enterprise of wind power gear transmission equipment in China, leveraging on its outstanding research, design and development capabilities, our product technology has reached an internationally advanced level, making the Group a leader in the offshore large-megawatt wind power gear transmission equipment product and technology. The wind gear transmission equipment products of the Group are widely applied in both onshore and offshore wind power, and new breakthroughs have been made in the offshore wind power business, with large megawatt offshore wind power gear transmission equipment products of 13.6MW-18MW being delivered to customers in bulk. The Group is fully aware that in the face of the increasingly fierce competition in the industry, adhering to a long-term perspective is a wise and stable strategic choice, and only through continuous innovation and research and development can we remain competitive in the future. To this end, relying on the StanGear and NGCWinGear product platforms and core technology platforms, we have rapidly iterated and optimized product design and have pursued closely core technologies such as computational analysis technology, intelligent manufacturing technology, material heat control technology, and experiment and testing technology, laying a solid technical foundation to cope with the development trend of large-scale, integrated and lightweight wind turbines. At the same time, keeping up with the new trend of market development, the Group has actively developed onshore and offshore large-megawatt wind power gear transmission equipment with integrated transmission chain, deeply integrated digital technology, built GearSight IoT cloud platform for gearbox health monitoring and diagnosis, and created a remote diagnosis center, realizing efficient management of the entire life cycle of wind power gear transmission equipment products.

Up to now, the Group has maintained a strong customer portfolio. The customers of our wind gear transmission equipment products include major wind turbine manufacturers in the PRC, as well as internationally renowned wind turbine manufacturers such as GE Renewable Energy, Siemens Gamesa Renewable Energy, Suzlon, Nordex, Adani, etc. Global market layout will facilitate diversification of operational risks. The Group also seeks to have closer communication, cooperation and development with existing and potential overseas customers through its subsidiaries in the United States, Canada, Germany, Singapore and India.

Additional Information Required by the Listing Rules

b) Industrial gear transmission equipment

The Group's industrial gear transmission equipment products are widely applied to customers in industries such as metallurgy, construction materials, rubber and plastic, petrochemical, aerospace, mining, ports and engineering machinery.

In recent years, the Group has always adhered to the strategy for green development of the industrial gear transmission equipment. With a focus on energy conservation, environmental protection and low carbon, as well as in-depth exploration in the transmission technology and extended driving technology, the Group has, under the iteration and upgrading of product technology in the field of heavy-duty transmission, developed standardized, modular and intelligent products which are internationally competitive and a electromechanical control integrated driving system with high efficiency, high reliability and low energy consumption. With "complete range, clear layers and precise subdivision" as our product positioning and market positioning, the Group was able to facilitate changes in sales strategies and production models, improve comprehensive competitiveness and further consolidate market advantages. 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 Company has established long-term cooperative relationships with many well-known domestic and foreign companies in the industry, such as the CRRC Group and the Alstom Group. The Group has obtained ISO/TS22163 Certificate for the Quality Management System of International Railway Industry, CRCC Certification for Railway Products for its rail transportation gear transmission equipment products and Silver Certificate for "IRIS" System, which has laid a solid foundation for further expansion in the international rail transportation market. Currently, the products have been successfully applied to rail transportation transmission equipment in many Chinese cities, such as Beijing, Shanghai, Shenzhen, Nanjing, Hong Kong and Taipei, and other countries and regions such as Singapore, India, Brazil, France, Canada, Australia and Egypt. With optimized gearbox design technology, excellent sealing technology and effective control of the production process, the Group's rail transportation gear transmission equipment products are more environmental friendly, and the products are well received by users.

Additional Information Required by the Listing Rules

d) Trading business

The trading business of the Group mainly comprises trading business of bulk commodities and trading business in steel industrial chain. The bulk commodity trading business mainly involves the procurement and wholesale of refined oil and electrolytic copper. The trading business in steel industrial chain mainly involves, among others, the procurement and wholesale of steel. During the Period under Review, the trading business of the Group focused on the bulk commodity trading business.

