



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

2025
Annual Report





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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Ji Changqun (*Chairman and CEO*)
Ms. Du Wei
Mr. Shen Chen
Mr. Ge Jinzhu

Independent Non-executive Directors

Mr. Lau Chi Keung
Mr. Tsang Sai Chung
Mr. Huang Shun

AUDITOR

Prism Hong Kong Limited
Certified Public Accountants
Registered Public Interest Entity Auditor
Units 1903A-1905, 19/F., 8 Observatory Road
Tsim Sha Tsui, Kowloon, Hong Kong

COMPANY SECRETARY

Ms. Seto Ying

AUTHORISED REPRESENTATIVES

Mr. Shen Chen
Ms. Seto Ying

AUDIT COMMITTEE

Mr. Huang Shun (*Chairman*)
Mr. Lau Chi Keung
Mr. Tsang Sai Chung

REMUNERATION COMMITTEE

Mr. Lau Chi Keung (*Chairman*)
Ms. Du Wei
Mr. Tsang Sai Chung

NOMINATION COMMITTEE

Mr. Ji Changqun (*Chairman*)
Ms. Du Wei (*appointed on 30 June 2025*)
Mr. Lau Chi Keung
Mr. Tsang Sai Chung
Mr. Huang Shun (*appointed on 30 June 2025*)

RISK MANAGEMENT COMMITTEE

Mr. Shen Chen (*Chairman*)
Mr. Ge Jinzhu
Mr. Tsang Sai Chung

ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

Ms. Du Wei (*Chairman*)
Mr. Shen Chen
Mr. Tsang Sai Chung

PRINCIPAL BANKERS

China CITIC Bank Corporation Limited
Bank of Communications Co., Ltd.
Industrial and Commercial Bank of China Limited
Bank of China (Hong Kong) Limited
Bank of Jiangsu Co., Ltd
Agricultural Bank of China Limited
China Merchants Bank Co., Ltd.

HONG KONG LEGAL ADVISER

YYC Legal LLP

REGISTERED OFFICE

Cricket Square
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Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

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United Centre
95 Queensway
Admiralty, Hong Kong

PRINCIPAL SHARE REGISTRAR

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Suite 3204, Unit 2A
Block 3, Building D
P.O. Box 1586
Gardenia Court, Camana Bay
Grand Cayman, KY1-1100
Cayman Islands

BRANCH SHARE REGISTRAR IN HONG KONG

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16 Harcourt Road
Hong Kong

WEBSITE

www.fullshare.com

STOCK CODE

00607

Biographical Details of Directors and Senior Management

DIRECTORS

Executive Directors

Mr. Ji Changqun (“Mr. Ji”), aged 57, was appointed as an executive director, the chief executive officer and the chairman of the board of directors (the **“Director(s)”**) of Fullshare Holdings Limited (the **“Company”**, together with its subsidiaries, the **“Group”**) on 12 December 2013. He is the chairman of nomination committee of the Company (the **“Nomination Committee”**). Mr. Ji is the sole director of Magnolia Wealth International Limited, a substantial shareholder of the Company. Mr. Ji is responsible for the Group’s strategic control, operation management, organization development and investment and financing management. Mr. Ji has over 17 years of management experience in the real estate industry in the People’s Republic of China (**“PRC”**). He was a director of certain subsidiaries of the Company. Mr. Ji studied the courses for postgraduates majoring in management science and engineering in Southeast University from September 2003 to September 2005. Mr. Ji obtained a master’s degree majoring in business administration from Macau University of Science and Technology in June 2006. Mr. Ji is a PRC senior engineer and senior economist. Mr. Ji holds a lot of social positions, including the chairman of Anhui Chamber of Commerce of Jiangsu Province (江蘇省安徽商會), and the honorary chairman of Singapore Chinese Medicine College, etc.

Ms. Du Wei (“Ms. Du”), aged 45, was appointed as an executive Director on 7 July 2018. She is the chairman of environmental, social and governance committee (the **“ESG Committee”**) and a member of Nomination Committee and remuneration committee (the **“Remuneration Committee”**) of the Company. Ms. Du is responsible for assisting the chief executive officer of the Company with the functional management and strategic planning relating to human resources of the Group and hosting general meetings and board meetings of the Company. Ms. Du obtained a bachelor of tourism management degree and a master of business administration degree from Nanjing Normal University, the PRC, in 2002 and 2014, respectively. Ms. Du has more than 23 years’ experience in human resources and administration management. From 2008 to 2012, Ms. Du worked in certain subsidiaries of Fullshare Group Limited as human resources and administration manager. From 2012 to August 2016, Ms. Du worked as the officer of chairman’s office and human resources director of Fullshare Group Limited. Since 1 September 2016, she has been and is currently an officer of the human resources management committee of the Company. Since 1 April 2018, Ms. Du has been appointed as the general manager of Fullshare Holdings (Singapore) Service Management Pte Ltd, a wholly-owned subsidiary of the Company. Ms. Du is also a director of certain subsidiaries of the Company.

Mr. Shen Chen (“Mr. Shen”), aged 54, was appointed as an executive Director on 23 October 2019. He is the chairman of the risk management committee (the **“Risk Management Committee”**) and a member of the ESG Committee of the Company. He joined the Group in November 2018 and was appointed as the financial controller of the Company in June 2019. Mr. Shen is responsible for the financial reporting and financial management of the Group and participates in investment decisions. He obtained a diploma in accounting from Nanjing Economic College (currently known as Nanjing University of Finance and Economics) in 1994 and obtained a bachelor degree in economic management from Correspondence Institute of the Party School of the Central Committee of the Communist Party of China* (中共中央黨校函授學院) in 2000. Mr. Shen holds the professional qualification of senior accountant. He was the financial controller of Nanjing JoyMain Science and Technology Development Co., Ltd.* (南京中脈科技發展有限公司) from August 1994 to July 2011. He was the vice president of Jiangsu Ruiheng Asset Management Co., Ltd.* (江蘇瑞恒資產管理有限公司) from July 2011 to April 2012. He was the financial controller of Nanjing Jiagong Industrial Group Co., Ltd.* (南京建工產業集團有限公司) (**“Nanjing Jiagong Industrial”**) and Fullshare Technology Group Limited* (豐盛科技集團有限公司) from April 2012 to May 2013. He was the financial controller of Fullshare Green Building Group Company Limited* (豐盛綠建集團有限公司) and Nanjing Fullshare Energy Science & Technology Company Limited* (南京豐盛新能源科技股份有限公司) from May 2013 to November 2018. Mr. Shen is a director of a wholly-owned subsidiary of the Company.



Biographical Details of Directors and Senior Management

Mr. Ge Jinzhu (“Mr. Ge”), aged 41, was appointed as an executive Director on 24 June 2022. He is a member of Risk Management Committee. He joined the Group in September 2020 and is the assistant to chief executive officer of the Company. He has over 10 years of internal control experience. Mr. Ge is responsible for assisting the chief executive officer of the Company with the designated projects, and assisting in functional management, including internal control related duties. He was the internal auditor of China Sunergy (Nanjing) Co., Ltd.* (中電電氣(南京)光伏有限公司) from August 2009 to May 2010. He successively served as audit supervisor, audit manager and senior audit manager of Nanjing Jiangong Industrial from June 2010 to August 2020. Mr. Ge obtained a bachelor’s degree in management from Xi’an University of Technology, China in 2006 and a master degree of business administration from Southeast University in 2025. He is a certified internal auditor of The Institute of Internal Auditors since 2011.

Independent Non-executive Directors

Mr. Lau Chi Keung (“Mr. Lau”), aged 77, was appointed as an independent non-executive Director on 12 December 2013. He is the chairman of Remuneration Committee and a member of Nomination Committee and audit committee (the “**Audit Committee**”) of the Company. Mr. Lau has over 51 years of management experience in the real estate industry in the PRC and in Hong Kong. Mr. Lau obtained a higher diploma majoring in surveying/building technology from Hong Kong Technical College (currently known as Hong Kong Polytechnic University) in 1970. Mr. Lau was admitted as a fellow member of each of the Hong Kong Institute of Surveyors and the Royal Institution of Chartered Surveyors respectively in 1987. Mr. Lau was appointed as a director of Henderson Investment Limited in 1995 and was appointed as a director of Henderson China Development Limited in 2005. Mr. Lau was an independent non-executive director of Novautek Technologies Group Limited (formerly known as Applied Development Holdings Limited) (“**Novautek**”) (stock code: 519), a company listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), from September 2016 to December 2021. Mr. Lau served in many social positions, including a member of the Construction Industry Training Authority, a member of the Disciplinary Panel of Hong Kong Institute of Surveyors, a member of the Appeal Tribunal Panel of Planning and Lands Branch, Development Bureau of Government Secretariat, a member of the Administrative Appeals Board from 2003 to 2009 and an external examiner of the University of Hong Kong – B.Sc. (Hons) Degree in Surveying from 1998 to 2001 and the Hong Kong Polytechnic University – B.Sc. (Hons) programme in Building Surveying from 2005 to 2007 respectively. Mr. Lau was awarded the titles of “Justice of the Peace” by the Hong Kong government in 2001 and “Medal of Honour” by the Hong Kong government in 2005.

Mr. Tsang Sai Chung (“Mr. Tsang”), aged 62, was appointed as an independent non-executive Director on 12 December 2013. He is a member of Audit Committee, Remuneration Committee, Nomination Committee, Risk Management Committee and ESG Committee. Mr. Tsang obtained a bachelor’s degree of arts from the University of Hong Kong and then later on completed the Postgraduate Certificate in Laws programme there. Mr. Tsang undertook his trainee programme and worked as an associate of Baker & McKenzie. He then moved to in house with various companies and worked as an executive director, general counsel and company secretary of HKC (Holdings) Limited, a company formerly listed on the Main Board of the Stock Exchange. Mr. Tsang was the general counsel and company secretary of Sa Sa International Holdings Limited (stock code: 178) and Pacific Century Premium Developments Limited (stock code: 432) respectively. Sa Sa International Holdings Limited and Pacific Century Premium Developments Limited are companies listed on the Main Board of the Stock Exchange.

Biographical Details of Directors and Senior Management

Mr. Huang Shun (formerly known as Mr. Huang Mingshun) (“**Mr. Huang**”), aged 52, was appointed as an independent non-executive Director on 30 December 2021. He is the chairman of Audit Committee and a member of Nomination Committee. He has over 20 years of accounting experience. Mr. Huang was the project manager in Nanjing Yongda Certified Public Accountants Co., Ltd.* (南京永達會計師事務所有限公司) from July 1998 to October 2003. He serves as the chairman and chief accountant of Jiangsu Verti-Hor Certified Public Accountants Co., Ltd. (江蘇縱橫會計師事務所有限公司) since November 2003. From August 2016 to June 2022, he was the independent non-executive director of Huitongda Network Co., Ltd. (stock code: 9878), a company listed on the Main Board of the Stock Exchange since March 2022. Mr. Huang obtained a bachelor’s degree in economic management in 1998 and a bachelor’s degree in law in 2003 from Nanjing University, the PRC, respectively. He has been a member of the Chinese Institute of Certified Public Accountants since 1999.

SENIOR MANAGEMENT

Mr. Shi Zhiqiang (“**Mr. Shi**”), aged 50, is the vice president of the Company. He joined the Company on 25 November 2013. Mr. Shi is responsible for commercial project management and assisting the chief executive officer of the Company with the special investment projects of the Group and other designated projects. Mr. Shi obtained a diploma majoring in financial accounting issued by the Township Enterprise Management Institution organised by the Department of Agriculture of the PRC, and completed the executive administration programme organised by Southeast University in 2015. Mr. Shi is a PRC accountant and an international certified internal auditor. Mr. Shi worked as the financial controller of Jiangsu Zhongda Communication Industry Co., Limited* (江蘇中大通信實業有限公司) from December 2004 to July 2005. Mr. Shi worked as the deputy manager of financial management department, audit manager, audit director and chief financial officer of Nanjing Jiangong Industrial from July 2005 to March 2011. Mr. Shi worked as a director of Nanjing Jiangong Industrial from June 2011 to April 2013 and the assistant to the chairman of Nanjing Jiangong Industrial from March 2011 to January 2013. Mr. Shi is also a director of a subsidiary of the Company. Mr. Shi was an executive Director of the Company from November 2013 to July 2018.

Mr. Wang Bo (“**Mr. Wang**”), aged 45, is the vice president of the Company. He joined the Company on 10 September 2014. Mr. Wang is responsible for investment, operation and management of education segment of the Group, and other designated projects. Mr. Wang obtained a Juris Doctor degree from Duke University, the United States of America in 2007, a bachelor of laws degree from Nanjing Economic College (currently known as Nanjing University of Finance and Economics) in 2001 and a master of laws degree from Nanjing University in 2004. He also obtained Legal Profession Qualification of PRC in 2002. Mr. Wang worked as an associate and a senior associate of King & Wood Mallesons from 2007 to 2010 and he worked at the Legal Department of DBS Bank (China) Limited Shanghai Branch from 2010 to 2011. Mr. Wang is also a director of certain subsidiaries of the Company. Mr. Wang was an executive director of the Company from September 2014 to October 2019. Mr. Wang was the chairman of the board and a non-executive director of Novautek (stock code: 519), a company listed on the Main Board of the Stock Exchange, during the period from September 2016 to December 2017. Mr. Wang has been appointed as an executive director of China High Speed Transmission Equipment Group Co., Ltd. (“**CHS**”) (stock code:658), a non-wholly owned subsidiary of the Company listed on the Main Board of the Stock Exchange, since 31 March 2026. From April 2017 to March 2018, Mr. Wang served as a director of Pok Oi Hospital and received a citation from the Secretary for Food and Health Bureau of the Hong Kong Special Administrative Region in March 2018.



Biographical Details of Directors and Senior Management

Mr. Wang was the sole shareholder, the director and the legal representative of Nanjing Mei Xun Industrial and Trade Co., Ltd.* (南京美迅工貿實業有限公司) (“**Nanjing Mei Xun**”), a company which was established in Nanjing in June 2004 and has remained dormant since then. The business licence of Nanjing Mei Xun was revoked by Nanjing Administration for Industry and Commerce due to its failure to participate in the annual inspection carried out by Xuanwu Branch of Nanjing Administration for Industry and Commerce for the year of 2010 within the prescribed time. To the best knowledge and belief of Mr. Wang, the local staff of Nanjing Mei Xun was responsible for handling daily operation including the annual inspection of Nanjing Mei Xun. Mr. Wang was not aware of any such information that the annual inspection had not been done by the local staff. To the best knowledge of Mr. Wang, Nanjing Mei Xun had not received any fine or penalty as a result of such revocation of business licence.

Ms. Seto Ying (“Ms. Seto”), aged 49, was appointed as the company secretary of the Company on 12 December 2013. Ms. Seto is responsible for the information disclosure management, investor relations and company secretarial matters of the Group. Ms. Seto obtained a bachelor’s degree majoring in business administration in accountancy from the Chinese University of Hong Kong in 1998. Ms. Seto is a fellow member of the Association of Chartered Certified Accountants, a member of the Hong Kong Institute of Certified Public Accountants and a member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute. Ms. Seto has more than 20 years of experience in the field of finance and company secretarial matters including working in an international accounting firm. Ms. Seto is a director of certain subsidiaries of the Company. She currently serves as the company secretary and chief financial controller of CHS.

* *For identification purpose only*





Chairman's Statement

The year of 2025 marked a pivotal year for Fullshare Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”). During this year, the Group’s corporate governance was exposed to significant challenges. However, with the strong support of its shareholders and the concerted efforts of all employees, the Group remained committed to its original aspirations and upheld its principles. Backed by various parties, corporate governance gradually returned to normal, and core operations maintained steady development. In the future, the Group will continue to strategically focus on the health industry, and maintain stable operations, continuously reduce costs and increase efficiency while advancing both asset-heavy and asset-light businesses.

In 2025, the Group’s principal businesses and core industries generally maintained operational stability through efforts to optimize the governance of core subsidiaries, improve internal organization and management, upgrade project operation capabilities and strengthen asset operation efficiency. In 2025, the Group’s revenue for the year was RMB20,364,482,000; profit for the year was RMB657,901,000; and as of 31 December 2025, total assets amounted to RMB46,114,547,000, representing an increase of 2.4% compared to the previous year.

The Group has always been concerned about the synergistic development of Chinese medicine and health with its own industry. In 2025, The Group entered into an in-depth cooperation with Nanjing University of Chinese Medicine, leveraging Fullshare Health College of Nanjing University of Chinese Medicine to establish a comprehensive talent development system. Through the entrusted operation and management services provided to the Nanjing University of Chinese Medicine Health City* (南京中醫藥大學健康城), and with the Traditional Chinese Medicine outpatient clinics as the core of its medical services, the Group has developed a health service and consumption model featuring “traditional Chinese medicine medical services as the foundation, non-drug therapies and wellness and rehabilitation as distinctive features, and healthy meals and residential travel as supporting offerings”. The project has brought together over 200 TCM specialists nationwide, serving approximately 350,000 to 400,000 persons annually.

In 2025, the commercial complexes operated by the Group performed steadily on various key operating indicators such as rental income, customer traffic and occupancy rate through regional business mix adjustments, optimisation of operating spaces and marketing support to merchants. Fullshare Grand Wuji Hotel continued to integrate its hospitality services with the culture of the health industry, while the Group’s Sheraton Resort in Australia recorded a steady increase in operating income.

Looking ahead to 2026, the market will not automatically become easier, but the Group will become better prepared. The Group will strengthen corporate governance to ensure the effective exercise of shareholders’ rights. We will enhance the corporate governance and internal control risk management of our subsidiaries, support its core teams in pursuing strategic planning in the big healthcare industry and international development in an open and prudent manner to ensure the sustainable development of the Group.



Chairman's Statement

The Group will continue to pursue the development direction of the big healthcare industry, adhering to the philosophy of “preventive treatment of disease”. By leveraging its existing advantageous industries and talent resources, the Group will explore new sustainable development projects in the fields of “traditional Chinese medicine, health and leisure, medical and health technology and health and wellness life”, with a view to achieving better returns. The Group considers that the traditional Chinese medicine industry has significant market potential and promising prospects. Leveraging the dual advantages of core expert resources and talent development through the Fullshare Health College and the Fullshare Health City, we will continue to deepen its cooperation with Nanjing University of Chinese Medicine. With offline venues such as the Fullshare Grand Wuji Hotel, the Group will introduce more distinctive wellness and rehabilitation service brands, explore additional cooperation models and implement health industry projects on the ground. In 2026, the Company will explore asset-light models, including cooperative operations between the Southern Traditional Chinese Medicine outpatient clinics and communities in first- and second-tier cities, as well as those in third- and fourth-tier cities. We will also seek to develop the supply chain business for pharmacy operations in regional urban centres. At the same time, the Group will strengthen its presence in overseas markets. Building on its existing businesses, the Group will expand its international footprint in Singapore, Australia and Hong Kong, while pursuing coordinated development with its domestic operations, with a view to achieving more sustainable investment returns.