PROSPECT

In the second half of 2024, there are still uncertainties in the overall economic environment of the market. The Group will continue to maintain the stable development of each segment while paying attention to the market, especially major domestic high-quality healthcare projects, and invest with a cautious attitude in order to achieve a considerable comprehensive return. The Group will pay attention to and exit some low-return projects to improve the Group's business portfolio structure and cash flow. The Group firmly believes that a diversified business portfolio can bring sustainable and stable revenue, and that the synergies between the businesses will be fully utilised, thus laying a solid foundation for the Group's development.

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

Additional Information Required by the Listing Rules

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 the first half of 2024, the overall development of the real estate industry was not optimistic as it entered a trough period where property prices in the market continued to drop. Although local governments in various regions have loosened the restrictions on property purchase policies gradually, market response was not satisfactory. The real estate market was still under a very sluggish state.

Management's response: In 2024, the People's Bank of China and the National Financial Regulatory Administration issued a number of measures to support real estate financing, and financial and real estate policies are expected to be further relaxed. It is believed 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. 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 real estate market is seeing fierce competition in areas, including but not limited to service, quality, design, branding, cost control and environmental support. If competitors of the Group continue to improve their products, it may have a negative impact on the overall profitability of the Group.

Management's response: The Group will pay close attention to the policy information and the market environment, and adjust the progress of development and sales to enhance operational level while also reduce the risk of competition. The Group expects to continuously improve the quality of its products and services, and effectively expand the market demand for its products and services at the current stage of industry integration through accurate positioning and effective risk control.

Fluctuations in exchange rate

At present, the Group mainly takes RMB as its operating currency. 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. In 2024, RMB continued to depreciate. Therefore, 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 RMB876,344,000, or 8%, from approximately RMB11,551,515,000 for the Corresponding Period of 2023 to approximately RMB10,675,171,000 for the Period Under Review. The revenue and the changes for the Period Under Review and Corresponding Period of 2023 derived from different segments are listed as below:

Segment	**Period Under Review**	**Corresponding Period of 2023**	**Changes**	
	RMB'000	RMB'000	RMB'000	percentage
Properties	125,416	126,650	(1,234)	(1)%
Tourism	135,208	160,994	(25,786)	(16)%
Investment and financial services	1,440	1,567	(127)	(8)%
Healthcare and education and others	253,413	4,709	248,704	5,281%
New Energy	10,159,694	11,257,595	(1,097,901)	(10)%
Total Revenue	10,675,171	11,551,515	(876,344)	(8)%

The decrease of the revenue of the Group mainly derived from new energy segment which contributed the largest decrement to the revenue of Group amounting to approximately RMB1,097,901,000. It was mainly due to the decrease in deliveries of wind gear transmission equipment.

The revenue from healthcare, education and others segment increased sharply mainly because the Group carried out some commodities trading (mainly agricultural products) in the Period Under Review.

The revenue from tourism segment decreased by approximately RMB25,786,000. It is because the continuous bad weather in Queensland caused multiples landslides which resulted in some roads were blocked. Some tourists changed their travel plans. As a result, the revenue decreased in the Period Under Review.

Additional Information Required by the Listing Rules

Cost of sales and services

The cost of sales and services of the Group decreased by approximately RMB452,650,000, or 5%, from approximately RMB9,697,332,000 for the Corresponding Period of 2023 to approximately RMB9,244,682,000 for the Period Under Review. The cost and changes for the Period Under Review and Corresponding Period of 2023 derived from different segments are listed as below:

Segment	Period Under Review	Corresponding Period of 2023	Changes	
	RMB'000	RMB'000	RMB'000	percentage
Properties	59,764	44,592	15,172	34%
Tourism	121,677	137,620	(15,943)	(12)%
Investment and financial services	60	76	(16)	(21)%
Healthcare, education and others	251,199	3,170	248,029	7,824%
New energy	8,811,982	9,511,874	(699,892)	(7)%
Total cost	9,244,682	9,697,332	(452,650)	(5)%

The significant changes in cost of sales and services for healthcare, education and others segment and new energy segment were in line with movement of the respective revenue.