Over the past year, the Company faced a complex internal and external environment. However, thanks to the trust and steadfast support of our shareholders, partners and all employees, the Company has achieved stable development. The Group deeply understands that trust must be met with action, that prudence is not conservatism, and that deep cultivation will eventually yield rewards. Looking ahead, the Group will continue to strengthen its corporate governance, uphold the philosophy of being “responsible and sustainable” and work together with customers and partners to create green and healthy products and industrial ecosystems. The Group will also actively create more channels for our shareholders to participate in corporate governance, jointly promoting the long-term sustainable development of the Company.

Ji Changqun

Chairman of the Board

Hong Kong, 17 June 2026

** For identification purpose only*



Management Discussion and Analysis

BUSINESS REVIEW

The revenue of Fullshare Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 December 2025 (the “**Year 2025**”) and year ended 31 December 2024 (the “**Year 2024**”), was derived from property, tourism, investment and financial services, healthcare and education and new energy businesses.

(1) Property business

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

Property investment

(i) *Investment properties held by the Group*

As at 31 December 2025, the investment properties of the Group included Wonder City* (虹悅城), Liuhe Happy Plaza Project* (六合歡樂廣場項目) and Weihai Project* (威海項目).

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

[#] GFA of carparks is not included



Management Discussion and Analysis

(ii) Investment properties leased by the Group

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

(2) Tourism business

During the Year 2025, the Group gradually developed its tourism business, with an industrial layout that combines investment and businesses and an integration of long-term and short-term initiatives. The tourism property projects currently being invested and held by the Group include the Laguna project and the Sheraton project in Australia. In addition, the Group also manages the Five Seasons Hotel project in Nanjing, the PRC.

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

The Sheraton project is located in Port Douglas, Queensland, Australia, a globally renowned tourist resort. The project comprises the Sheraton Mirage Resort and the Golf Club and has a total of 295 guest rooms, 7 restaurants and bars, and an 18-hole golf course, with a total land lot site area of approximately 1,108,297 sq.m., and a total GFA of approximately 62,328 sq.m. During the Year 2025, the average room price was AUD448.38, with an occupancy rate of approximately 65.6%.

Nanjing Five Seasons Hotel, the Group’s previous hotel property asset, has been leased to the Group by a former subsidiary for a lease term from March 2024 to February 2031 (“**Five Seasons Hotel Lease**”). Upon the disposal of the then subsidiary, the Group and the purchaser agreed to continue the existing lease arrangement under the Five Seasons Hotel Lease. Accordingly, the Group continue to manage the operation of the Nanjing Five Seasons Hotel. Nanjing Five Seasons Hotel is located in the Software Valley, Nanjing, Jiangsu Province, the PRC with a land lot site area of approximately 30,416.26 sq.m. and a total GFA of approximately 81,379.8 sq.m. During the Year 2025, the hotel’s Building 9 (Dongshu Lou), Building 6 (Nansheng Lou) and Building 8 (Beiji Lou) have been put into full operation, while Building 7 (Qinyangzhai) is not fully open yet. The project currently has a total of 272 guest rooms, 3 restaurants and 2 banquet halls. During the Year 2025, the average room price was approximately RMB659.25 (excluding tax) with an occupancy rate of approximately 81.23%.

Management Discussion and Analysis

(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 Year 2025, this segment recorded a profit of approximately RMB72,685,000 (2024: loss of RMB532,640,000). The profit derived during the Year 2025 was mainly due to the reversal of impairment loss on loan receivables and fair value gain recognised for certain investments while the significant loss incurred during the Year 2024 was mainly because in view of delayed repayments and continuous worsening financial status of certain borrowers or debtors, credit risks of certain financial assets increased since initial recognition. Accordingly, more impairment losses were recognised.

(a) Listed equity investments held for trading

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

	As at 31 December 2025 <i>RMB'000</i>	As at 31 December 2024 <i>RMB'000</i>
Hong Kong listed equities securities	2,247	26,973
Singapore listed equities securities	799	635
United States listed equities securities	9,644	19,503
	12,690	47,111

Note:

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

Management Discussion and Analysis

(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 31 December 2025 and 31 December 2024 are set out as below:

As at 31 December 2025

Name of investee	Cost of investment <i>RMB'000</i>	Carrying amount <i>RMB'000</i>	Unrealised holding loss arising on revaluation for the year <i>RMB'000</i>	Realised loss arising from the disposal for the year <i>RMB'000</i>	Dividend received/receivable for the year <i>RMB'000</i>
Zhejiang Zheshang Chanrong Investment Partnership (Limited Partnership)* ("Zheshang Fund") (浙江浙商產融投資合夥企業 (有限合夥) (Note 1))	2,000,000	1,197,000	(72,000)	-	-
Jiangsu Mingying Investment Holding Limited* ("Jiangsu Investment") (江蘇民營投資控股有限公司) (Note 1)	-	-	-	(98,300)	-
		1,197,000	(72,000)	(98,300)	-

Note:

- Zheshang Fund and Jiangsu Investment are primarily engaged in, among other things, equity and debt investment, investment management and investment consultation. During the Year 2025, Jiangsu Investment was derecognised upon disposal of a subsidiary.

As at 31 December 2024

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

Management Discussion and Analysis

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

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

(c) *Investment and financial related consulting services*

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

(4) Healthcare and education business and others

During the Year 2025, the Group continued to identify appropriate investment opportunities to inject new impetus for the sustainable development of healthcare, education and other businesses. The revenue of healthcare, education and other segment was approximately RMB55,993,000 (2024: RMB487,458,000).

(5) New Energy segment

(a) *Wind gear transmission equipment*

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



Management Discussion and Analysis

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 People's Republic of China (the “**PRC**”), as well as internationally renowned wind turbine manufacturers such as GE Vernova, Siemens Energy Wind Power, Nordex acciona and Suzlon, etc. The Group proactively expanded its overseas customer base. Leveraging the continuous expansion of domestic wind turbine manufacturers in overseas markets, the wind gear transmission equipment products of the Group further broadened the international market. 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 (the “**U.S.**”), Canada, Germany, Singapore and India.

(b) Industrial gear transmission equipment

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

In recent years, the Group has always adhered to the strategy for green development of industrial gear transmission equipment. With a focus on energy conservation, environmental protection and low carbon emission, as well as in-depth exploration in the transmission technology and extended driving technology, the Group has comprehensively advanced the technological iteration and upgraded traditional products. The Group actively explores innovative development of its industrial gear transmission equipment in new fields, new markets and new industries, empowered by new thinking, new technologies and new services. The Group's industrial gear transmission equipment business adheres to the operational concept of “preserving existing business, identifying growth opportunities and optimising structure”, with a focus on advancing sales from major customers, while actively expanding into emerging and overseas markets. Leveraging the three transformations strategy of “globalisation, high-end development and branding”, together with the brand strength of “Nanjing High Speed Gear”, the Group closely follows the “going global” strategy under the Belt and Road Initiative. Based on a “zero-defect” foundation, it implements the quality management principle of “getting it right the first time”, reshapes brand value, and vigorously enhances the influence and market share of its industrial gear transmission equipment products in overseas markets, thereby supporting the Group's gear transmission equipment business in embarking on a new stage of development. During the year, the Group showed a positive development trend in the fields of high-end equipment manufacturing and localisation of core equipment. With the international expansion of industrial gear transmission equipment products, the overseas market application of the Group's industrial gear transmission equipment products significantly increased. Meanwhile, the Group also strengthened its efforts to provide and sell the parts and components of relevant products as well as comprehensive system solutions to its customers, helping customers to enhance their current production efficiency and reduce energy consumption without increasing capital expenditure and satisfying the diverse and differentiated needs of customers, thereby maintaining the Group's position as a major supplier in the market of industrial gear transmission equipment products.



Management Discussion and Analysis

(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 and the Alstom. The Group has obtained ISO/TS 22163 Certificate for the Quality Management System of International Railway Industry and CRCC Certification for Railway Products for its rail transportation gear transmission equipment products, and has obtained "Silver" Certificate for IRIS System for four consecutive years, which has laid a solid foundation for further expansion in the international rail transportation market. Currently, the products have been successfully applied to rail transportation transmission equipment in many Chinese cities, such as Beijing, Shanghai, Shenzhen, Nanjing, Hong Kong and Taipei, as well as in numerous countries and regions worldwide, such as Singapore, India, Netherlands, France, Australia, Brazil, Argentina, Canada, Mexico, South Africa, Tunis and Egypt. With optimised gearbox design technology, excellent sealing technology and effective control of the production process, the Group's rail transportation gear transmission equipment products are more environmentally friendly, and the products are well received by users.

MATERIAL RISK WARNING

On 29 September 2024, the articles of association of Nanjing High Speed Gear Manufacturing Co., Ltd.* (南京高速齒輪製造有限公司) ("**Nanjing High Speed**") were changed, as the result of which China High Speed Transmission Equipment Group Co., Ltd. ("**CHS**") has lost its definite control over the board of Nanjing High Speed. Nanjing High Speed, principally engaged in the manufacturing and sales of wind and industrial gear transmission equipment, is the key subsidiary of the Group, which together with its own subsidiaries generated sales revenue of approximately RMB19,396.84 million for the Year 2025, amounting to over 98% of the total revenue of CHS and around 95% of the total revenue of the Group. The Company understands that Nanjing Gear Enterprise Management Co., Ltd.* (南京高齒企業管理有限公司) ("**Nanjing Gear Management**"), a wholly-owned subsidiary of CHS holding approximately 50.02% of equity interest of Nanjing High Speed has entered into an acting in concert agreement (the "**Concert Agreement**") with Jinhu Shifu Corporate Management Partnership (Limited Partnership)* (金湖釀福企業管理合夥企業(有限合夥)) ("**Jinhu LP**"), both being the shareholders of Nanjing High Speed, on the same date of the amendment of the articles of association of Nanjing High Speed. Pursuant to the Concert Agreement, Jinhu LP would procure the respective directors nominated by it to vote in the same manner as those nominated by Nanjing Gear Management in the board meetings of Nanjing High Speed. The Concert Agreement can however be terminated upon events such as Jinhu LP ceases to hold any shares in Nanjing High Speed (which CHS cannot control) or if Jinhu LP votes against (regardless of whether the relevant resolution is passed) any proposal to amend the articles of association of Nanjing High Speed. The articles of association of Nanjing High Speed will need to be amended if the directors nomination powers of shareholders (including those given to Jinhu LP) were to be changed, even if it is due to the change of any of the minority shareholders. While CHS may have control over Nanjing High Speed based the terms of the Concert Agreement and the amended articles of association of Nanjing High Speed together, it is obvious that CHS is exposed to the whim of Jinhu LP and the other minority shareholders that did not exist prior to the such amendment.



Management Discussion and Analysis

The Company has finally obtained a copy of the Concert Agreement in connection with the preparation of the Company's 2025 interim results and sought legal and other professional advisors' view over such an arrangement. The Board has good bases to believe that (i) pursuant to the amended articles of Nanjing High Speed and without the Concert Agreement, CHS does not have the right to appoint the majority of the members of the board of Nanjing High Speed or control a majority of the votes of its board members; and (ii) if the Concert Agreement is terminated, without any other arrangements or changes to the current situation, Nanjing High Speed will no longer be a subsidiary of the Company and the results of Nanjing High Speed will no longer be consolidated into the Company's consolidated financial statements. Therefore, the Company would like to draw highest attention to the risk that Nanjing High Speed will cease to be a subsidiary of the Company at any time. For details, please refer to the announcements of the Company dated 7 March 2025, 13 March 2025 and 31 March 2025 and the annual report of the Company for the year ended 31 December 2024.

All the then board members of CHS at the relevant time of articles of association of Nanjing High Speed have resigned. The Company has been kept in touch with the new board members of CHS and remind them to solve the relevant risk to both CHS and the Company arising from such change of articles of association of Nanjing High Speed.

PROSPECT

In 2026, 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 projects in healthcare segment, explore the asset-light model and invest with a cautious attitude in order to achieve a considerable comprehensive return. The Group will continue to pay attention to and exit some 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 corporate governance and internal control and risk management, control operational and financial risks and enhance its risk resistance capability.



Management Discussion and Analysis

FINANCIAL REVIEW

Revenue

The revenue of the Group decreased by approximately RMB2,783,434,000, or 12%, from approximately RMB23,147,916,000 for the Year 2024 to approximately RMB20,364,482,000 for the Year 2025. The revenue and the changes for the Year 2025 and Year 2024 derived from different segments are listed as below:

Segment	Year 2025	Year 2024	Changes	
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>percentage</i>
Properties	205,879	242,025	(36,146)	(15)%
Tourism	351,724	339,795	11,929	4%
Investment and financial services	16,548	3,168	13,380	422%
Healthcare, education and others	55,993	487,458	(431,465)	(89)%
New Energy	19,734,338	22,075,470	(2,341,132)	(11)%
Total Revenue	20,364,482	23,147,916	(2,783,434)	(12)%

The revenue from new energy segment decreased by approximately RMB2,341,132,000. It was mainly due to the suspension of the trading business in bulk commodity and steel industry chain carried out by new energy segment since November 2024, resulting in a significant drop of revenue from trading business during the Year 2025.

The revenue from healthcare, education and others segment decreased mainly because less commodities trading were carried out in the Year 2025.

Cost of sales and services

The cost of sales and services of the Group decreased by approximately RMB3,770,882,000, or 19%, from approximately RMB19,654,507,000 for the Year 2024 to approximately RMB15,883,625,000 for the Year 2025. The cost and the changes for the Year 2025 and Year 2024 derived from different segments are listed as below:

Segment	Year 2025	Year 2024	Changes	
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>percentage</i>
Properties	62,131	81,087	(18,956)	(23)%
Tourism	292,757	290,614	2,143	1%
Investment and financial services	5,802	135	5,667	4,198%
Healthcare, education and others	47,773	481,838	(434,065)	(90)%
New energy	15,475,162	18,800,833	(3,325,671)	(18)%
Total cost	15,883,625	19,654,507	(3,770,882)	(19)%



Management Discussion and Analysis

Gross profit and gross profit margin

The gross profit of the Group increased by approximately RMB987,448,000, or 28%, from approximately RMB3,493,409,000 in the Year 2024 to approximately RMB4,480,857,000 for the Year 2025. The gross profit margin increased from approximately 15% in the Year 2024 to 22% for the Year 2025. The gross profit of the Group was mainly derived from new energy segment. The gross profit and gross profit margin for the Year 2025 derived from new energy segment was approximately RMB4,259,176,000 and 22% (Year 2024: RMB3,274,637,000 and 15%) respectively. The increase in gross profit of new energy segment was mainly due to increase in gross profit generated from the wind and industrial gear transmission equipment, and the increase in gross profit margin was largely related to the result of suspension of trading business with a thin gross profit margin.

Selling and distribution expenses

Selling and distribution expenses of the Group increased by approximately RMB139,774,000, or 23%, from approximately RMB619,837,000 in the Year 2024 to approximately RMB759,611,000 for the Year 2025. The selling and distribution expenses mainly comprised of product packaging expenses, transportation expenses, staff costs and business expenses. The increase in selling and distribution expenses in the Year 2025 was mainly in line with the increase in sales of wind gear transmission equipment from new energy segment.

Administrative expenses

Administrative expenses of the Group increased by approximately RMB39,394,000, or 5%, from approximately RMB826,239,000 in the Year 2024 to approximately RMB865,633,000 for the Year 2025. The administrative expenses for the Year 2025 mainly included salaries and staff welfare, depreciation and amortisation of tangible and intangible assets. The increase in the administrative expenses during the Year 2025 was mainly due to the increase in professional fees of legal service and independent investigation, which was partly offset by cost reduction upon the disposal of certain operating subsidiaries in September 2024,

Research and development costs

Research and development costs of the Group increased by approximately RMB64,427,000, or 8%, from approximately RMB809,474,000 in the Year 2024 to approximately RMB873,901,000 for the Year 2025. The increase in research and development costs was mainly due to increase in efforts put on research and development of new products in new energy segment.

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

A net impairment loss on the financial assets and financial guarantee contracts of the Group in the Year 2025 decreased by approximately RMB125,961,000 or 22%, from approximately RMB569,840,000 for the Year 2024 to approximately RMB443,879,000 for the Year 2025. The impairment losses on consideration receivables and financial guarantee contracts during the Year 2025 were still significant because the financial condition of certain borrowers and counterparties exhibited a trend/sign of deterioration, which resulted in default in repayments in these receivables or respective loans covered by the guarantees provided by the Group as at the end of the reporting period.

Management Discussion and Analysis

Impairment losses on trade receivables and prepayments in relation to trading business included in new energy segment

During the Year 2024, CHS, a non-wholly owned subsidiary of the Company whose shares are listed on the Main Board of the Stock Exchange, recognised an impairment loss for certain trade receivables and prepayments from trading business in new energy segment in view of the deteriorated repayment records of certain customers. Subsequently, management of CHS identified some significant findings in relation to the trading business of certain of CHS's subsidiaries' and took legal and other actions. Based on the consequences of the recovery actions, management of CHS considered that the recoverability over the outstanding trade receivables and prepayments in relation to trading business are in doubt, and for prudent sake, a full impairment was recognised in the Year 2024. During the Year 2025, there was no material progress in recovering these balances and accordingly, no reversal of impairment losses was recognised for those trade receivables and prepayments.

Other income

Other income decreased by approximately RMB36,939,000, or 7%, from approximately RMB496,403,000 in the Year 2024 to approximately RMB459,464,000 for the Year 2025. Other income for the Year 2025 mainly included bank and other interest income of approximately RMB115,289,000, government grants of approximately RMB181,237,000 and sales of scraps and materials of approximately RMB109,342,000. Other income in the Year 2024 mainly included bank and other interest income of approximately RMB125,471,000, government grants of approximately RMB195,031,000 and sales of scraps and material of approximately RMB97,944,000.

Net fair value change in financial instruments

The Group maintains its investment segment through processing and investing in various investment and financial products for potential or strategic purposes. The Group recorded a loss on change in fair value of financial instruments of approximately RMB123,616,000 and RMB62,000,000 in the Year 2025 and Year 2024 respectively. The significant increase in fair value loss during the Year 2025 was mainly derived from three limited partnerships invested by new energy segment of which the fair value was dropped from RMB423,300,000 as at 31 December 2024 to RMB261,030,000 as at 31 December 2025. The fair value change mainly reflected the stock market volatility and change in the expectations on the financial status of investees.

Other losses, net

During the Year 2025, other gains mainly included gain on disposal of subsidiaries of approximately RMB105,656,000 which was offset by other losses which mainly included fair value losses of investment properties of approximately RMB39,488,000, impairment losses on property, plant and equipment of approximately RMB226,540,000 and exchange losses of approximately RMB62,603,000. The impairment losses on property, plant and equipment mainly related to plant and machinery used by the new energy segment. During the Year 2025, the Group conducted impairment assessment on recoverable amounts of certain plant and machinery for which the technical and economic performance were lower than expected. Based on the result of the assessment, the recoverable amounts were lower than the carrying amounts. Accordingly, impairment losses were recognised.