Gross profit and gross profit margin

The gross profit of the Group decreased by approximately RMB423,694,000, or 23%, from approximately RMB1,854,183,000 in the Corresponding Period of 2023 to approximately RMB1,430,489,000 for the Period Under Review. The gross profit margin decreased from 16% in the Corresponding Period of 2023 to 13% 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 RMB1,347,712,000 and 13% respectively. The gross profit and gross profit margin in the Corresponding Period of 2023 derived from new energy segment were RMB1,745,721,000 and 16% respectively. The decrease in gross profit of new energy segment was mainly due to the decrease in sales revenue. The decrease in gross profit margin of new energy segment was because of the decreased sales prices and increased unit costs.

Additional Information Required by the Listing Rules

Selling and distribution expenses

Selling and distribution expenses of the Group decreased by approximately RMB15,481,000, or 6%, from approximately RMB277,583,000 in the Corresponding Period of 2023 to approximately RMB262,102,000 for the Period Under Review. The selling and distribution expenses mainly comprised of product packaging expenses, transportation expenses and staff costs.

Administrative expenses

Administrative expenses of the Group decreased by approximately RMB110,005,000, or 21%, from approximately RMB522,780,000 in the Corresponding Period of 2023 to approximately RMB412,775,000 for the Period Under Review. The administrative expenses for the Period Under Review mainly included salaries and staff welfare, depreciation and amortisation of tangible and intangible assets. The significant decrease in the administrative expenses during the Period Under Review was mainly due to the provision for penalty for late payment of a loan on due date was made in the Corresponding Period of 2023. No such provision was made in the Period Under Review.

Research and development costs

Research and development costs of the Group decreased by approximately RMB49,244,000, or 11%, from approximately RMB459,359,000 in the Corresponding Period of 2023 to approximately RMB410,115,000 for the Period Under Review. The decrease in research and development costs was mainly due to decrease in efforts put on research and development of new products in new energy segment.

Net provision for impairment losses recognised on financial assets

A net provision for impairment losses recognised on financial assets of the Group in the Period Under Review increased by approximately RMB836,481,000 or 381%, from approximately RMB219,712,000 for the Corresponding Period of 2023 to approximately RMB1,056,193,000 for the Period Under Review. The impairment losses on trade, loans and other receivables recognised during the Period Under Review increased significantly was mainly due to (i) the receivables from trading business in new energy segment were adversely affected by unfavourable market factors, such as liquidity constraints in industrial chain, and (ii) the financial condition of certain borrowers exhibited a trend/sign of deterioration, which resulted in default in repayments in these receivables as at the end of the reporting period.

Additional Information Required by the Listing Rules

Other income

Other income increased by approximately RMB47,006,000, or 23%, from approximately RMB204,380,000 in the Corresponding Period of 2023 to approximately RMB251,386,000 for the Period Under Review. Other income for the Period Under Review mainly included bank and other interest income of approximately RMB73,836,000, government grants of approximately RMB90,319,000 and sales of scraps and materials of approximately RMB52,090,000. Other income in the Corresponding Period of 2023 mainly included bank and other interest income of approximately RMB78,329,000, government grants of approximately RMB39,802,000 and sales of scraps and materials of approximately RMB38,734,000.

Net fair value changes in financial instruments

The Group maintains its investment segment through possessing 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 RMB31,143,000 for the Period Under Review as compared to the gain on fair value change of RMB19,258,000 for the Corresponding Period of 2023. 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 fair value losses of investment properties of approximately RMB351,668,000 and impairment losses on property, plant and equipment of approximately RMB268,081,000. The decrease in the fair value of investment properties was in line with the worsening of the PRC property market while the impairment mainly related to a hotel operated in the PRC. In view of the negative impact brought by the economic downturn in the PRC, the management considered that the operating income generated from the hotel may not meet the expectation at the initial investment plan and there may be an indicator of impairment. Therefore, the management reassessed the recoverable amount of the hotel during the Period Under Review, and found that it was lower than its carrying value. Accordingly, impairment loss was recognised.