Management Discussion and Analysis

During the Year 2024, other gains mainly included net exchange gains of approximately RMB164,157,000. However, the other gains was offset by other losses which mainly included fair value losses of investment properties of approximately RMB444,344,000 and impairment losses on property, plant and equipment of approximately RMB228,184,000. 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 Year 2024, and found that it was lower than its carrying value. Accordingly, impairment loss was recognised.

Finance costs

Finance costs of the Group decreased by approximately RMB550,143,000, or 55%, from approximately RMB997,693,000 in the Year 2024 to approximately RMB447,550,000 for the Year 2025, which was mainly due to (i) the disposal of certain operating subsidiaries with heavy debts in September 2024 which led the average borrowing amount of the Group for the Year 2025 dropped significant when compared with that in the Year 2024; (ii) the absence of interest expenses on put option liabilities during the Year 2025, and (iii) a decrease in loan interest rates.

Share of result of joint ventures and associates

The Group's share of net losses from its joint ventures and associates amounted to approximately RMB175,874,000 (Year 2024: RMB67,191,000) The increase in share of losses was mainly due to the performances of certain investees being less satisfying during the Year 2025.

Income tax expense

For the Year 2025, the current tax expense and the deferred tax credit of the Group amounted to approximately RMB367,369,000 and RMB33,765,000 respectively, and in the Year 2024, the current tax expense and the deferred tax credit of the Group amounted to approximately RMB208,448,000 and RMB21,519,000 respectively. The increase in current tax expense in the Year 2025 was mainly because the increase in profits derived from new energy segment.

Profit for the Year 2025

In the Year 2025, the Group recorded a profit after tax of approximately RMB657,901,000 (Year 2024: loss of RMB7,325,350,000). The turnaround from significant loss to profit in the Year 2025 was mainly because the significant impairment losses of RMB6,628,646,000 recognised on trade receivables and prepayment in relation to trading business included in new energy segment in Year 2024 was an one-off in nature, and has no impact on the business operation of the Group in the Year 2025. Also, the decrease in finance costs and fair value losses of investment properties also contributed the improvement on financial result.

Management Discussion and Analysis

LIQUIDITY, FINANCIAL RESOURCES AND GEARING RATIO

For the Year 2025, the Group financed its operations and investments mainly by internally generated funds and debt financing.

Cash position

As at 31 December 2025, the Group had cash and cash equivalents (excluding the restricted cash) of approximately RMB5,789,852,000 (31 December 2024: RMB3,965,148,000), representing an increase by approximately RMB1,824,704,000 or 46% as compared to 31 December 2024. The Group's cash and cash equivalents remain stable. The Group regularly and closely monitors its funding and treasury position to meet the funding requirements of the Group.

Bank and other borrowings and corporate bonds

As at 31 December 2025, the debt profile of the Group was analysed as follows:

	As at 31 December 2025 <i>RMB'000</i>	As at 31 December 2024 <i>RMB'000</i>
Bank and other borrowings repayable:		
Within one year or on demand	6,838,187	6,359,850
Between one and two years	2,297,620	2,437,237
Between two to five years	2,337,453	2,326,768
Over five years	147,947	637,980
Total debts	11,621,207	11,761,835

As at 31 December 2025, the total debt of the Group decreased by approximately RMB140,628,000 or 1%, as compared with 31 December 2024.

Leverage

The gearing ratio of the Group as at 31 December 2025, calculated as a ratio of the sum of bank and other borrowings to total assets, was approximately 25% (31 December 2024: 26%). The net equity of the Group as at 31 December 2025 was approximately RMB15,173,306,000 (31 December 2024: approximately RMB14,603,575,000).

As at 31 December 2025, the Group recorded total current assets of approximately RMB27,289,063,000 (31 December 2024: RMB24,748,906,000) and total current liabilities of approximately RMB23,148,695,000 (31 December 2024: RMB22,092,483,000). The current ratio of the Group, calculated by dividing total current assets by total current liabilities, was about 1.2 as at 31 December 2025 (31 December 2024: 1.1).



Management Discussion and Analysis

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 31 December 2025, bank and other borrowings of approximately RMB10,878,786,000, RMB459,597,000, nil and RMB282,824,000 (31 December 2024: RMB11,010,298,000, RMB521,431,000, RMB6,579,000 and RMB223,527,000) were denominated in RMB, US dollars, Hong Kong dollars and Australia dollars respectively. The debts in various currencies were mainly made to finance the operation of Group's entities in different jurisdictions.

Bank and other borrowings of approximately RMB3,592,043,000 (31 December 2024: RMB4,661,763,000) were at fixed interest rates, the remaining balances were either at variable rates or non-interest bearing. Cash and cash equivalents held by the Group were mainly denominated in RMB, Hong Kong and Australia dollars. The Group currently does not have foreign exchange and interest rate hedging policies. However, the management of the Group monitors the foreign exchange and interest rate exposure from time to time and will consider hedging significant foreign exchange and interest rate exposure if needed.

PLEDGE OF ASSETS

Details of the Group's pledged assets as at 31 December 2025 are set out in note 48 to the consolidated financial statements in this annual report.

OPERATING SEGMENT INFORMATION

Details of the operating segment information of the Group for the Year 2025, are set out in note 6 to the consolidated financial statements in this annual report.

CAPITAL COMMITMENTS

Details of the capital commitments of the Group as at 31 December 2025 are set out in note 47 to the consolidated financial statements in this annual report.

CONTINGENT LIABILITIES AND FINANCIAL GUARANTEES CONTRACTS

Details of contingent liabilities and financial guarantees contracts of the Group as at 31 December 2025 are set out in note 46 and note 3 to the consolidated financial statements in this annual report respectively.



Management Discussion and Analysis

SUBSEQUENT EVENTS

Subscription of New Shares

References be made to the announcements of the Company dated 26 January 2026, 27 January 2026 and 16 March 2026. On 26 January 2026, the Company entered into subscription agreements (as revised and supplemented by supplemental agreements dated 27 January 2026) with each of Mr. Zhang Tao (張濤) and Mr. Zhang Zhongmin (張忠民) (the “**Subscribers**”), pursuant to which, each of the Subscribers conditionally agreed to subscribe for and the Company conditionally agreed to allot and issue 72,000,000 new shares and 55,000,000 new shares, respectively or a total of 127,000,000 new shares (the “**Subscription Share(s)**”) at a price of HK\$1.05 per Subscription Share (the “**Subscription**”) or a total of HK\$133,350,000. As at the date of this annual report, the Subscription has not yet completed.

Withdrawal of Requisitions of Extraordinary General Meeting of CHS

References be made to the announcements of the Company dated 7 March 2025, 13 March 2025, 24 March 2025, 16 September 2025 and 10 October 2025. Pursuant to the articles of association of CHS, requisition notices to convene extraordinary general meetings (the “**Requisitions**”) regarding the proposed agenda for the changes in the board composition of CHS were deposited at the principal office of CHS in Hong Kong on 14 March 2025 and 16 September 2025 by two shareholders of CHS, each being a wholly-owned subsidiary of the Company. Subsequently, as the aforesaid changes in the CHS board composition had been completed by 31 March 2026, the Company issued a letter to CHS on 16 April 2026 to withdraw the Requisitions.

As a result, CHS will not convene any of the requisitioned extraordinary general meetings, and the proposed resolutions set out in the Requisitions will not be put forward, as announced by CHS on 21 April 2026.

Legal Proceedings Update

Reference is made to the announcement of the Company dated 1 April 2025 (the “**Announcement**”) in relation to the legal proceedings commenced by CHS and certain of its subsidiaries (the “**Plaintiffs**”) against, amongst the other defendants, Mr. Ji Changqun (the Chairman and an executive Director), the Company, Five Seasons XVI Limited (“**Five Seasons**”, a wholly-owned subsidiary of the Company), Ms. Du Wei (an executive Director) and Mr. Ge Jinzhu (an executive Director).

On 28 April 2026, the High Court of Hong Kong issued an order in High Court Action No. 656 of 2025, following application by the Company and Five Seasons. Pursuant to the order, the Plaintiffs claims were stayed in favour of the courts of the People’s Republic of China. The Board considers this outcome consistent with the Company’s position that the dispute should be resolved in Mainland China. The Company maintains that the claims are without merit and will continue to take all necessary steps to safeguard the interests of the Company and its subsidiaries.



Management Discussion and Analysis

Financial guarantee given by CHS as a discloseable transaction and non-compliance with the Listing Rules

The board of directors of CHS informed the Company that, subsequent to the report period, it had identified a financial guarantee provided by CHS on 12 January 2016 in respect of a borrowing by Nanjing Yijing Optoelectronic Technology Company Limited* (南京依晶光電科技有限公司), as set out in note 3(iv) to the consolidated financial statements in this annual report. As at 31 December 2025, the guaranteed principal amount was RMB400 million and the accumulated interest under the guarantee was of approximately RMB276.7 million.

CHS's board confirms that, when the guarantee was provided, it constituted a discloseable transaction of CHS which was subject to the reporting and announcement requirements but was exempt from the shareholders' approval requirement under Chapter 14 of the then the Rules Governing the Listing of Securities (the "**Listing Rules**") on the Stock Exchange. However, CHS had not complied with such reporting and announcement requirements. Please refer to CHS's announcement of 12 June 2026 for more details.

As the guarantee was provided prior to CHS becoming a subsidiary of the Company, such provision did not constitute a discloseable transaction of the Company under the Listing Rules.

Save as disclosed above, there are no other material subsequent events occurred subsequent to 31 December 2025.

ADDITIONAL INFORMATION ON THE QUALIFIED OPINION

For the year ended 31 December 2025, the Company's auditor, Prism Hong Kong Limited (the "**Auditor**"), issued a qualified opinion (the "**Qualified Opinion**") on the consolidated financial statements. The Board and the Audit Committee have thoroughly reviewed the basis of the Qualified Opinion and have taken decisive governance interventions to address and resolve these legacy issues.

Details of the Qualified Opinion and Audit Modifications

The audit issues (the "**Audit Issues**") as described in the section of "Basis of Qualified Opinion" in the Independent Auditor's Report only relates to the business and operation of CHS, a listed subsidiary of the Company, which is managed and supervised by CHS's management

In view of the Audit Issues, the Company and its auditors have made various attempts to communicate with CHS and CHS's auditors in connection with the Audit Issues during the course of preparing the annual results and annual report of the Group for the year ended 31 December 2025. Based on communication with CHS's auditors, the Company's auditors noted from CHS's auditors that the reasons for qualified opinion are as follows:



Management Discussion and Analysis

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

The consolidated financial statements of the Group for the year ended 31 December 2024 were audited by another auditor whose report dated 31 March 2025 expressed a qualified opinion on those statements. The qualification was in respect of, among other things, the inability to obtain sufficient appropriate audit evidence regarding the trade receivables and prepayments and related impairment for purchases of bulk commodities arising from the trading business included in the new energy segment. As fully explained in note 45 to the consolidated financial statements, trade receivables and prepayments with gross balances amounted to RMB3,188,981,000 and RMB3,450,531,000 respectively, both of which were fully impaired during the year ended 31 December 2024. We have not been able to gather sufficient appropriate evidence from the conclusion formed by the initial investigation. As this scope limitation remained unresolved during our current year audit, we were unable to determine whether the corresponding figures for the year ended 31 December 2024 were free from material misstatements.

During the year ended 31 December 2025, no further transactions arising from the trading business and no further impairment losses were recognised for these balances. As we were still unable to perform effective audit procedures or obtain sufficient documents and explanations, we could not satisfy ourselves as to the nature, existence, accuracy, valuation and completeness of the gross amounts of these trade receivables and prepayments, nor could we verify the related accumulated impairment balances recorded in the consolidated statement of financial position as at 31 December 2025 and 2024.

As this scope limitation remained unresolved during annual audit for the year ended 31 December 2025, we were unable to carry out audit procedures necessary to satisfy ourselves that the disclosure of related party balances as at 31 December 2025 in Note 50 to the consolidated financial statements is complete and accurate.

(ii) Transactions under the engineering, procurement and construction (“EPC”) project included in the new energy segment

The consolidated financial statements of the Group for the year ended 31 December 2024 were audited by another auditor whose report dated 31 March 2025 expressed a qualified opinion on those statements. The qualification was in respect of, among other things, the inability to obtain sufficient appropriate audit evidence regarding the transactions under the Group’s EPC project included in the new energy segment.

As set out in Note 32a to the consolidated financial statements, the Group acts as the main contractor of the EPC project. The predecessor auditor also expressed a qualified opinion regarding this matter in the prior year. As at 31 December 2025, advance receipts from the customer for the EPC project of RMB467,760,000 were recognised as contract liabilities, and the corresponding payments to subcontractors of RMB297,212,000 and RMB997,721,000 were recognised as prepayments and inventories respectively and no related revenue or costs were recognised in profit or loss during the year ended 31 December 2025. During the year ended 31 December 2025 and up to the date of this report the management is still in discussion with the relevant parties (including but not limited to customer and subcontractors) involved in the EPC project and still ongoing, accordingly, the management was unable to provide sufficient information to substantiate the progress of the EPC project and subcontracting costs incurred by subcontractors up to 31 December 2025. We were unable to obtain sufficient appropriate evidence about the accuracy, valuation and completeness of the contract liabilities and of the gross carrying amounts of the prepayments and inventories in relation to the EPC project as at 31 December 2025 and 2024 and accordingly we were unable to determine whether any revenue and subcontracting costs in relation to the EPC project should be recognised in the profit or loss for the year ended 31 December 2025 and 2024.



Management Discussion and Analysis

As we were unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to whether the prepayments, inventories and contract liabilities related to the EPC project were free from material misstatements as at 31 December 2025 and 2024. Any adjustments found to be necessary to these amounts would have a consequential effect on the Group's net assets as at 31 December 2025, the corresponding figures for the years ended 31 December 2024, and the related disclosures in the consolidated financial statements.

(iii) Financial assets at fair value through profit or loss

The consolidated financial statements of the Group for the year ended 31 December 2024 were audited by another auditor whose report dated 31 March 2025 expressed a qualified opinion on those statements. The qualification of financial assets at fair value through profit or loss was in respect of the inability to obtain access to certain financial information of three limited partnerships, in which the Group's equity investments were recorded as financial assets at fair value through profit or loss (the "Equity Investments") details of which are set out in Note 26(ii). As at 31 December 2024, the Equity Investments were recognised at a carrying value of RMB423,300,000 in the aggregate. Due to insufficient information, the predecessor auditor was unable to determine whether the carrying amount of the Equity Investments as at 31 December 2024 and the corresponding gain from fair value changes for the year then ended were free from material misstatements.

The above matter was resolved as at 31 December 2025 and loss from fair value changes of RMB162,270,000 was recognised during the year ended 31 December 2025 with carrying amount of RMB261,030,000 as at 31 December 2025. However, for the fair value measurement as at 31 December 2024 we were unable to obtain sufficient appropriate audit evidence to determine whether the opening balances of the Equity Investments as at 1 January 2025 and movements of the Equity Investments were free from material misstatement. Any adjustments found to be necessary to the opening balance of the Equity Investments would have a consequential effect on the related gain or loss on fair value changes and the Group's results for the year ended 31 December 2025, and the corresponding figures for the year ended 31 December 2024.

The Company and Audit Committee's view on the Qualified Opinion

Reference is made to the section headed "The Company and Audit Committee's view on the Qualified Opinion" in the annual results announcement of CHS dated 17 June 2026 (the "CHS Annual Results Announcement"). In summary, to address the issues and/or qualification of CHS's auditor:

- CHS's management acknowledges the lack of sufficient audit evidence for certain transactions and balances (including trade receivables and prepayments) due to historical limitations in obtaining complete underlying documentation. CHS's management is facilitating a follow-up third-party independent investigation due to the significant limitations in the previous investigation;
- CHS's management will continue to use all reasonable efforts to verify and reconcile the accounts regarding the EPC project undertaken by Nanjing Drive with the project owner and sub-contractors. CHS's management will also continue to engage in active negotiations with the relevant subcontractors and achieve certain positive progress and pursue all available legal and commercial actions to obtain the requisite financial data, progress reports and cost reconciliations; and
- Regarding the equity investments in three unlisted limited partnerships, while CHS's management has successfully obtained the financial data of these partnerships as at 31 December 2025.



Management Discussion and Analysis

The management of the Company and the Audit Committee have reviewed the audit issues, the position of CHS's management and the basis for major judgmental areas. Considering that the audit issues arose solely from CHS, the management of the Company and the Audit Committee concur with CHS's management and the Company's auditor. The Company will work cohesively with CHS's management and the Company's auditor in order to resolve the historical audit issues in a timely manner.

Further details of CHS's views and actions are set out in the CHS Annual Results Announcement and the annual report of CHS for the year ended 31 December 2025.

The Company's action plan to address the audit issues

Following the successful restructuring of the board of directors of CHS in the first quarter of 2026, the Company has a closer collaboration with the current board of CHS. The Company will continuously oversee the implementation of enhanced internal control measures at CHS to prevent the recurrence of similar historical limitations and ensure robust corporate governance across the Group. The Company is confident that, through the unified efforts of the Group's management, the historical audit issues will be effectively addressed in due course.

MATERIAL ACQUISITION AND DISPOSAL

The Group conducted the following material disposal in the Year 2025:

On 14 November 2025, Five Seasons VI (D) Pty. Ltd. (the "**Vendor**", a wholly-owned subsidiary of the Company) entered into an agreement with Talga Solutions Pty Ltd (the "**Purchaser**"), pursuant to which the Vendor has agreed to sell, and the Purchaser has agreed to purchase, the plot of land located at Port Douglas Road, Port Douglas, Queensland, Australia, for a total consideration of AUD\$5,000,000 (equivalent to approximately RMB23,271,800) (the "**Disposal**"). The Disposal has not yet completed as at the date of this annual report.

Details of the Disposal were set out in the announcement of the Company dated 14 November 2025.

In the Year 2025, 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 material investment or capital assets, or acquisition for major capital assets or other businesses. However, the Group will continue to identify new opportunities for business development.

DIVIDEND

The Board has resolved not to declare a dividend for the year ended 31 December 2025.

EMPLOYEES

As at 31 December 2025, the Group had 9,077 employees (31 December 2024: 8,807 employees). The Group's total staff costs (including executive directors' remuneration) amounted to approximately RMB2,270,916,000 in the Year 2025 (Year 2024: approximately RMB2,236,534,000). 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.

* For identification purpose only



Corporate Governance Report

CORPORATE GOVERNANCE CODE

Fullshare Holdings Limited (the “**Company**” or “**Fullshare**”) is committed to maintaining a high standard of corporate governance. The board (the “**Board**”) of directors (the “**Director(s)**”) of the Company believes that a high standard of corporate governance provides a framework and solid foundation for the Company and its subsidiaries (collectively the “**Group**”) to manage business risks, enhance transparency, maintain a high standard of accountability and protect interests of the shareholders (the “**Shareholder(s)**”) and other stakeholders of the Company.

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 Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) during the year ended 31 December 2025 (the “**Year 2025**”) except 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 Year 2025, the positions of chairman and chief executive officer (the “**CEO**”) of the Company were held by Mr. Ji Changqun. The Board believes that the holding of both positions of chairman and CEO by the same individual allows more effective planning and execution of business strategies. In addition, the Board is of the view that the balanced composition of the executive and independent non-executive Directors on the Board and the various committees of the Board in overseeing different aspects of the Company’s affairs would provide adequate safeguards to ensure a balance of power and authority. The Board will review regularly to ensure that this structure will not impair the balance of power and authority between the Board and the management of the Group.

The Board has formulated and adopted guidelines, policies and procedures such as the code of conduct regarding the securities transactions by the Directors, terms of reference for board committees, board diversity policy and shareholders’ communication policy to support the Group’s corporate governance framework. These policies and procedures enable the Company to follow and apply the principles of the CG Code. These documents are reviewed from time to time by the Board and the relevant board committees and are updated in line with the applicable legislations and rules as well as the current market practices.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding the securities transactions by the Directors and certain employees of the Company or any of its subsidiaries who are likely to be in possession of inside information of the Company. All Directors have confirmed, following a specific enquiry by the Company, that they have complied with the required standard as set out in the Model Code throughout the Year 2025.

Corporate Governance Report

THE BOARD

The Board currently consists of a total of seven Directors, comprising four executive Directors and three independent non-executive Directors (the “INED(s)”). The composition of the Board during the year and up to the date of this report is set out as follows:

Name of Director	Length of Tenure as at 31 December 2025 (Approximately)	Date of Appointment of the Current Period of Appointment
Executive Directors		
Mr. Ji Changqun (<i>Chairman and CEO</i>)	12 years	12 December 2013
Ms. Du Wei	7 years	7 July 2018
Mr. Shen Chen	6 years	23 October 2019
Mr. Ge Jinzhu	3 years	24 June 2022
INEDs		
Mr. Lau Chi Keung	12 years	12 December 2013
Mr. Tsang Sai Chung	12 years	12 December 2013
Mr. Huang Shun	4 years	30 December 2021

There is no financial, business, family or other material/relevant relationship among the members of the Board.

Throughout the year and up to the date of this report, the Company has complied with the requirements under Rules 3.10 and 3.10A of the Listing Rules that require every board of directors of a listed issuer to include at least three INEDs representing at least one-third of the board, and at least one of the INEDs must have appropriate professional qualifications or accounting or related financial management expertise.

For an INED to be considered independent, the Board must determine that the INED does not have any direct or indirect material relationship with the Group. The Board follows the requirements set out in the Listing Rules to determine the independence of the INEDs. The Board has received from each INED an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules and considers all INEDs are independent.

There is no specific term of office of Mr. Lau Chi Keung, Mr. Tsang Sai Chung and Mr. Huang Shun, all INEDs. All of them are subject to the requirement of retirement by rotation in accordance with the articles of association of the Company (the “**Articles of Association**”).

According to the Articles of Association, at each annual general meeting of the Company (the “**AGM**”), one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation. Every Director shall be subject to retirement by rotation at least once every three years.

The Company provides Directors with directors’ liability insurance in respect of relevant legal actions against the Directors.



Corporate Governance Report

Corporate Culture

Fullshare is a comprehensive health lifestyle service provider. Our vision is “Build Healthy Fullshare” and healthcare is the direction for the Company’s future development. Fullshare has built a healthcare industry platform to improve people’s quality of life in all aspects including medical care, food, housing and transportation (travel) through green energy environment, green buildings, traditional Chinese medical healthcare services, healthcare products, and wellness tourism. We adhere to the following four core values and consistently implement the belief of “healthy employee, healthy career, healthy enterprise and healthy society”, and are committed to becoming a responsible social citizen and creating maximum and sustainable interests for Shareholders.

1. Continuous optimization of customer experience – strive to provide the most attentive and high-quality services and products to customers in all business segments; make use of innovative technology with a view to providing customers with better services and product experience.
2. Co-creation and sharing – the Company has always pursued the concept of “co-creation and sharing”, working with employees and partners to create a prosperous business of the Company and share the fruitful results of development.
3. Contributions to community – support different needs of all sectors of the society and make community investments in different areas, hoping to inject more positive energy into the society.
4. Compliance with laws and regulations – act prudently by strictly abiding by laws and regulations and the Group’s internal systems.

The Board leads and defines the Group’s purpose, values and strategic direction, and focuses on promoting a culture of vision and efficiency. The Board is committed to ensuring that the above-mentioned core values are jointly implemented by everyone within the Group, making them the foundation of our corporate culture, and allowing the above-mentioned purposes, culture and values to be implemented in all business areas.

The Company’s culture has been consistently established and reflected in the Group’s operating practices, internal policies and practices and relationships with stakeholders, including but not limited to the following policies and practices:

- Employee code of conduct
- Whistleblowing policy
- Remuneration policy
- Shareholder Communications Policy
- Environmental, Social and Governance (“ESG”) Policy

Through incentive system, evaluation and feedback system, the Company ensures that employees at all levels understand and recognize the culture and values that the Group hopes to establish to promote the establishment of a good corporate culture.



Corporate Governance Report

Board Independence

The Company strives to build an effective Board, whose capability is appropriate for the scale, complexity and strategic positioning of our business, in particular, the board independence is crucial to the goal. The Company has established mechanisms to ensure independent views and input are available to the Board and the implementation and effectiveness of such mechanisms will be reviewed annually. The nomination committee (the “**Nomination Committee**”) of the Board has reviewed the implementation and effectiveness of the following mechanisms:

(a) Composition of the Board and Board committees

Three out of the seven Directors are INEDs, which meets the requirement of the Listing Rules that at least one-third of the Board are independent non-executive directors. Besides, independence element also exists among the Board committees, for instance, (i) each of the audit committee (the “**Audit Committee**”) and remuneration committee (the “**Remuneration Committee**”) of the Board is chaired by an INED and the majority of members of which are INEDs; (ii) the majority members of the Nomination Committee are INEDs; and (iii) one INED is a member of each of the risk management committee (the “**Risk Management Committee**”) and the environmental, social and governance committee (the “**ESG Committee**”) of the Board. The strong independence element on the Board provides independent and objective oversight on strategic issues and performance matters.

(b) Time Commitment of Directors

All Directors (including the INEDs) have demonstrated a strong commitment to the Board affairs and they are well aware that they are expected to have a sufficient time and attention commitment to the Board, which can be demonstrated by the attendance record of various board/committee meetings as set out in the section “The Board” of this report. An annual confirmation has been provided by each of the Directors (including the INEDs) that they would be able to and would have capacity to devote sufficient time for the discharge of the functions and responsibilities as a Director. In addition, all Directors (including the INEDs) also disclose to the Company annually the number, identity and nature of offices held in Hong Kong or overseas listed public companies and organisations and other significant commitments, so that the Company can evaluate whether each Director (including the INEDs) can devote sufficient time to the Company.



Corporate Governance Report

(c) Contributions of the INEDs

The INEDs have following expertise and experience present in one or more of them:

- significant board, financial and general management experience across a range of sectors and knowledge of corporate governance issues;
- in-depth and up-to-date knowledge of the global markets and economic, political and regulatory development;
- extensive experience and qualification in accounting, surveying, legal and/or compliance;
- deep knowledge of commercial expertise; and
- alert of corporate social responsibility issues.

All of them have a wealth of experience in diverse fields and possess the requisite upright character, integrity and business insight for the proper discharge of their duties as independent directors. In pursuit of the Group's objectives and business endeavors, by offering independent and constructive advice, they provide valuable contributions and insights to the Board and instill integrity into every aspect of our business which is also aligned to our values. Their considerable pool of knowledge, experience, skills and expertise are crucial to the Board's deliberations. They have given the Board and the committees on which they serve the benefit of their skills, expertise and varied backgrounds and qualifications through active participation.

(d) Independent Professional Advice

According to the terms of reference of each of the Board committees, the Board committees shall be provided with sufficient resources to perform their duties and they are authorised by the Board to seek independent professional advice at the Company's expense to perform their responsibilities as they shall deem appropriate. On the other hand, the Company has already engaged different kinds of retainer professional services in order to provide support to the Directors to discharge their duties.

The Board considered that such mechanism was properly implemented during the Year 2025 and was effective.

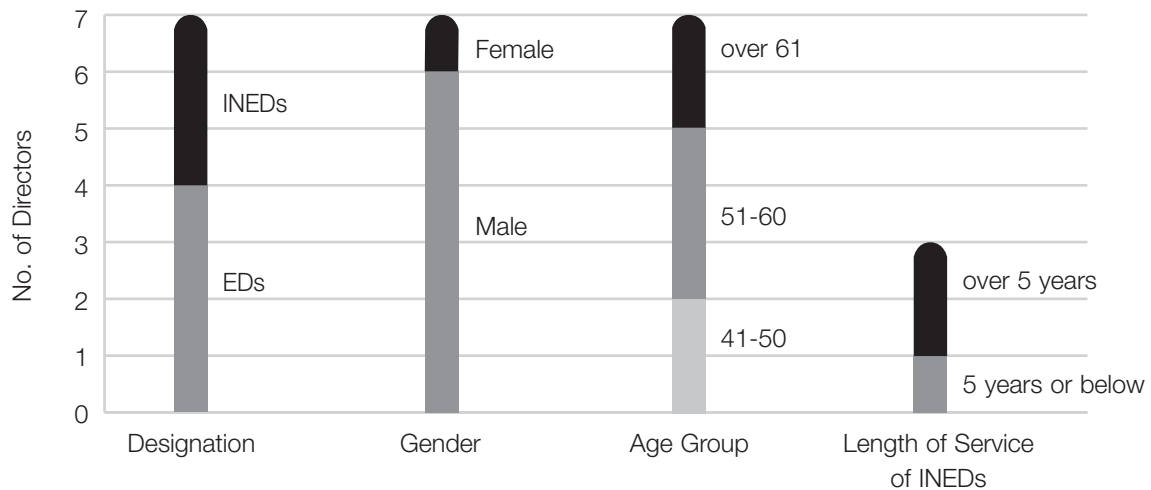
Board Diversity

The Board has adopted the board diversity policy (the "**Board Diversity Policy**") on 1 September 2013, and subsequently updated on 1 January 2019 and 30 June 2025, which sets out the approach to achieve diversity of the Board. The Board Diversity Policy is available on the websites of the Stock Exchange and the Company. The Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance. When determining the composition of the Board, the Company will consider board diversity in terms of, among other things, gender, age, experience, cultural and educational background, expertise, skills and know-how. All Board appointments will be based on merits, and candidates will be considered against objective criteria, having due regard for the benefits of diversity of the Board.

Corporate Governance Report

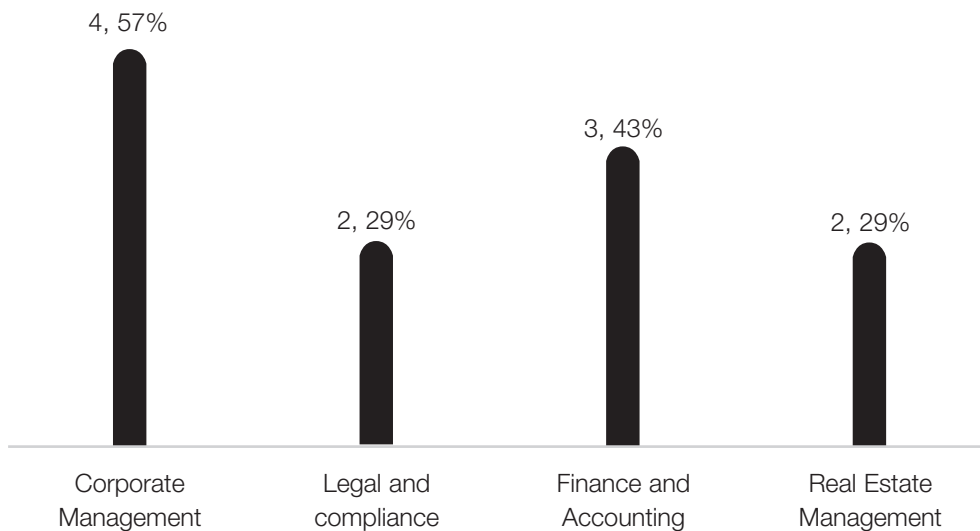
The current Board composition reflects diverse mix of professional knowledge, industry experience and length of service. The Board currently has 1 female Director and the Nomination Committee considers that gender diversity of the Board has been achieved during the Year 2025. The Board targets to maintain at least the current level of female representation, and will take opportunities to promote gender diversity and increase the proportion of female members over time as and when suitable candidates are identified. The diversity mix of the Board as at 31 December 2025 is summarised in the following charts:

Diversity mix of the Board



ED – Executive Director
 INED – Independent Non-executive Director

Professional Experience



The Nomination Committee has reviewed the Board Diversity Policy to ensure the effectiveness and implementation of the same during the Year 2025. The Nomination Committee considers that the current Board composition has provided the Company with a good balance and diversity of skill and experience appropriate for the business of the Company.



Corporate Governance Report

Workforce Diversity

The Company recognises that employees are valuable assets to the Group and is committed to implementing equal opportunity employment practices. The Board has adopted the workforce diversity policy on 30 June 2025, which is published on the Company's website, to provide guidance in creating a diverse, inclusive and supportive working environment for its employees.

As at 31 December 2025, the Group had 9,077 employees, including 8,310 employees from China High Speed Transmission Equipment Group Co., Ltd ("**CHS**") (stock code: 00658), a non-wholly owned listed subsidiary of the Company. In respect of senior management, approximately 33% (as at 31 December 2024: 25%) of the Group (excluding CHS) was female and 0% (as at 31 December 2024: 0%) of CHS alone was female. In respect of the workforce (excluding senior management), approximately 49% (as at 31 December 2024: 46%) of the Group (excluding CHS) was female and approximately 7% (as at 31 December 2024: 8%) of CHS alone was female. Having considered that (a) one of the principal activities of CHS is the development and manufacturing of mechanical transmission equipment, which is a traditional male dominated industry; and (b) the total number of employees of CHS is more than the Group (excluding CHS) significantly, accordingly, in order to present a reasonable calculation result of the gender ratio of the workforce of two respective listed companies, the gender ratio of the Group (excluding CHS) and CHS are calculated separately. As approximately 49% of our workforce (excluding the senior management) (excluding CHS) is female, the Company plans to maintain similar level of female representation over the next three years or increase female representation where appropriate. In order to promote gender diversity among the senior management, gender diversity will be taken into account during the staff promotion and recruitment, however, this may be mitigated since individual performance and ability always outweigh the others in a number of factors.

Board Proceeding

The Board is responsible for formulating overall strategies, approving and monitoring the Group's policies and business plans, evaluating the performance of the Group and supervising the work of management. It delegates day-to-day operations and administration of the Company to the management within the control and authority set by the Board. These delegations are reviewed periodically to ensure their continued appropriateness. The Board is regularly provided with management report to give a balanced and understandable assessment of the performance, position, recent development and prospect of the Group in sufficient details. In addition, the Board has also delegated various responsibilities to the Audit Committee, Remuneration Committee, Nomination Committee, Risk Management Committee and ESG Committee. Further details of these committees are set out below in this report.



Corporate Governance Report

During the Year 2025, eight Board meetings were held and the chairman of the Board held a meeting with the INEDs without the presence of other executive Directors. The attendance records of each Director at the meetings of the Board, Audit Committee, Remuneration Committee, Nomination Committee, Risk Management Committee, ESG Committee and general meetings of the Company during the Year 2025 are set out below:

Name of Directors	Attendance/number of meetings held during the Year 2025							
	Board	Audit Committee	Remuneration Committee	Nomination Committee	Risk Management Committee	ESG Committee	General Meetings	Chairman with INEDs Meeting
Executive Directors								
Mr. Ji Changqun	8/8	n/a	n/a	1/1	n/a	n/a	2/2	1/1
Ms. Du Wei (note)	8/8	n/a	1/1	n/a	n/a	2/2	2/2	n/a
Mr. Shen Chen	8/8	n/a	n/a	n/a	4/4	2/2	2/2	n/a
Mr. Ge Jinzhu	8/8	n/a	n/a	n/a	4/4	n/a	2/2	n/a
INEDs								
Mr. Lau Chi Keung	8/8	6/6	1/1	1/1	n/a	n/a	2/2	1/1
Mr. Tsang Sai Chung	8/8	6/6	1/1	1/1	4/4	2/2	2/2	1/1
Mr. Huang Shun (note)	8/8	6/6	n/a	n/a	n/a	n/a	2/2	1/1

Note: Appointed as a member of the Nomination Committee on 30 June 2025.

The Board meets regularly at least four times a year and has formal procedures to include matters to be referred to it for consideration and approval at the Board meetings. At least 14 days' notice is given to all Directors for regular Board meetings. Each Director may include any item in the agenda. The agenda and accompanying meeting papers with sufficient information are sent to all Directors at least 3 days before the intended date of a regular Board meeting to enable the Directors to make informed decisions on the matters to be discussed (and so far as practicable for such other Board meetings). Between scheduled meetings, management provides information to the Directors on the activities of and developments in the businesses of the Group. As and when deemed necessary, additional Board meetings may be convened. In addition, any Director has access to the advice and services of the company secretary of the Company (the "**Company Secretary**") to ensure that Board procedures, all applicable law, rules and regulations are observed. The Directors may request the Company Secretary to seek for independent professional advice to assist the Directors to effectively discharge their duties.

Draft minutes of each Board meeting and Board committee meeting are circulated to all Directors/Board committee members for their comments within a reasonable time after each meeting before being approved by the chairman of such meeting. Minutes shall record sufficient details in relation to matters considered and decisions reached, including any concerns raised by Directors/Board committee members or dissenting views (if any) expressed. Minutes of Board meetings and Board committees meetings are kept by the Company Secretary and are available for inspection by any Director/Board committee member.

If a substantial shareholder or a Director has a material conflict of interest in a matter considered by the Board, the matter will be dealt with by a physical Board meeting. Except for those circumstances permitted by the Articles of Association and all applicable laws, rules and regulations, a Director shall not vote on any Board resolution approving any contract or arrangement in which he/she or any of his/her associates has a material interest nor shall he/she be counted in the quorum present at the Board meeting.



Corporate Governance Report

Directors' Professional Continuous Development

Every newly appointed Director will receive a comprehensive, formal and tailored induction upon his/her appointment. All Directors must participate in continuous professional development to develop and refresh their knowledge and skills for a proper understanding of the Company's business, operations and governance policies and full awareness of their responsibilities under the Listing Rules, legal and other regulatory requirements. The Company Secretary facilitates the induction and professional development of the Directors.