During the Corresponding Period of 2023, other gains mainly included the net foreign exchange gains of approximately RMB187,506,000.

Additional Information Required by the Listing Rules

Finance costs

Finance costs of the Group decreased by approximately RMB40,198,000, or 7%, from approximately RMB604,576,000 in the Corresponding Period of 2023 to approximately RMB564,378,000 for the Period Under Review, which was mainly due to the less average borrowing amount of the Group for the Period Under Review than in the Corresponding Period of 2023 and decrease in provision for default interests made for the failure to repay loans on due date.

Share of result of joint ventures and associates

The Group's share of losses from its joint ventures and associates amounted to approximately RMB39,322,000 for the Period Under Review as compared with share of profit of approximately RMB3,384,000 in the Corresponding Period of 2023. It was mainly due to the recognition of a loss on resumption of idle land held by an investee by the government during the Period Under Review.

Income tax credit/(expenses)

For the Period Under Review, the current tax expense and the deferred tax credit of the Group amounted to approximately RMB85,484,000 and RMB253,306,000 respectively, and in the Corresponding Period of 2023, the current tax expense and the deferred tax credit amounted to approximately RMB73,366,000 and RMB63,372,000 respectively.

The increase in current tax expense during the Period Under Review even though less profits was generated by new energy segment was because a relatively large over-provision of tax in respect of prior year was credited in the Corresponding Period of 2023. The increase in deferred tax credit during the Period Under Review was mainly due to the decrease in fair value of investment properties and recognition of impairment losses on certain receivables.

Loss for the Period Under Review

For the Period Under Review, the Group recorded a loss after tax of approximately RMB1,526,940,000 while in the Corresponding Period of 2023, the Group recorded a profit after tax of approximately RMB170,012,000. The loss made for Period Under Review was mainly because of the decrease in operating profits arising from new energy segment, increase in net provision for impairment losses recognised on financial assets, the impairment losses recognised for certain property, plant and equipment and decrease in fair value in investment properties.

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 2024, the Group had cash and cash equivalents (excluding the restricted cash) of approximately RMB5,220,635,000 (31 December 2023: RMB5,693,844,000), representing a decrease by approximately RMB473,209,000 or 8% as compared to 31 December 2023. 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 2024 and 31 December 2023, the debt profile of the Group was analysed as follows:

	As at 30 June 2024 RMB'000	As at 31 December 2023 RMB'000
Bank and other borrowings repayable:		
Within one year or on demand	**11,362,313**	9,702,996
Between one and two years	**1,724,789**	2,077,535
Between two to five years	**2,095,561**	1,479,027
Over five years	**1,038,876**	1,220,656
Total debts	**16,221,539**	14,480,214

As at 30 June 2024, the total debt of the Group increased by approximately 1,741,325,000 or 12%, as compared with 31 December 2023.

Leverage

The gearing ratio of the Group as at 30 June 2024, calculated as a ratio of the sum of bank and other borrowings to total assets, was approximately 29% (31 December 2023: 27%). The net equity of the Group as at 30 June 2024 was approximately RMB15,742,081,000 (31 December 2023: approximately RMB17,438,010,000).

Additional Information Required by the Listing Rules

As at 30 June 2024, the Group recorded total current assets of approximately RMB31,824,898,000 (31 December 2023: RMB31,263,965,000) and total current liabilities of approximately RMB31,911,654,000 (31 December 2023: RMB29,511,143,000). The current ratio of the Group, calculated by dividing total current assets by total current liabilities, was about 1 as at 30 June 2024 (31 December 2023: 1.1).