The Directors acknowledge the need to continue to develop and refresh their knowledge and skills so as to ensure their contribution to the Board remains informed and relevant. On an ongoing basis, all Directors are encouraged to keep up-to-date on all matters relevant to the Group and to attend trainings, seminars, conferences and forums as appropriate. They are also regularly updated by reading materials concerning the business and financial updates, directors' duties, latest developments in corporate governance practices and relevant legal and regulatory developments. All Directors have confirmed that they have participated in continuous professional development as required by Rules 3.09F and 3.09G of the Listing Rules during the Year 2025. Records of training received by the Directors for the Year 2025 are summarised as follows:–

Name of Directors	Attending trainings/ seminars/ conferences/ forums (Note 1)	Reading materials relating to the business and financial updates, directors' duties, corporate governance practices, legal and regulatory developments, etc. (Note 2)	Total number of hours of continuous professional training completed during the Year 2025
Executive Directors			
Mr. Ji Changqun	✓	✓	3 hours
Ms. Du Wei	✓	✓	3 hours
Mr. Shen Chen	✓	✓	3 hours
Mr. Ge Jinzhu	✓	✓	3 hours
INEDs			
Mr. Lau Chi Keung	✓	✓	3 hours
Mr. Tsang Sai Chung	✓	✓	3 hours
Mr. Huang Shun	✓	✓	3 hours

Notes:

- (1) All Directors have attended two-hour internal online training provided by the external legal adviser of the Company during the Year 2025. The training topics covered (i) the roles, functions and responsibilities of the board, its committees and its directors, and board effectiveness; (ii) issuers' obligations and directors' duties under Hong Kong law and the Listing Rules, and key legal and regulatory developments (including Listing Rules updates) relevant to the discharge of such obligations and duties; (iii) corporate governance and ESG matters (including developments on sustainability or climate-related risks and opportunities relevant to the issuer and its business); (iv) risk management and internal controls; (v) updates on industry-specific developments, business trends and strategies relevant to the issuer; and (vi) other updates of the Listing Rules.
- (2) All Directors have completed one-hour self-study by reading anti-corruption materials issued by Independent Commission Against Corruption of Hong Kong during the Year 2025.



Corporate Governance Report

CORPORATE GOVERNANCE FUNCTIONS

The Board as a whole is responsible for performing the corporate governance duties including:

- (a) to determine and review the Company's policies and practices on corporate governance;
- (b) to review and monitor the training and continuous professional development of directors and senior management;
- (c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors; and
- (e) to review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

During the Year 2025, the Board has performed the corporate governance duties by reviewing the Company's policies and practices on corporate governance and compliance with legal and regulatory requirements.

AUDIT COMMITTEE

The Audit Committee was established on 26 November 2002. The Audit Committee currently comprises three INEDs and the chairman possesses appropriate professional qualifications, accounting and related financial management expertise. The current members of the Audit Committee are:

Mr. Huang Shun (*Chairman*)
Mr. Lau Chi Keung
Mr. Tsang Sai Chung

None of the members of the Audit Committee is a former partner of or has any financial interest in the Company's existing external auditors within two years before his appointment as a member of the Audit Committee.

The Audit Committee is responsible for, amongst other things, overseeing the relationship with the external auditors, reviewing the Group's interim and annual results, reviewing the scope, extent and effectiveness of the internal financial control system of the Group, reviewing financial reporting system of the Group, and seeking independent professional advice in appropriate circumstances to discharge its duties. The terms of reference of the Audit Committee, which described its authority and duties, are available on the websites of the Stock Exchange and the Company.



Corporate Governance Report

During the Year 2025, the Audit Committee was provided with sufficient resources to discharge its duties. It held six meetings and the attendance of each member is set out in the section headed “The Board” of this report. In addition to the Audit Committee meeting, the Audit Committee also dealt with matters by way of circulation during the Year 2025. The works performed by the Audit Committee and how it met its responsibilities during the Year 2025 were summarised as below:

- (i) reviewed and recommended for the Board’s approval the annual results for the year ended 31 December 2024 and the interim results for the six months ended 30 June 2025;
- (ii) reviewed the engagement and service fee of external auditor to provide audit and/or review service;
- (iii) reviewed the external auditor’s independence and objectivity and the effectiveness of the audit process;
- (iv) reviewed the financial reporting system of the Group;
- (v) reviewed the engagement and service fee of external internal control consultant to provide internal control review service;
- (vi) assessed the effectiveness of the internal financial control system of the Group;
- (vii) reviewed the effectiveness of the internal audit function of the Group;
- (viii) reviewed and recommended for the Board’s approval the revised terms of reference of the Audit Committee; and
- (ix) reviewed and recommended to the Board regarding the change of auditor.

REMUNERATION COMMITTEE

The Remuneration Committee was established on 18 January 2006, and is chaired by an INED and the majority of the members of the Remuneration Committee are INEDs. The current members of the Remuneration Committee are:

Mr. Lau Chi Keung (*Chairman*)
Ms. Du Wei
Mr. Tsang Sai Chung

The Remuneration Committee is responsible for making recommendations to the Board on the remuneration packages of all executive Directors and senior management of the Company, including benefits-in-kind, pension rights and compensation payments, and making recommendations to the Board on the remuneration of the non-executive Directors. In developing remuneration policies and making recommendation as to the remuneration of the Directors and senior management of the Company, the Remuneration Committee takes into account the performance of the Group as well as individual Directors and senior management of the Company. No Director can determine his/her own remuneration package. The terms of reference of the Remuneration Committee, which described its authority and duties, are available on the websites of the Stock Exchange and the Company.



Corporate Governance Report

During the Year 2025, the Remuneration Committee was provided with sufficient resources to discharge its duties. It held one meeting and the attendance of each member is set out in the section headed “The Board” of this report. The works performed by the Remuneration Committee during the Year 2025 were summarised as below:

- (i) reviewed the Group’s remuneration policy and structure;
- (ii) assessed performance of all executive Directors;
- (iii) reviewed the existing remuneration package of all executive Directors and senior management of the Company and recommended for the Board’s approval of the remuneration for the Year 2025; and
- (iv) reviewed and recommended for the Board’s approval of the existing remuneration of all INEDs for the Year 2025.

NOMINATION COMMITTEE

The Nomination Committee was established on 9 November 2012, and is chaired by the chairman of the Board and the majority of the members of the Nomination Committee are INEDs. During the Year 2025 and up to the date of this report, the members of the Nomination Committee are:

Mr. Ji Changqun (*Chairman*)
Ms. Du Wei (*appointed on 30 June 2025*)
Mr. Lau Chi Keung
Mr. Tsang Sai Chung
Mr. Huang Shun (*appointed on 30 June 2025*)

The Nomination Committee is responsible for reviewing the structure, size and composition of the Board and identifying suitable candidates and making recommendations to the Board in relation to the appointments of new Directors and re-nomination and re-election of Directors. The terms of reference of the Nomination Committee, which described its authority and duties, are available on the websites of the Stock Exchange and the Company.

The Nomination Committee has formulated and set out the nomination policy (the “**Nomination Policy**”) in its terms of reference. The objective of the Nomination Policy is to ensure the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company’s business. To ensure changes to the Board composition can be managed without undue disruption, a formal, considered and transparent procedure is in place for selection, appointment and re-appointment of directors, as well as plans in place for orderly succession for appointments (if considered necessary). When nominating candidates for directorships, the Nomination Committee will consider candidates on merit and against the objective criteria as set out under the Nomination Policy, including his/her ability to devote sufficient time and attention to the affairs of the Company and contribute to the diversity of the Board (which includes but not limited to diversity in gender, age, experience, cultural and educational background, expertise, skills and know-how as set out in the Board Diversity Policy) as well as the effective carrying out by the Board of the responsibilities, in order to determine whether a candidate is qualified before making recommendations to the Board. Further details of the nomination procedures and criteria are set out in the terms of reference of the Nomination Committee which are available on the websites of the Stock Exchange and the Company.



Corporate Governance Report

During the Year 2025, the Nomination Committee was provided with sufficient resources to discharge its duties. It held one meeting and the attendance of each member is set out in the section headed “The Board” of this report. In addition to the Nomination Committee meeting, the Nomination Committee also dealt with matters by way of circulation during the Year 2025. The works performed by the Nomination Committee during the Year 2025 were summarised as below:

- (i) reviewed the structure, size, composition (including the skills, knowledge and experience) and diversity of the Board;
- (ii) assessed the independence of each INED;
- (iii) reviewed the Board independence;
- (iv) assessed the time commitment and contribution to the Board of each Director, as well as the Director’s ability to discharge his/her responsibilities effectively;
- (v) reviewed and recommended for the Board’s approval the re-election of Directors;
- (vi) reviewed and recommended for the Board’s approval the revised terms of reference of the Nomination Committee;
- (vii) reviewed and recommended for the Board’s approval the workforce diversity policy;
- (viii) reviewed and recommended for the Board’s approval the revised Board Diversity Policy; and
- (ix) reviewed and recommended for the Board’s approval the change of composition of Nomination Committee.

RISK MANAGEMENT COMMITTEE

The Risk Management Committee was established on 16 December 2016, which is chaired by an executive Director and the majority of the members of the Risk Management Committee are executive Directors. The current members of the Risk Management Committee are:

Mr. Shen Chen (*Chairman*)
Mr. Ge Jinzhu
Mr. Tsang Sai Chung

The Risk Management Committee is responsible for advising the Board on the overall risk appetite/tolerance and risk management strategies of the Group, overseeing the implementation of the risk management strategies, and reviewing the scope, extent and effectiveness of the internal control system (other than internal financial control system) of the Group. The terms of reference of the Risk Management Committee, which described its authority and duties, are available on the websites of the Stock Exchange and the Company.



Corporate Governance Report

During the Year 2025, the Risk Management Committee was provided with sufficient resources to discharge its duties. It held four meetings and the attendance of each member is set out in the section headed “The Board” of this report. In addition to the Risk Management Committee meetings, the Risk Management Committee also dealt with matters by way of circulation during the Year 2025. The works performed by the Risk Management Committee and how it met its responsibilities during the Year 2025 were summarised as below:

- (i) assessed the effectiveness of the risk management strategies;
- (ii) identifying the overall risks (including the ESG risks) of the Group;
- (iii) assessed the effectiveness of the internal control system (other than internal financial control system) and risk management system of the Group; and
- (iv) reviewed and recommended for the Board’s approval the revised terms of reference of the Risk Management Committee.

ESG COMMITTEE

The ESG Committee was established on 7 July 2018, which is chaired by an executive Director and the majority of the members of the ESG Committee are executive Directors. The current members of the ESG Committee are:

Ms. Du Wei (*Chairman*)
Mr. Shen Chen
Mr. Tsang Sai Chung

The ESG Committee is responsible for reviewing the Company’s ESG policies and practices and monitoring the implementation of the same. It was provided with sufficient resources to discharge its duties. During the Year 2025, the ESG Committee held two meetings and the attendance of each member is set out in the section headed “The Board” of this report. The terms of reference of the ESG Committee, which described its authority and duties, are available on the websites of the Stock Exchange and the Company.

COMPANY SECRETARY

The Company Secretary, Ms. Seto Ying, undertook not less than 15 hours of relevant professional training during the Year 2025.



Corporate Governance Report

AUDITORS' REMUNERATION

The fees paid/payable to the external auditors of the Company for audit and non-audit services for the Year 2025 amounted to approximately RMB7,200,000 (2024: RMB7,065,000) and approximately RMB3,563,000 (2024: RMB4,420,000) respectively. The statutory audit fee for the year ended 31 December 2025 is payable to Prism Hong Kong Limited, the existing external auditor of the Company, while the non-audit service fee of the Group for year ended 31 December 2025 was paid to other external auditors before Prism Hong Kong Limited has been appointed. Details of the fees paid/payable to other external auditors for non-audit services for the Year 2025 are listed below:

Review of interim and the Group's entities' financial statements	RMB3,563,000
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There is no former partner of the existing firm auditing the accounts of the Company acting as a member of the Audit Committee for a period of two years from the date of his ceasing (i) to be a partner of the firm or (ii) to have any financial interest in the firm. In addition, the Audit Committee is of the view that the auditor's independence is not affected by the non-audit services rendered. Taking into account the independence of the auditor, the relationship of the auditor with the Company as well as the opinion of the management of the Company, the Audit Committee recommended the Board to re-appoint Prism Hong Kong Limited as the external auditor of the Company for the year ending 31 December 2026, subject to approval by the Shareholders at the forthcoming adjourned AGM.

INTERNAL CONTROL AND RISK MANAGEMENT

The Board acknowledged its responsibility for the risk management and internal control systems of the Group.

The Board has, through the Audit Committee and/or the Risk Management Committee, conducted interim and annual reviews of the appropriateness and effectiveness of the Group's risk management and internal control system covering the financial, operational, compliance controls and risk management functions for the Year 2025. The Group's risk management and internal control system is designed to provide reasonable, but not absolute, assurance against material misstatement or loss and to manage rather than eliminate risks of failure in operational system and achievements of the Group's objectives. It includes a defined management structure with appropriate limits of authority which safeguards assets against unauthorised use or disposition and ensures the maintenance of proper accounting records for the provision of reliable financial information for internal use or for publication. The system also aims to ensure compliance with relevant laws and regulations.

In order to improve the Group's internal control, the Company has engaged Acclime Consulting (Hong Kong) Limited ("**Acclime**") to perform a review of the procedures, systems and controls for the Group. Acclime has submitted its internal control review reports for the Group to the Audit Committee and the Board in March 2025 and May 2026 respectively. The scope of review of the internal control review reports for the years ended 31 December 2024 and 2025 were the key subsidiaries of the Group. No significant control failings or weaknesses were identified in the reporting period, or that were previously reported but remain unresolved. Findings and recommendations concerning improvements to the Group's internal control have been reviewed by the Audit Committee and the Board. In order to further enhance the effectiveness of the internal control, the Company will engage Acclime to implement an ongoing internal control review plan for the coming year.



Corporate Governance Report

Save for the risks set out in the “Material Risk Warning” of the “Management Discussion and Analysis” of this annual report, there are no significant changes during the Year 2025 in (i) the assessment of risks (including ESG risks) of the Group and (ii) the risk management and internal control systems of the Group.

Based on the confirmations from the internal control and compliance department, Audit Committee and Risk Management Committee and the internal control review report for the Year 2025 issued by Acclime, the Board considered the Group’s risk management and internal control systems to be appropriate and effective for the Year 2025 for the purposes set out in Principle D2 of the Corporate Governance Code.

Procedures to Identify, Evaluate and Manage Significant Risks

The Risk Management Committee has set up a Risk Management Working Group (the “**Working Group**”), which the members come from different departments including internal control and compliance, finance, legal, investment as well as human resources. The Working Group holds regular quarterly meeting. Different departments report to the Working Group in respect of its own identified risks and the Working Group discusses and evaluates the proposal to manage the risks. Any significant risks once identified will be reported to the Risk Management Committee immediately, if necessary. The Risk Management Committee holds regular quarterly meeting to discuss and assess the identified risks reported by the Working Group and also assess the effectiveness of the risk management strategies and the internal control and risk management systems. The Risk Management Committee reports to the Board regularly. The meeting minutes of the Working Group and the Risk Management Committee are kept by the Company Secretary, which are available for inspection by any Director.

Inside Information

The Company has followed the procedures for handling and disclosure of inside information during the Year 2025. All departments of the Company shall report inside information and any other information required to present a false market in the Company’s securities which may materially affect the Company’s share price to the Company Secretary and the legal department. The Company has communicated with all relevant staff regarding the implementation of the procedures and relevant trainings are also provided.

Internal Audit

The Company’s internal audit function is performed by the internal control and compliance department, which generally carries out the analysis and independent appraisal of the appropriateness and effectiveness of the Group’s risk management and internal control systems.

Whistleblowing Policy

The Company has established the whistleblowing policy, which has been reviewed from time to time, for employees and those who deal with the Company (e.g. customers and suppliers) to report to the internal control and compliance department directly and anonymously for any serious concerns about suspected fraud, corruption, malpractice, misconduct or irregularity of the Group. The internal control and compliance department will investigate the reported cases in a confidential and timely manner and report the results of investigations to the Audit Committee and the chairman of the Board.



Corporate Governance Report

Employees Code of Conduct

The Group believes that the company culture of honesty, integrity, probity and self-discipline are crucial for our long-term development and success. It is stipulated in the employees code of conduct that employees are responsible to maintain the highest standard of business ethics and to observe the relevant laws and regulations. The code offers guidance to all employees on reporting and handling (potential) conflict of interest, raises employees' awareness and promotes anti-corruption.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the audited consolidated financial statements of the Group for the Year 2025. The Directors ensure that the audited consolidated financial statements of the Group for the Year 2025 have been properly prepared in accordance with the statutory requirements and applicable accounting standards on a going concern basis.

The statement by the auditor of the Group regarding its reporting responsibilities on the financial statements of the Group is set out in the Independent Auditor's Report on pages 63 to 71.

COMMUNICATION WITH SHAREHOLDERS

The Company is committed to promoting and maintaining effective communication with Shareholders and other stakeholders. The Shareholders' communication policy (the "**Shareholders' Communication Policy**"), which has been updated on 31 March 2022, has been adopted for ensuring that the Shareholders are provided with ready, equal and timely access to balanced and understandable information about the Company in order to enable Shareholders to exercise their rights in an informed manner, and to allow Shareholders to engage actively with the Company. The policy will be reviewed annually to ensure its implementation and effectiveness and compliance with the prevailing regulatory and other requirements.

Shareholders and potential investors are encouraged to access to the Company's website at www.fullshare.com which has provided more comprehensive information to enhance the transparency and communication effectiveness between the Company, Shareholders and investment community. The Company has established a number of channels to maintain an on-going dialogue with its Shareholders as follows:

- (i) corporate communications such as annual reports, interim reports and circulars are available on the Stock Exchange's website at www.hkex.com.hk and the Company's website at www.fullshare.com;
- (ii) periodic announcements are made through the Stock Exchange and published on the respective websites of the Stock Exchange and the Company;
- (iii) corporate information is made available on the Company's website;



Corporate Governance Report

- (iv) AGM and extraordinary general meeting (the “EGM”) provide a forum for the Shareholders to make comments and exchange views with the Directors and senior management of the Company. Shareholders are welcome to raise any query in relation to the Group’s businesses at the general meetings;
- (v) Company’s share registrar serves the Shareholders in respect of share registration, dividend payment, change of Shareholders’ particulars and related matters;
- (vi) Shareholders and the investment community may at any time make a request to the Company Secretary or the contacts for investor relationship of the Company in writing for the Company’s information to the extent such information is publicly available. The contact details are set out under the “Contact Us” section of the Company’s website at www.fullshare.com; and
- (vii) publicly available news and information about the Company can also be sent to the Shareholders who have subscribed to the notification service on the Company’s website.

The Company complies with the notice period requirements for convening a general meeting under the Listing Rules, Articles of Association and other applicable rules and regulations. An explanation of the detailed procedures of conducting a poll is provided to the Shareholders at the commencement of the general meeting. The chairman of the general meeting answers questions from the Shareholders regarding voting by way of poll. Questions from the Shareholders will also be addressed in the general meeting. Relevant announcement on the results of the vote by poll shall be made by the Company after the general meeting in the manner prescribed under the requirements of the Listing Rules.

Having considered the multiple channels of communication and engagement in place, the Board is satisfied that the Shareholders’ Communication Policy has been properly in place during the Year 2025 and is effective.

SHAREHOLDERS’ RIGHTS

Procedures for Shareholders to Convene an EGM

Pursuant to the Articles of Association, the Board shall, on the written requisition to the Board or the Company Secretary, of the members of the Company holding at the date of the deposit of the requisition not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company, proceed to convene an EGM for the transaction of any matters specified in such requisition and such meeting shall be held within two months after the deposit of such requisition. Shareholders may at any time send their requisitions and enquires to the Board in writing through the Company Secretary whose contact details are set out under the “Contact Us” section of the Company’s website at www.fullshare.com.

If within 21 days of such deposit the Board fails to proceed to convene such meeting, the requisitionist(s) may convene the meeting in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.



Corporate Governance Report

Procedures for Putting forward Proposals at a General Meeting

There are no provisions under the Articles of Association or the Companies Act, Cap 22 (Act 3 of 1961, as consolidated and revised) of the Cayman Islands regarding procedures for Shareholders to put forward proposals at general meetings other than a proposal of a person for election as Director. Shareholders may follow the procedures set out above to convene an EGM for any matters specified in such written requisition.

Procedures for Proposing a Person for Election as a Director

Shareholders may elect any individual (the “**Candidate**”) to be a Director by ordinary resolution. The Candidate for election is proposed by a separate resolution put forward for Shareholders’ consideration at general meetings.

According to Article 88 of the Articles of Association, any member who wishes to propose a Candidate (other than the member himself/herself) for election as a Director should observe the following nomination procedure:

1. Prepare a signed notice of intention to propose a Candidate for election. The notice has to be signed by a member other than the Candidate being proposed.
2. Obtain a notice signed by the Candidate stating his/her willingness to be elected.
3. Both notices shall be submitted to the head office or the registration office.
4. The period for lodgment of the said notices shall be a seven day period commencing on the day after the dispatch of the notice of the general meeting and ending on the date falling seven days after the dispatch of the said notice of the general meeting, and in any event such period shall be not be less than seven days commencing on no earlier than the day after the dispatch of the such notice of the general meeting and ending no later than seven days prior to the date of such general meeting.

Procedures for Directing Shareholders’ Enquiries to the Board

Shareholders may at any time send their enquires and concerns to the Board in writing through the Company Secretary whose contact details are set out under the “Contact Us” section of the Company’s website at www.fullshare.com.

Shareholders may also make enquiries with the Board at the general meetings of the Company.

During the Year 2025, the Company has not made any changes to its Memorandum and Articles of Association. The current version of the Memorandum and Articles of Association is available on the websites of the Stock Exchange and the Company. Shareholders may refer to the Articles of Association for further details of their rights.



Corporate Governance Report

DIVIDEND POLICY

The Company has adopted a dividend policy, pursuant to which the Company gives priority to distributing dividend in cash and shares its profits with its shareholders. The dividend payout ratio shall be determined by the Board at its absolute discretion after taking into account the Company's financial results, future prospects and other factors, and subject to:

- the Articles of Association;
- the applicable restrictions and requirements under the laws of the Cayman Islands;
- any banking or other funding covenants by which the Company is bound from time to time;
- the investment and operating requirements of the Company; and
- any other factors that have material impact on the Company.

On behalf of the Board

Ji Changqun
Chairman

Hong Kong, 17 June 2026



Report of the Directors

The board (the “**Board**”) of directors (the “**Director(s)**”) of Fullshare Holdings Limited (the “**Company**”) presents the annual report and the audited consolidated financial statements of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31 December 2025 (the “**Year 2025**”).

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The principal activities of the Group are property development and investment, tourism, investment and financial services, provision of healthcare and education products and services and new energy business. Details of the principal activities of each of the principal subsidiaries of the Group are set out in note 49 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the Year 2025 are set out in the consolidated statement of profit or loss and other comprehensive income on pages 72 to 73 of this report.

The Board has resolved not to declare a dividend for the Year 2025 (2024: Nil).

DISTRIBUTABLE RESERVES OF THE COMPANY

The Company’s reserves available for distribution to shareholders of the Company (the “**Shareholder(s)**”) as at 31 December 2025 and 2024 were as follows:

	2025 RMB'000	2024 RMB'000
Share premium	17,878,691	17,878,691
Contributed surplus	82,603	82,603
Accumulated losses	(4,907,526)	(4,126,871)
Total	13,053,768	13,834,423

Under the Companies Act, Cap. 22 of the Cayman Islands, the share premium is available for paying distributions or dividends to Shareholders subject to the provisions of its memorandum and articles of association and provided that immediately following the date on which the distribution or dividend is proposed to be paid, the Company shall be able to pay its debts as they fall due in the ordinary course of business. The articles of association of the Company (the “**Articles of Association**”) provides that an ordinary resolution passed by the Shareholders is required for any distribution out of the share premium account. In the opinion of the Directors, the reserves of the Company available for distribution as calculated in accordance with the statutory provisions applicable comprise share premium, contributed surplus and retained profits.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the Year 2025 are set out in note 18 to the consolidated financial statements.

INVESTMENT PROPERTIES

Details of movements in the investment properties of the Group during the Year 2025 are set out in note 19 to the consolidated financial statements.



Report of the Directors

SHARE CAPITAL AND SHARES ISSUED

Details of the share capital of the Company are set out in note 39 to the consolidated financial statements. During the Year 2025, there was no movement in the share capital of the Company.

EQUITY-LINKED AGREEMENTS

No equity-linked agreements that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing shares were entered into by the Company during the Year 2025 or subsisted at the end of the year.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities (including sale of treasury shares (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”))) of the Group during the Year 2025. As at 31 December 2025, the Company did not own any treasury shares (including any treasury shares held or deposited with CCASS (as defined in the Listing Rules)).

USE OF PROCEEDS

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

As disclosed in the annual report of the Company for the year ended 31 December 2024 (“**2024 Annual Report**”), HK\$224.7 million has been utilised during the year ended 31 December 2022, and HK\$70 million of the net proceeds from the Placing which was originally utilised as earnest money on an investment engaged in the e-commerce business will be refunded to the Company (the “**Refund**”) as the relevant memorandum of understanding has lapsed and the Company intends to apply such amount for working capital and general corporate purpose (including paying expenses for operating and financing activities and may also include repayment of indebtedness which may become due and payable).

The amount of the net proceeds brought forward in the beginning of the Year 2025 was HK\$70 million.

As disclosed in the interim report of the Company for the six months ended 30 June 2025, the remaining net proceeds are expected to be utilized by 31 December 2026. The expected timeline of full utilization is based on the best estimation of the Directors barring unforeseen circumstances and would be subject to change depending on actual receipt of the Refund. There has been no change in the intended use of the remaining net proceeds as previously disclosed in the 2024 Annual Report if the Refund amount can be received. Up to the date of this report, the Refund is still outstanding. The Company will publish further announcement(s) for any significant developments in relation to any change or delay in the use of proceeds from the Placing.



Report of the Directors

The table below sets out the details of the revised allocation and status of utilisation of the net proceeds during the Year 2025:

Usage of net proceeds	Amount of net proceeds brought forward in the beginning of the Year 2025 and the revised allocation of usage (HK\$ million)	Actual utilised amount of net proceeds during the Year 2025 (HK\$ million)	Unutilised amount of net proceeds as of 31 December 2025 (HK\$ million)	Expected timeline of full utilisation
Working capital and general corporate purpose (including paying expenses for operating and financing activities and may also include repayment of indebtedness which may become due and payable)	70.0	–	70.0	By 31 December 2026
Total	70.0	–	70.0	

MAJOR CUSTOMERS AND SUPPLIERS

During the Year 2025, the Group's largest customer and five largest customers accounted for approximately 15.5% and 60.5% of the total sales for the year respectively.

During the Year 2025, the Group's largest supplier and five largest suppliers accounted for approximately 10.5% and 33.7% of the total purchases for the year respectively.

During the Year 2025, none of the Directors or any of their respective close associates nor any Shareholders which to the knowledge of the Directors own more than 5% of the total number of issued shares of the Company had any interest in any of the Group's five largest customers and suppliers.



Report of the Directors

DIRECTORS

The Directors during the Year 2025 and up to the date of this report were:

Executive Directors:

Mr. Ji Changqun (*Chairman and CEO*)
Ms. Du Wei
Mr. Shen Chen
Mr. Ge Jinzhu

Independent Non-Executive Directors:

Mr. Lau Chi Keung
Mr. Tsang Sai Chung
Mr. Huang Shun

In accordance with Article 87 of the Articles of Association, Ms. Du Wei, Mr. Shen Chen and Mr. Ge Jinzhu shall retire from office by rotation and, being eligible, offer themselves for re-election at the AGM.

DIRECTORS' SERVICE CONTRACTS

None of the Directors proposed for re-election at the forthcoming AGM has an unexpired service contract with the Group which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

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

As at 31 December 2025, the interests and short positions of the Directors and the chief executives of the Company in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO") which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO); or (ii) were required to be recorded in the register required to be kept by the Company under Section 352 of the SFO; or (iii) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules, were as follows:

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%



Report of the Directors

Notes:

- (1) As at 31 December 2025, 18,190,200 Shares are held by Mr. Ji directly as the beneficial owner. In addition, by virtue of the SFO, Mr. Ji is deemed to be interested in 152,495,659 Shares held by Magnolia Wealth International Limited (“**Magnolia Wealth**”), a company incorporated in the British Virgin Islands (the “**BVI**”) which is wholly-owned by Mr. Ji. Accordingly, Mr. Ji is interested in 170,685,859 Shares in total. As disclosed in the Company’s announcement dated 16 November 2023, the Board received a letter informing the Company that China CITIC Bank Corporation Limited, Nanjing branch (as the chargee) appointed receivers and managers over 97,600,000 Shares (then 4,880,000,000 Shares prior to the share consolidation of the Company which took effect on 4 December 2023) which are registered and beneficially held by Mr. Ji and Magnolia Wealth. For details of the receivers, please see the section headed “Substantial Shareholders” of this report.
- (2) The approximate percentage has been calculated based on the total of 636,763,934 Shares in issue as at 31 December 2025.

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 31 December 2025.

ARRANGEMENTS FOR DIRECTORS TO PURCHASE SHARES OR DEBENTURES

At no time during the Year 2025 was the Company or any of its subsidiaries, holding company or fellow subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of Shares in, or debentures of, the Company or any other body corporate.

DIRECTORS’ INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed in the related party transactions in note 50 to the consolidated financial statements, no transactions, arrangements or contracts of significance to which the Company, its holding company, any of its subsidiaries or fellow subsidiaries was a party and in which a Director or his/her connected entity had, directly or indirectly, a material interest, subsisted at the end of the Year 2025 or at any time during the Year 2025.

CONTRACTS OF SIGNIFICANCE

Save as disclosed in the related party transactions in note 50 to the consolidated financial statements, there were (i) no contract of significance between the Company or any of its subsidiaries and a controlling shareholder of the Company or any of its subsidiaries subsisted during the Year 2025 or at any time during the Year 2025; and (ii) no contract of significance for the provision of services to the Company or any of its subsidiaries by controlling shareholder of the Company or any of its subsidiaries subsisted during the Year 2025 or at any time during the Year 2025.

MANAGEMENT CONTRACTS

No contract by which a person undertakes the management and administration of the whole or any substantial part of any business of the Company (except for service contracts of Directors or any person engaged in full-time employment of the Company) was entered into or subsisted during the Year 2025.

Report of the Directors

SUBSTANTIAL SHAREHOLDERS

Based on the disclosures of interests filed on the Stock Exchange's website, as at 31 December 2025, 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 (L)	3.04%
		19,648,843 (S)	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 (L)	5.28%
		19,648,843 (S)	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 (L)	5.28%
		19,648,843 (S)	3.09%
China Citic Bank Corporation Limited (中信銀行股份有限公司)	Person having a security interest in shares ⁽³⁾	98,040,000 (L)	15.40%
Mr. Chan Man Hoi (陳文海)	Receiver ⁽⁴⁾	97,600,000 (L)	15.33%
Mr. Guo Xichu (郭喜初)	Receiver ⁽⁴⁾	97,600,000 (L)	15.33%



Report of the Directors

Notes:

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

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

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

3. China Citic Bank Corporation Limited (中信銀行股份有限公司) held 98,040,000 Shares as holder of security interest.
4. References were made to the disclosure of interests dated 24 March 2025. Mr. Chan Man Hoi (陳文海) and Mr. Guo Xichu (郭喜初) were appointed as new joint and several receivers over 97,600,000 Shares. For details, please see the section headed "Directors' and Chief Executives' Interests in Shares, Underlying Shares and Debentures" of this report.
5. The letter "L" denotes long position in the Shares; and the letter "S" denotes short position in the Shares.
6. The approximate percentage has been calculated based on the total of 636,763,934 Shares in issue as at 31 December 2025.

Save as disclosed above, the Company has not been notified of any other person (other than Directors or chief executives of the Company) who had any interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept under Section 336 of the SFO as at 31 December 2025.

RELATED PARTY TRANSACTIONS AND CONNECTED TRANSACTION

Details of the related party transactions undertaken during the Year 2025 are disclosed in note 50 to the consolidated financial statements.

For those related party transactions that constituted connected transactions or continuing connected transactions (as the case may be) under the Listing Rules, these transactions are exempt from reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Save as mentioned above, there was no connected transaction or continuing connected transaction undertaken by the Company during the Year 2025 and up to the date of this report which was required to be disclosed pursuant to Chapter 14A of the Listing Rules.



Report of the Directors

COMPETING BUSINESS

As disclosed in the circular of the Company dated 28 October 2013 relating to, amongst other things, the very substantial acquisition in relation to the acquisition of Nanjing Fullshare Asset Management Group Limited* (南京豐盛資產管理集團有限公司) (formerly known as Nanjing Fullshare Asset Management Limited* (南京豐盛資產管理有限公司)) (an enterprise established under the laws of the PRC with limited liability and currently a wholly-owned subsidiary of the Company) and the reverse takeover involving a new listing application (the “**RTO Circular**”), pursuant to the non-competition undertaking dated 25 October 2013 entered into between the Controlling Shareholders (as defined in the RTO Circular) and the Company (the “**Non-Competition Undertaking**”), save for continuing their engagements in the Excluded Projects (as defined in the RTO Circular) and certain exceptions relating to their holding of and/or being interested in shares and other securities in any member of the Group and any other company listed on a recognised stock exchange engaging in the restricted business (please refer to the RTO Circular for details) set out in the Non-Competition Undertaking, the Controlling Shareholders will not be allowed to engage in any residential property (including villas) and mixed-use property (as defined in the section headed “Glossary of Technical Terms” of the RTO Circular) development business in the PRC (the “**Restricted Business**”), and they will only be involved in the commercial property development business. For further details in respect of the Non-Competition Undertaking, please refer to the RTO Circular. As at 31 December 2025, 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 31 December 2025, 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 Year 2025. 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 Year 2025.

Save as disclosed above, as at 31 December 2025, 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.

BUSINESS REVIEW

Overview

The overview is set out in the “Management Discussion and Analysis” on pages 9 to 27 of this annual report.

Financial key performance indicators

During the Year 2025, the Group has recognised a decrease in revenue (being one of the financial key performance indicators) of approximately RMB2,783,434,000 or 12% to approximately RMB20,364,482,000 (2024: RMB23,147,916,000). As the major contribution of revenue, the new energy segment has contributed approximately RMB19,734,338,000 or 96.9% to the Group’s revenue in the Year 2025 (2024: RMB22,075,470,000). In addition, properties segment has contributed approximately RMB205,879,000 or 1% to the total revenue of the Group in the Year 2025 (2024: RMB242,025,000). The revenue generated from tourism segment was approximately RMB351,724,000 or 1.7% of the Group’s revenue in the Year 2025 (2024: RMB339,795,000). The revenue generated from healthcare, education and others segment was approximately RMB55,993,000 or 0.27% of the Group’s revenue in the Year 2025 (2024: RMB487,458,000).



Report of the Directors

The net profit of the Group in the Year 2025 was approximately RMB657,901,000 (2024: loss of RMB7,325,350,000). The net profit in the Year 2025 was mainly due to the significant impairment losses of RMB6,628,646,000 recognised on trade receivables and prepayments in relation to trading business included in new energy segment during the year the ended 31 December 2024 was an one-off in nature, and has no impact on the business operation of the Group in the Year 2025. Also, the decrease in finance costs and fair value losses of investment properties also contributed the improvement on financial result.

The Group's financial position remained solid. The net assets of the Group increased by RMB569,731,000 or 3.9% from approximately RMB14,603,575,000 as at 31 December 2024 to approximately RMB15,173,306,000 as at 31 December 2025. The Group generated an operating cash inflow of approximately RMB3,272,397,000 in the Year 2025 (2024: outflow of RMB114,666,000).

Revenue, net profit/loss, net assets and operating cash flow are selected by the Group as the indicators of assessment on the profitability and solvency of the Group. The analysis of these indicators can comprehensively summarise and evaluate the financial conditions and operating achievements of the Group.

Future Development

The future development is set out in the section headed "Prospect" under "Management Discussion and Analysis" on page 16 of this annual report.

PRINCIPAL RISKS AND UNCERTAINTIES

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

Macro-economic environment

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

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



Report of the Directors

Market competition

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

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

Fluctuations in exchange rate

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

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

Loss of control risk of key subsidiaries

On 29 September 2024, the articles of association of Nanjing High Speed Gear Manufacturing Co., Ltd.* (南京高速齒輪製造有限公司) ("**Nanjing High Speed**") were changed, as the result of which China High Speed Transmission Equipment Group Co., Ltd. ("**CHS**") has lost its definite control over the board of Nanjing High Speed. Nanjing High Speed, principally engaged in the manufacturing and sales of wind and industrial gear transmission equipment, is the key subsidiary of the Group, which together with its own subsidiaries generated sales revenue of approximately RMB19,396.84 million for the Year 2025, amounting to over 98% of the total revenue of CHS and around 95% of the total revenue of the Group. The Company understands that Nanjing Gear Enterprise Management Co., Ltd.* (南京高齒企業管理有限公司) ("**Nanjing Gear Management**"), a wholly-owned subsidiary of CHS holding approximately 50.02% of equity interest of Nanjing High Speed has entered into an acting in concert agreement (the "**Concert Agreement**") with Jinhu Shifu Corporate Management Partnership (Limited Partnership)* (金湖驪福企業管理合夥企業(有限合夥)) ("**Jinhu LP**"), both being the shareholders of Nanjing High Speed, on the same date of the amendment of the articles of association of Nanjing High Speed. Pursuant to the Concert Agreement, Jinhu LP would procure the respective directors nominated by it to vote in the same manner as those nominated by Nanjing Gear Management in the board meetings of Nanjing High Speed. The Concert Agreement can however be terminated upon events such as Jinhu LP ceases to hold any shares in Nanjing High Speed (which CHS cannot control) or if Jinhu LP votes against (regardless of whether the relevant resolution is passed) any proposal to amend the articles of association of Nanjing High Speed. The articles of association of Nanjing High Speed will need to be amended if the directors nomination powers of shareholders (including those given to Jinhu LP) were to be changed, even if it is due to the change of any of the minority shareholders. While CHS may have control over Nanjing High Speed based the terms of the Concert Agreement and the amended articles of association of Nanjing High Speed together, it is obvious that CHS is exposed to the whim of Jinhu LP and the other minority shareholders that did not exist prior to the such amendment.