FOREIGN EXCHANGE EXPOSURE

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

TREASURY POLICIES

As at 30 June 2024, bank and other borrowings of approximately RMB15,453,230,000, RMB519,215,000, RMB6,515,000 and RMB242,579,000 were denominated in RMB, US dollars, Hong Kong dollars and Australia dollars respectively (31 December 2023: RMB13,721,973,000, RMB506,517,000, RMB6,347,000 and RMB245,377,000). The debts in various currencies were mainly made to finance the operation of Group's entities in different jurisdictions.

Bank and other borrowings of approximately RMB7,837,277,000 (31 December 2023: RMB6,431,602,000) were at fixed interest rates, the remaining balances were either at variable rates or non-interest bearing. Cash and cash equivalents held by the Group were mainly denominated in RMB, Hong Kong and Australia dollars. The Group currently does not have foreign exchange and interest rate hedging policies. However, the management of the Group monitors the foreign exchange and interest rate exposure from time to time and will consider hedging significant foreign exchange and interest rate exposure if needed.

PLEDGE OF ASSETS

Details of the Group's pledged assets as at 30 June 2024 are set out in note 26 to the interim condensed consolidated financial statements in this report.

Additional Information Required by the Listing Rules

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 2024 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 2024 are set out in note 24 to the interim condensed consolidated financial statements in this report.

SUBSEQUENT EVENTS

Details of the subsequent events of the Group are set out in note 28 to the interim condensed consolidated financial statements in this report. Save as disclosed therein, there has been no important events of the Group occurred since the end of the Period Under Review and up to the date of this report.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES OR JOINT VENTURES

The Group conducted the following material disposals during the Period Under Review:

The Group, through Five Seasons XVI Limited, a wholly-owned subsidiary of the Company, has disposed of an aggregate of 19,527,000 shares (the "**CHS Share(s)**") of CHS, a non-wholly owned subsidiary of the Company whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 00658), through the open market at an aggregate consideration of HK$67,670,720 (excluding transaction costs) during 12 December 2022 to 13 January 2023 (both days inclusive) (the "**Previous Disposal**").

Additional Information Required by the Listing Rules

On 28 December 2023, a disposal mandate (the "**Disposal Mandate**") has been granted by the shareholders of the Company to the Directors for the possible disposal (the "**Possible Disposal**") of up to 140,000,000 CHS Shares in the open market through the trading system of the Stock Exchange subject to certain parameters, including but not limited to, the minimum selling price, during a period of 12 months from 28 December 2023 to 27 December 2024 (the "**Mandate Period**").

The Possible Disposal alone or when aggregated with the Previous Disposal conducted in the previous 12-month period may constitute a major transaction of the Company under Chapter 14 of the Listing Rules. Upon completion of the Possible Disposal, CHS will continue to be a non-wholly owned subsidiary of the Company and its financial results will continue to be consolidated into the financial statements of the Group.

For the period from 1 January 2024 to 30 June 2024, the Group, through Five Seasons XVI Limited, disposed of an aggregate of 16,334,000 CHS Shares through the open market of the Stock Exchange at the aggregate consideration of HK$23,200,300 (excluding transaction costs). As at 30 June 2024, the Group held 1,171,241,693 CHS Shares, representing approximately 71.62% of the total issued share capital of CHS as at 30 June 2024.

Details of the Possible Disposal and Disposal Mandate were set out in the announcement of the Company dated 10 November 2023 and the circular of the Company dated 30 November 2023, respectively.

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

Additional Information Required by the Listing Rules

USE OF PROCEEDS

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

As disclosed in the 2023 annual report of the Company, HK$224.7 million has been utilised during the year ended 31 December 2022, and HK$70 million which was originally utilised as earnest money on an investment engaged in the e-commerce business will be refunded to the Company 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).

The amount of the net proceeds brought forward in the beginning of the Period Under Review was HK$70 million. The table below sets out the details of actual usage of the net proceeds during the Period Under Review:

	Amount of net proceeds brought forward in the beginning of the Period Under Review and the revised allocation of usage (HK$ million)	**Actual usage of net proceeds during the Period Under Review** (HK$ million)	**Unutilised net proceeds as of 30 June 2024** (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 2024
Total	70.0	–	70.0	

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) of the Group during the Period Under Review. As at 30 June 2024, the Company did not own any treasury shares.