All the then board members of CHS at the relevant time of articles of association of Nanjing High Speed have resigned. The Company has been kept in touch with the new board members of CHS and remind them to solve the relevant risk to both CHS and the Company arising from such change of articles of association of Nanjing High Speed.



Report of the Directors

Key Relationships

(i) *Employees*

Human resources are regarded as an irreplaceable capital of the Group, therefore the Group places great emphasis on the development and training of employees. The Group provides a relaxed work environment and enterprise atmosphere for its employees and builds a platform for them to succeed in their career, thereby enabling them to grow together with the Group. “Creating together with sharing” is the objective which the Company is always adhering to, and the Company has helped all its employees to build their self-worth and to reach their goals.

The Company is committed to building a positive and healthy working environment, organising a variety of team activities. By integrating sports activities into various team activities, the Company is leading an active and healthy lifestyle, embodying fully the healthy concept of “Fullshare being belonging to us and health being belonging to oneself”, and steadfastly become a practitioner of a healthy lifestyle. At the same time, the Group provides various training opportunities and a better development platform for its employees, motivates its employees to build their self-worth and provides a broad career stage and development room for all its employees.

In addition, the Group provides competitive remuneration and comprehensive welfare guarantee to its employees, and gives monetary and spiritual reward to those employees who have made outstanding contributions.

(ii) *Suppliers*

We have established long-term cooperation relationship with a number of suppliers, and strived to ensure that they are in compliance with our undertaking on quality and ethics. We require the suppliers to observe our undertaking of integrity. We have stringent requirements in suppliers selection and that they must satisfy the qualification requirements in qualification, capital, performance, etc. and pass our evaluation at different levels before entering into our qualified suppliers list.

(iii) *Customers*

Our diversified products target different customer bases. From design to completion of ultimate products, we always consider the demand and needs of our customers. No matter who our customers is, whether they are the emerging enterprises, parvenus who need social circles or consumers who focus on shopping experience, they can find strong resonance from our company products. As our marketing focuses on the widespread and subdivided channels, we can access the most relevant population easily. Through on-site exhibition, we enable each customer to understand the different complex we have brought, thereby achieving a win-win situation in sales.





Report of the Directors

Environmental Policies

We are committed to building an environmentally-friendly corporation that pays close attention to conserving natural resources. We strive to minimize our environmental impact by saving electricity and encouraging recycle of office supplies and other materials.

Compliance with Laws and Regulations

The Group's operations are mainly carried out by the Company's subsidiaries in the PRC while the Company itself is listed on the Stock Exchange. Accordingly, our establishment and operations shall comply with relevant laws and regulations in the PRC and Hong Kong. During the Year 2025 and up to the date of this report, we have complied with all the relevant laws and regulations in the PRC and Hong Kong.

EMOLUMENT POLICY

The emolument policy of the employees of the Group is set up by the remuneration committee of the Company (the "**Remuneration Committee**") on the basis of their merit, qualifications and competence.

The emoluments of the Directors are decided by the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics.

Details of the remuneration of the Directors, chief executive officer and five highest paid individuals in the Group for the Year 2025 are set out in notes 13 and 14 to the consolidated financial statements respectively.

DONATION

During the Year 2025, with the mission of "Building Together for Prosperity and Enjoyment", the Group has been dedicated to giving back to society and accumulated achievements over the years. The Group's efforts to support the community have been acknowledged over the years.

During the Year 2025, the Group made charitable donations of approximately RMB5,324,000.

Further details will be set out in the Environmental, Social and Governance Report (the "**ESG Report**") to be published separately.



Report of the Directors

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

As a corporate citizen, the Group has always been committed to promoting the sustainable development of business, the environment and even the community. For the strategy and performance of the Group in relation to sustainable development, please refer to the ESG Report to be published separately. The ESG Report will be uploaded to the websites of the Stock Exchange and the Company as close as possible to the publication of this annual report, and in any event no later than four months after the end of the financial year.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association or the laws of the Cayman Islands, which would oblige the Company to offer new Shares on a pro-rata basis to existing Shareholders.

RELIEF FROM TAXATION

The Company is not aware of any relief from taxation available to the Shareholders by reason of their holding of the Company's securities.

RETIREMENT BENEFITS SCHEME

Details of the retirement benefits scheme maintained by the Group are set out in notes 2 and 11 to the consolidated financial statements.

SUFFICIENCY OF PUBLIC FLOAT

Based on information publicly available to the Company and within the knowledge of the Directors, the Company has maintained sufficient public float as required under the Listing Rules throughout the Year 2025 and as at the latest practicable date prior to the issue of this annual report.

PERMITTED INDEMNITY PROVISION

Pursuant to the Articles of Association, subject to the applicable laws and regulations, every Director shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them may incur or sustain in or about the execution of their duty in their offices. The Company has provided Directors with directors' liability insurance coverage to protect them from loss as a result of relevant legal proceeding against the Directors. The relevant permitted indemnity provision and the directors' liability insurance have been in force throughout the Year 2025 and as at the date of this report.





Report of the Directors

SUBSEQUENT EVENTS

Subscription of New Shares

References be made to the announcements of the Company dated 26 January 2026, 27 January 2026 and 16 March 2026. On 26 January 2026, the Company entered into subscription agreements (as revised and supplemented by supplemental agreements dated 27 January 2026) with each of Mr. Zhang Tao (張濤) and Mr. Zhang Zhongmin (張忠民) (the “**Subscribers**”), pursuant to which, each of the Subscribers conditionally agreed to subscribe for and the Company conditionally agreed to allot and issue 72,000,000 new shares and 55,000,000 new shares, respectively or a total of 127,000,000 new shares (the “**Subscription Share(s)**”) at a price of HK\$1.05 per Subscription Share (the “**Subscription**”) or a total of HK\$133,350,000. As at the date of this report, the Subscription has not yet completed.

Withdrawal of Requisitions of Extraordinary General Meeting of CHS

References be made to the announcements of the Company dated 7 March 2025, 13 March 2025, 24 March 2025, 16 September 2025 and 10 October 2025. Pursuant to the articles of association of CHS, requisition notices to convene extraordinary general meetings (the “**Requisitions**”) regarding the proposed agenda for the changes in the board composition of CHS were deposited at the principal office of CHS in Hong Kong on 14 March 2025 and 16 September 2025 by two shareholders of CHS, each being a wholly-owned subsidiary of the Company. Subsequently, as the aforesaid changes in the CHS board composition had been completed by 31 March 2026, the Company issued a letter to CHS on 16 April 2026 to withdraw the Requisitions.

As a result, CHS will not convene any of the requisitioned extraordinary general meetings, and the proposed resolutions set out in the Requisitions will not be put forward, as announced by CHS on 21 April 2026.

Legal Proceedings Update

Reference is made to the announcement of the Company dated 1 April 2025 (the “**Announcement**”) in relation to the legal proceedings commenced by CHS and certain of its subsidiaries (the “**Plaintiffs**”) against, amongst the other defendants, Mr. Ji Changqun (the Chairman and an executive Director), the Company, Five Seasons XVI Limited (“**Five Seasons**”, a wholly-owned subsidiary of the Company), Ms. Du Wei (an executive Director) and Mr. Ge Jinzhu (an executive Director).

On 28 April 2026, the High Court of Hong Kong issued an order in High Court Action No. 656 of 2025, following application by the Company and Five Seasons. Pursuant to the order, the Plaintiffs claims were stayed in favour of the courts of the People’s Republic of China. The Board considers this outcome consistent with the Company’s position that the dispute should be resolved in Mainland China. The Company maintains that the claims are without merit and will continue to take all necessary steps to safeguard the interests of the Company and its subsidiaries.



Report of the Directors

Financial guarantee given by CHS as a discloseable transaction and non-compliance with the Listing Rules

The board of directors of CHS informed the Company that, subsequent to the report period, it had identified a financial guarantee provided by CHS on 12 January 2016 in respect of a borrowing by Nanjing Yijing Optoelectronic Technology Company Limited* (南京依晶光電科技有限公司), as set out in note 3(iv) to the consolidated financial statements in this annual report. As at 31 December 2025, the guaranteed principal amount was RMB400 million and the accumulated interest under the guarantee was of approximately RMB276.7 million.

CHS's board confirms that, when the guarantee was provided, it constituted a discloseable transaction of CHS which was subject to the reporting and announcement requirements but was exempt from the shareholders' approval requirement under Chapter 14 of the then Listing Rules. However, CHS had not complied with such reporting and announcement requirements. Please refer to CHS's announcement of 12 June 2026 for more details.

As the guarantee was provided prior to CHS becoming a subsidiary of the Company, such provision did not constitute a discloseable transaction of the Company under the Listing Rules.

Save as disclosed above, there are no other material subsequent events occurred subsequent to 31 December 2025.

AUDITOR

Baker Tilly Hong Kong Limited retired as auditor of the Company at the conclusion of the annual general meeting of the Company held on 26 June 2025. Subsequently, Prism Hong Kong Limited ("**Prism**") was appointed as auditor of the Company at the extraordinary general meeting of the Company held on 10 February 2026.

The consolidated financial statements for the Year 2025 have been audited by Prism, who shall retire at the conclusion of the forthcoming adjourned AGM. A resolution for the re-appointment of Prism as auditor of the Company will be proposed at the forthcoming adjourned AGM.

On behalf of the Board

Ji Changqun
Chairman

Hong Kong, 17 June 2026

* *For identification purposes only*



Independent Auditor's Report

For the year ended 31 December 2025



Independent auditor's report to the shareholders of Fullshare Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

QUALIFIED OPINION

We have audited the consolidated financial statements of Fullshare Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 72 to 201, which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes, including material accounting policy information.

In our opinion, except for the possible effects of the matters described in the “Basis for qualified opinion” section of our report, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and have been properly prepared in compliance with the disclosure requirements of Hong Kong Companies Ordinance.

BASIS FOR QUALIFIED OPINION

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

The consolidated financial statements of the Group for the year ended 31 December 2024 were audited by another auditor whose report dated 31 March 2025 expressed a qualified opinion on those statements. The qualification was in respect of, among other things, the inability to obtain sufficient appropriate audit evidence regarding the trade receivables and prepayments and related impairment for purchases of bulk commodities arising from the trading business included in the new energy segment. As fully explained in Note 45 to the consolidated financial statements, trade receivables and prepayments with gross balances amounted to RMB3,188,981,000 and RMB3,450,531,000 respectively, both of which were fully impaired during the year ended 31 December 2024. We have not been able to gather sufficient appropriate evidence from the conclusion formed by the initial investigation. As this scope limitation remained unresolved during our current year audit, we were unable to determine whether the corresponding figures for the year ended 31 December 2024 were free from material misstatements.

During the year ended 31 December 2025, no further transactions arising from the trading business and no further impairment losses were recognised for these balances. As we were still unable to perform effective audit procedures or obtain sufficient documents and explanations, we could not satisfy ourselves as to the nature, existence, accuracy, valuation and completeness of the gross amounts of these trade receivables and prepayments, nor could we verify the related accumulated impairment balances recorded in the consolidated statement of financial position as at 31 December 2025 and 2024.

As this scope limitation remained unresolved during annual audit for the year ended 31 December 2025, we were unable to carry out audit procedures necessary to satisfy ourselves that the disclosure of related party balances as at 31 December 2025 in Note 50 to the consolidated financial statements is complete and accurate.



Independent Auditor's Report

For the year ended 31 December 2025

BASIS FOR QUALIFIED OPINION (Continued)

Transactions under the engineering, procurement and construction (“EPC”) project included in the new energy segment

The consolidated financial statements of the Group for the year ended 31 December 2024 were audited by another auditor whose report dated 31 March 2025 expressed a qualified opinion on those statements. The qualification was in respect of, among other things, the inability to obtain sufficient appropriate audit evidence regarding the transactions under the Group's EPC project included in the new energy segment.

As set out in Note 32a to the consolidated financial statements, the Group acts as the main contractor of the EPC project. The predecessor auditor also expressed a qualified opinion regarding this matter in the prior year. As at 31 December 2025, advance receipts from the customer for the EPC project of RMB467,760,000 were recognised as contract liabilities, and the corresponding payments to subcontractors of RMB297,212,000 and RMB997,721,000 were recognised as prepayments and inventories respectively and no related revenue or costs were recognised in profit or loss during the year ended 31 December 2025. During the year ended 31 December 2025 and up to the date of this report the management is still in discussion with the relevant parties (including but not limited to customer and subcontractors) involved in the EPC project and still ongoing, accordingly, the management was unable to provide sufficient information to substantiate the progress of the EPC project and subcontracting costs incurred by subcontractors up to 31 December 2025. We were unable to obtain sufficient appropriate evidence about the accuracy, valuation and completeness of the contract liabilities and of the gross carrying amounts of the prepayments and inventories in relation to the EPC project as at 31 December 2025 and 2024 and accordingly we were unable to determine whether any revenue and subcontracting costs in relation to the EPC project should be recognised in the profit or loss for the year ended 31 December 2025 and 2024.

As we were unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to whether the prepayments, inventories and contract liabilities related to the EPC project were free from material misstatements as at 31 December 2025 and 2024. Any adjustments found to be necessary to these amounts would have a consequential effect on the Group's net assets as at 31 December 2025, the corresponding figures for the years ended 31 December 2024, and the related disclosures in the consolidated financial statements.

Financial assets at fair value through profit or loss

The consolidated financial statements of the Group for the year ended 31 December 2024 were audited by another auditor whose report dated 31 March 2025 expressed a qualified opinion on those statements. The qualification of financial assets at fair value through profit or loss was in respect of the inability to obtain access to certain financial information of three limited partnerships, in which the Group's equity investments were recorded as financial assets at fair value through profit or loss (the “**Equity Investments**”) details of which are set out in Note 26(ii). As at 31 December 2024, the Equity Investments were recognised at a carrying value of RMB423,300,000 in the aggregate. Due to insufficient information, the predecessor auditor was unable to determine whether the carrying amount of the Equity Investments as at 31 December 2024 and the corresponding gain from fair value changes for the year then ended were free from material misstatements.

Independent Auditor's Report

For the year ended 31 December 2025

BASIS FOR QUALIFIED OPINION *(Continued)*

Financial assets at fair value through profit or loss *(Continued)*

The above matter was resolved as at 31 December 2025 and loss from fair value changes of RMB162,270,000 was recognised during the year ended 31 December 2025 with carrying amount of RMB261,030,000 as at 31 December 2025. However, for the fair value measurement as at 31 December 2024 we were unable to obtain sufficient appropriate audit evidence to determine whether the opening balances of the Equity Investments as at 1 January 2025 and movements of the Equity Investments were free from material misstatement. Any adjustments found to be necessary to the opening balance of the Equity Investments would have a consequential effect on the related gain or loss on fair value changes and the Group's results for the year ended 31 December 2025, and the corresponding figures for the year ended 31 December 2024.

We conducted our audit in accordance with Hong Kong Standards on Auditing (“**HKSAs**”) issued by the HKICPA. Our responsibilities under those standards are further described in the “Auditor's responsibilities for the audit of the consolidated financial statements” section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the “**Code**”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

EMPHASIS OF MATTER

We draw attention to Note 2 to the consolidated financial statements, which describes a significant event and related uncertainties regarding the Group's control over its material subsidiary, Nanjing High Speed Gear Manufacturing Co., Ltd. (“**Nanjing High Speed**”).

As disclosed in Note 2, following the amendment to the Articles of Association of Nanjing High Speed on 29 September 2024, China High Speed Transmission Equipment Group Co., Ltd. (“**China High Speed**”) lost definite control over the board of Nanjing High Speed. We note that Nanjing High Speed is a material subsidiary of the Company, accounting for approximately 95% of the Group's total sales revenue for the year ended 31 December 2025.

Currently, the Group's control over Nanjing High Speed is maintained through an acting in concert agreement (the “**Concert Agreement**”) entered into with another independent shareholder of Nanjing High Speed. However, there remains a significant uncertainty as Concert Agreement may be terminated under specific circumstances. Should the Concert Agreement be terminated Nanjing High Speed would cease to be a subsidiary of the Company from the date on which control is lost, which would result in its deconsolidation and have a material and pervasive impact on the Group's consolidated financial statements. Our opinion is not modified in respect of this matter.

OTHER MATTER

The consolidated financial statements of the Group for the year ended 31 December 2024 were audited by another auditor who expressed a qualified opinion on those consolidated financial statements on 31 March 2025.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the “Basis for qualified opinion” section, we have determined the matters described below to be the key audit matters to be communicated in our report.



Independent Auditor's Report

For the year ended 31 December 2025

KEY AUDIT MATTERS (Continued)

Key Audit Matter

How our audit addressed the Key Audit Matter

Fair value measurement of financial instruments with significant inputs not based on observable market data (Level 3)

Refer to Note 4 (Fair value estimation), Note 5(ii)(e) (Significant accounting judgements and estimates – Fair value measurement of financial instruments), Note 26 (Financial assets at fair value through profit or loss), Note 27 (Financial assets at fair value through other comprehensive income) and Note 29 (Derivative financial instruments) to the consolidated financial statements.

As at 31 December 2025, the balances of the Group's financial assets measured at fair value with significant unobservable inputs amounted to approximately RMB5,353,451,000 in total, and the balances of derivative financial liability amounted to approximately RMB32,833,000.

These unlisted financial instruments were valued with inputs not based on quoted market prices in an active market or observable market data and were categorised as Level 3 in the fair value hierarchy.

The fair values of Level 3 financial instruments were determined through the application of various valuation techniques. With the assistance from external valuers, management has exercised significant judgements and estimates in identifying the appropriate valuation models and inputs including but not limited to revenue growth rate, operating margin, discount rate, discount for lack of marketability and multiples in relation to share price changes, earnings and price-to-book. We have therefore focused on this area.

We understood and tested management's procedures and key controls over the measurement of fair values of Level 3 financial instruments;

We evaluated the competence, capabilities and objectivity of the Group's external valuers;

We evaluated and challenged the valuation models and key inputs adopted by the Group on a sample basis including:

- Compared the revenue growth rate and operating margins to the forecast of future profits, historical data, market trend, and evaluated the assumptions adopted by management as appropriate;
- Assessed the reasonableness of the discount rate by comparing weighted average cost of capital of comparable companies in the open market;
- Evaluated the discount for lack of marketability, earnings, share price changes and price-to-book multiples used by comparing with similar types of companies, and
- Evaluated the valuation of selected financial instruments by considering alternative valuation methodologies and assessing sensitivities to key inputs.

Based on the procedures above, we consider the judgements and estimates made by management in measuring the fair values of the level 3 financial instruments with significant unobservable inputs were supported by available evidence.