EMPLOYEES

As at 30 June 2024, the Group had 8,729 employees (31 December 2023: 8,881 employees). The Group's total staff costs (including executive directors' remuneration) amounted to approximately RMB991,598,000 for the Period Under Review (for the six months ended 30 June 2023: approximately RMB977,956,000). 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 2024, 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 Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (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 2024, 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 percentage has been calculated based on 636,763,934 Shares in issue as at 30 June 2024.

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 2024.

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 2024, 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[5]		Approximate percentage of the total issued share capital of the Company[6]
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%
Mr. Jiang Xiao Heng Jason (姜孝恒)	Beneficial owner	39,400,000	(L)	6.19%
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. Lai Kar Yan (黎嘉恩)	Receiver[4]	97,600,000	(L)	15.33%
Mr. Chan Chi Chung (陳智聰)	Receiver[4]	97,600,000	(L)	15.33%

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. Mr. Lai Kar Yan (黎嘉恩) and Mr. Chan Chi Chung (陳智聰) held 97,600,000 Shares in the capacity of receiver. For details, please see the section headed "Directors' and Chief Executives' Interests in Shares, Underlying Shares and Debentures" of this report.

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

6. The percentage has been calculated based on 636,763,934 Shares in issue as at 30 June 2024.

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 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 2024.

Additional Information Required by the Listing Rules

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 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 2024, 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 2024, the Controlling Shareholders did not give any other non-competition undertaking to the Company.

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 2024, 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.

Additional Information Required by the Listing Rules

CONTINUING DISCLOSURE PURSUANT TO RULE 13.21 OF THE LISTING RULES

On 24 November 2020, the Company through its wholly owned subsidiary completed the acquisition of 80% equity interest in Tianjin Heheng Investment Development Co., Ltd.* (天津合恒投資發展有限公司) ("**Tianjin Heheng**") (the "**Acquisition**"). Upon completion of the Acquisition, Tianjin Heheng became a subsidiary of the Company.

A loan was provided by an asset management company (the "**Lender**") to Tianjin Heheng in an aggregate principal amount of RMB573,300,000 for the purpose of project development and construction and general working capital (the "**Loan**"). Upon completion of the Acquisition, the Loan became a loan extended to the Group. The Loan is secured by a pledge of 30,400,000 ordinary shares with a par value of HK$0.5 each in the issued share capital of the Company (the "**Pledged Shares**") created by Magnolia Wealth which was controlling shareholder (as defined under the Listing Rules) of the Company as at the date that Magnolia Wealth pledged the shares, in favour of the Lender. As at the date of this report, (i) Magnolia Wealth is no longer a controlling shareholder of the Company, it held 152,495,659 shares of the Company, representing approximately 23.95% of the issued share capital of the Company; and (ii) the Pledged Shares represent approximately 4.77% of the issued share capital of the Company.

DISCLOSURE PURSUANT TO RULE 13.51B(1) OF THE LISTING RULES

Ms. Du Wei, executive Director, entered into the renewal director's service agreement with the Company on 7 July 2024, pursuant to which, the service agreement may be terminated by either party at any time by giving the other party a prior notice of three months in writing and Ms. Du Wei is subject to retirement by rotation and re-election in accordance with the articles of association of the Company.

Save as disclosed above, there is no change in the information of the Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the Company's last published annual report.

Additional Information Required by the Listing Rules

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.

AUDIT COMMITTEE REVIEW

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

Additional Information Required by the Listing Rules

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its own code of conduct regarding the securities transactions by the Directors. All Directors have confirmed that, following a specific enquiry by the Company, they have complied with the required standard as set out in the Model Code throughout the Period Under Review.

By Order of the Board
Fullshare Holdings Limited
JI CHANGQUN
Chairman

Hong Kong, 30 August 2024

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*