Independent Auditor's Report

For the year ended 31 December 2025

KEY AUDIT MATTERS (Continued)

Key Audit Matter

Recoverability of trade receivables at amortised cost

Refer to Note 3(iv) (Financial risk management – Credit risk), Note 5(ii)(c) (Significant accounting judgements and estimates – Impairment of financial assets) and Note 31 (Trade receivables) to the consolidated financial statements.

As at 31 December 2025, the Group's trade receivables at amortised cost amounted to approximately RMB5,990,154,000 (net of allowance of approximately RMB3,854,655,000).

Management applied significant judgements and estimates in assessing the expected credit losses on trade receivables. Trade receivables relating to customers with known financial difficulties or significant doubt on collection of receivables are assessed individually for loss allowances. Expected credit losses are also estimated by grouping the remaining receivables with similar credit risk characteristics and collectively assessed for likelihood of recovery, taking into account the nature of the customers and its ageing category. The expected credit loss rates are determined based on historical credit losses experienced from the past 12 to 48 months and are adjusted to reflect current and forward-looking information such as macroeconomic factors affecting the ability of the customers to settle the receivables.

We focused on this area because significant management judgements and estimates are applied in determining loss allowance of such balances.

How our audit addressed the Key Audit Matter

We understood and tested key controls over management's policies, processes and controls over the assessment of recoverability of trade receivables balance and determination of loss allowances;

We assessed the appropriateness of the credit loss provisioning methodology used by the Group;

For trade receivables assessed individually, we obtained management's assessment on the collectability (both amount and timing) of receivables balances. We corroborated against available evidences, include interviewing sales personnel, examining the correspondences with the relevant customers and inquiring the Group's internal legal counsel as to whether there are any of disputes with customers;

We challenged management's assumptions used to determine the expected credit losses by considering cash collection performance against historical trends and current and forward-looking information such as the impact of macroeconomic factors on probability of default and loss given default based on our understanding of the industry and with reference to external data source, and evaluate the historical accuracy of these default data adopted by management;

We tested, on a sample basis, whether items in the trade debtor ageing report were classified within the appropriate ageing brackets by comparing individual items in the report with underlying documentation, including sales invoices or equivalent; and

We re-performed management's calculation of loss allowances assessment.

Based on the procedures above, except for the loss allowances of trade receivables of RMB3,188,981,000 as mentioned in the heading under "Trade receivables, prepayments and related impairment arising from trading business and related party balances included in the new energy segment" of the "Basis for qualified opinion" paragraph, we consider the judgements and estimates applied by management in respect of the assessment of loss allowances of the other trade receivables were supportable by available evidences.



Independent Auditor's Report

For the year ended 31 December 2025

KEY AUDIT MATTERS (Continued)

Key Audit Matter

Recoverability of loan receivables

Refer to Note 3(iv) (Financial risk management – Credit risk), Note 5(ii)(c) (Significant accounting judgements and estimates – Impairment of financial assets) and Note 28(i) (Loan receivables) to the consolidated financial statements.

As at 31 December 2025, the Group's loan receivables amounted to approximately RMB151,665,000 (net of allowance of approximately RMB684,675,000).

Management assessed the loss allowances of loan receivables based on the expected credit loss model. The expected credit loss model involves significant management judgements and assumptions regarding the probability of default, loss given default, historical delinquency ratio of loans and interest, collateral values, economic indicators on forward-looking information as well as other significant factors not covered in the expected credit loss model, if applicable.

We focused on this area because significant management judgements and estimates are applied in determining the loss allowances of such balances.

How our audit addressed the Key Audit Matter

We understood and tested key controls over loss allowances assessment of loan receivables, which relates to management's judgements and assumptions including assessment of criteria of significant increase in credit risk, criteria of defaults and forward-looking information;

We checked to loan agreements and drawdown and repayment slips, on a sample basis, to test the existence and accuracy of the ageing of loan receivables applied in the expected credit loss model;

We assessed the valuation methodology and approach adopted by management in the expected credit loss model;

We evaluated and challenged the appropriateness of the key assumptions used by management, such as delinquency ratio, collateral values, probability of default, exposure at default, loss given default, forward-looking information, etc., used in the expected credit loss model with reference to the historical data and market economic data; and

We re-performed management's calculation of loss allowances assessment.

Based on the procedures above, we consider the judgements and estimates applied by management in the assessment of loss allowances of loan receivables were supportable by available evidences.



Independent Auditor's Report

For the year ended 31 December 2025

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the "Basis for qualified opinion" section above, we were unable to obtain sufficient appropriate evidence about the possible effects arising from certain balances as at 31 December 2025 and 2024, and transactions for the year ended 31 December 2025. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to these balances and transactions or other items in the annual report affected by this matter.

RESPONSIBILITIES OF DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made 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 Auditor's Report

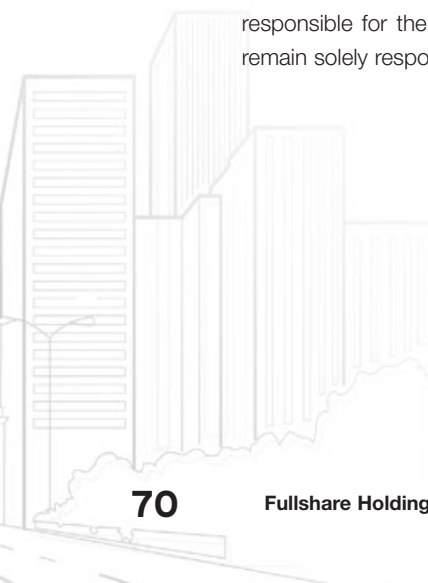
For the year ended 31 December 2025

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.





Independent Auditor's Report

For the year ended 31 December 2025

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER MATTERS UNDER SECTIONS 407(2) AND 407(3) OF THE HONG KONG COMPANIES ORDINANCE

In respect along of the inability to obtain sufficient appropriate audit evidence regarding certain balances and transactions as described in the "Basis for qualified opinion" section of our report above:

- We were unable to determine whether adequate accounting records had been kept; and
- We have not obtained all the information or explanations that, to the best of our knowledge and belief, are necessary and material for the purpose of the audit.

The engagement director on the audit resulting in this independent auditor's report is Lee Kwok Lun.

Prism Hong Kong Limited

Certified Public Accountants

Lee Kwok Lun

Practising certificate number: P06294

Hong Kong, 17 June 2026



Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Revenue	7	20,364,482	23,147,916
Cost of sales and services provided	11	(15,883,625)	(19,654,507)
Gross profit		4,480,857	3,493,409
Selling and distribution expenses	11	(759,611)	(619,837)
Administrative expenses	11	(865,633)	(826,239)
Research and development costs	11	(873,901)	(809,474)
Net provision for impairment losses recognised on financial assets and financial guarantee contracts	3(iv)	(443,879)	(569,840)
Impairment losses on trade receivables and prepayments in relation to trading business included in new energy segment	45	–	(6,628,646)
Other income	9	459,464	496,403
Net fair value changes in financial instruments	8	(123,616)	(62,000)
Other losses, net	10	(258,752)	(547,313)
Operating profit/(loss)		1,614,929	(6,073,537)
Finance costs	12	(447,550)	(997,693)
Share of results of joint ventures	23	7,630	(32,393)
Share of results of associates	24	(183,504)	(34,798)
Profit/(loss) before tax		991,505	(7,138,421)
Income tax expenses	15	(333,604)	(186,929)
Profit/(loss) for the year		657,901	(7,325,350)
Other comprehensive (loss)/income for the year:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
– Exchange differences on translation of foreign operations		(38,789)	(158,982)
– Changes in fair value of debt instruments at fair value through other comprehensive income		4,516	(8,322)
– Income tax relating to these items		(622)	1,296
– Share of other comprehensive (loss)/income of associates	24	(8,717)	2,904
<i>Items that will not be reclassified to profit or loss:</i>			
– Changes in fair value of equity instruments at fair value through other comprehensive income		(94,474)	(6,855)
– Income tax relating to these items		691	6,296
– Reversal of deferred tax assets recognised in prior years		–	(213,388)
Other comprehensive loss for the year, net of tax		(137,395)	(377,051)
Total comprehensive income/(loss) for the year		520,506	(7,702,401)

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2025

	Note	2025 RMB'000	2024 RMB'000
Profit/(loss) for the year attributable to:			
– Equity shareholders of the Company		(104,151)	(6,013,900)
– Non-controlling interests		762,052	(1,311,450)
		657,901	(7,325,350)
Total comprehensive income/(loss) for the year attributable to:			
– Equity shareholders of the Company		(197,763)	(6,342,464)
– Non-controlling interests		718,269	(1,359,937)
		520,506	(7,702,401)
		2025 RMB	2024 RMB
Loss per share			
Basic and diluted loss per share	17	(0.164)	(9.444)



Consolidated Statement of Financial Position

As at 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Non-current assets			
Property, plant and equipment	18	10,329,094	10,827,956
Investment properties	19	2,756,100	2,795,588
Right-of-use assets	20(a)	1,291,278	1,288,185
Goodwill	21	1,503,817	1,503,817
Other intangible assets	22	66,919	138,731
Investment in a joint venture	23	145,597	143,998
Investments in associates	24	276,188	461,738
Financial assets at fair value through other comprehensive income	27	1,258,943	1,451,622
Financial assets at fair value through profit or loss	26	277,397	779,336
Consideration receivables	28(ii)	149,587	144,903
Loan receivables	28(i)	100,066	96,933
Deferred tax assets	38	670,498	666,344
		18,825,484	20,299,151
Current assets			
Inventories	30	6,529,969	6,056,212
Trade receivables	31	5,990,154	6,180,845
Consideration receivables	28(ii)	317,351	466,889
Loan receivables	28(i)	51,599	–
Prepayments	32	448,871	400,608
Other receivables	28(iii)	1,073,582	1,336,050
Income tax prepaid		45,860	12,354
Financial assets at fair value through other comprehensive income	27	3,323,219	3,352,590
Financial assets at fair value through profit or loss	26	558,925	155,252
Restricted cash	33	3,159,681	2,822,958
Cash and cash equivalents	33	5,789,852	3,965,148
		27,289,063	24,748,906

Consolidated Statement of Financial Position

As at 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Current liabilities			
Trade and bills payables	34	10,192,381	9,407,155
Other payables and accruals	35	3,619,698	3,413,945
Contract liabilities	7(iii)	1,262,663	1,643,709
Derivative financial instruments	29	32,833	34,254
Lease liabilities	20(b)(i)	29,323	47,841
Bank and other borrowings	36	6,838,187	6,359,850
Income tax payable		233,776	207,200
Warranty provision	37	864,364	908,794
Deferred income		75,470	69,735
		23,148,695	22,092,483
Net current assets		4,140,368	2,656,423
Total assets less current liabilities		22,965,852	22,955,574
Non-current liabilities			
Bank and other borrowings	36	4,783,020	5,401,985
Deferred income		632,872	676,577
Lease liabilities	20(b)(i)	190,185	135,728
Warranty provision	37	1,338,459	1,260,019
Deferred tax liabilities	38	848,010	877,690
		7,792,546	8,351,999
Net assets		15,173,306	14,603,575
Capital and reserves			
Share capital	39	269,500	269,500
Reserves	40	7,410,897	7,633,340
Equity attributable to equity shareholders of the Company		7,680,397	7,902,840
Non-controlling interests		7,492,909	6,700,735
Total equity		15,173,306	14,603,575

The consolidated financial statements on pages 72 to 201 were approved and authorised for issue by the Board of Directors on 17 June 2026 and were signed on its behalf.

Ji Changqun
Director

Shen Chen
Director

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

Note	Attributable to equity shareholders of the Company											Non-controlling interests	Total equity	
	Share capital	Equity reserve	Share premium	Statutory surplus reserve	Merger reserve	Other reserve	Investment revaluation reserve	Reverse acquisition reserve	Exchange fluctuation reserve	Accumulated losses	Sub-total			
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024	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 year	-	-	-	-	-	-	-	-	-	(6,013,900)	(6,013,900)	(1,311,450)	(7,325,350)	
Other comprehensive (loss)/income for the year														
- Changes in fair value of debt instruments at fair value through other comprehensive income, net of tax	-	-	-	-	-	-	(2,502)	-	-	-	(2,502)	(4,524)	(7,026)	
- Changes in fair value of equity instruments at fair value through other comprehensive income, net of tax	-	-	-	-	-	-	45,580	-	-	-	45,580	(46,139)	(559)	
- Share of other comprehensive income of associates	-	-	-	-	-	-	2,904	-	-	-	2,904	-	2,904	
- Reversal of deferred tax assets recognised in prior years	-	-	-	-	-	-	(213,388)	-	-	-	(213,388)	-	(213,388)	
- Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	(161,158)	-	(161,158)	2,176	(158,982)	
Total comprehensive loss for the year	-	-	-	-	-	-	(167,406)	-	(161,158)	(6,013,900)	(6,342,464)	(1,359,937)	(7,702,401)	
Dividends to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-	(102,078)	(102,078)	
Transfer upon disposal of financial assets at fair value through other comprehensive income	-	-	-	-	-	-	(1,830)	-	-	1,830	-	-	-	
Release of written put option liability	(i)	-	-	-	-	3,472,010	-	-	-	-	3,472,010	1,375,621	4,847,631	
Disposal of a subsidiary	-	-	-	(333,598)	(22,352)	2,500	123,150	-	-	230,300	-	107,172	107,172	
Acquisition of non-controlling interests in subsidiaries	-	-	-	-	-	(6,679)	-	-	-	-	(6,679)	833	(5,846)	
Partial disposal of interests in a subsidiary without loss of control	-	-	-	-	-	(124,056)	-	-	-	-	(124,056)	145,143	21,087	
Transfer of reserve	-	-	-	38,782	-	-	-	-	-	(38,782)	-	-	-	
At 31 December 2024	269,500	422,833	17,760,800	959,719	9,425	973,702	(1,209,988)	(390,381)	(248,713)	(10,644,057)	7,902,840	6,700,735	14,603,575	

(i) In previous year, the Group granted a put option to the transferee associated with a partial disposal of a subsidiary, pursuant to which under certain conditions, at the transferee's discretion, the transferee could request the Group to repurchase all the equity interest acquired by the transferee at specific exercise price. During the year ended 31 December 2024, since the specified events which would trigger the exercise of the put option by the transferee did not occur, the put option was lapsed, and the written option liability was released to the other reserve.

Notes	Attributable to equity shareholders of the Company											Non-controlling interests	Total equity
	Share capital	Equity reserve	Share premium	Statutory surplus reserve	Merger reserve	Other reserve	Investment revaluation reserve	Reverse acquisition reserve	Exchange fluctuation reserve	Accumulated losses	Sub-total		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2025	269,500	422,833	17,760,800	959,719	9,425	973,702	(1,209,988)	(390,381)	(248,713)	(10,644,057)	7,902,840	6,700,735	14,603,575
(Loss)/profit for the year	-	-	-	-	-	-	-	-	-	(104,151)	(104,151)	762,052	657,901
Other comprehensive (loss)/income for the year													
- Changes in fair value of debt instruments at fair value through other comprehensive income, net of tax	-	-	-	-	-	-	1,460	-	-	-	1,460	2,434	3,894
- Changes in fair value of equity instruments at fair value through other comprehensive loss, net of tax	-	-	-	-	-	-	(69,589)	-	-	-	(69,589)	(24,194)	(93,783)
- Share of other comprehensive income of associates	-	-	-	-	-	-	(8,717)	-	-	-	(8,717)	-	(8,717)
- Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	(16,766)	-	(16,766)	(22,023)	(38,789)
Total comprehensive (loss)/income for the year	-	-	-	-	-	-	(76,846)	-	(16,766)	(104,151)	(197,763)	718,269	520,506
Capital contribution from non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	2,054	2,054
Share of reserve transfer upon disposal of financial assets at fair value through other comprehensive income by an associate	-	-	-	-	-	-	7,008	-	-	(7,008)	-	-	-
Partial disposal of interest in a subsidiary without loss of control	44	-	-	-	-	(62,180)	-	-	-	-	(62,180)	71,851	9,671
Transfer of reserve	-	-	-	66,947	-	-	-	-	-	(66,947)	-	-	-
Derecognition of a financial asset at fair value through other comprehensive income upon disposal of a subsidiary	-	-	-	-	-	-	98,300	-	-	(98,300)	-	-	-
Waiver of loan from a shareholder of the Company	50)(c)	-	-	-	-	37,500	-	-	-	-	37,500	-	37,500
At 31 December 2025	269,500	422,833	17,760,800	1,026,666	9,425	949,022	(1,181,526)	(390,381)	(265,479)	(10,920,463)	7,680,397	7,492,909	15,173,306

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

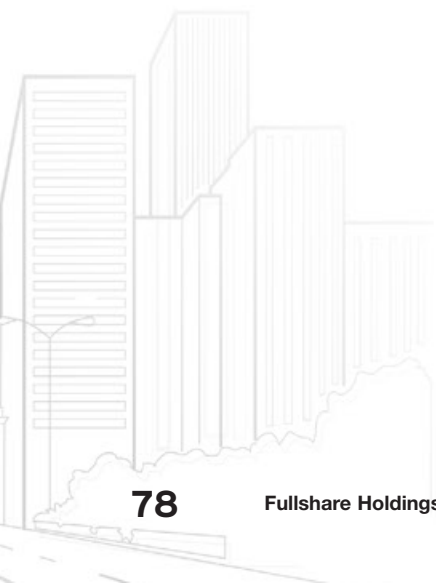
	Notes	2025 RMB'000	2024 RMB'000
Cash flows from operating activities			
Cash generated from operations	42(i)	3,646,696	70,510
Income taxes paid		(374,299)	(185,176)
Net cash generated from/(used in) operating activities		3,272,397	(114,666)
Cash flows from investing activities			
Interest received		124,217	131,332
Placements of pledged bank deposits		(9,597,907)	(9,040,177)
Withdrawal of pledged bank deposits		9,265,344	9,791,810
Investments in structured bank deposits		–	(20,000)
Redemption of structured bank deposits		–	20,092
Proceeds from disposal of financial assets at fair value through other comprehensive income		–	2,000
Purchases of financial assets at fair value through profit or loss		(150)	–
Proceeds from disposal of financial assets at fair value through profit or loss		14,500	17,676
Purchases of items of property, plant and equipment		(1,117,421)	(2,087,587)
Proceeds from disposal of items of property, plant and equipment		98,318	105,338
Proceeds from disposal of investment properties		–	34,413
Payments for right-of-use assets		–	(50,720)
Purchase of other intangible assets		–	(32)
Contributions to an associate	24	(10,000)	(15,000)
Disposal of subsidiaries	43	(18)	8,927
Proceeds from partial disposal of an associate	24	–	22,801
Dividend received from an associate	24	2,166	2,872
Other investment income received		1,545	3,712
Receipt of government grants		44,835	296,371
Receipt of loans and other receivables		–	6,000
Refund of land lease deposits		–	5,890
Receipt of consideration receivables		42,249	37,240
Net cash used in investing activities		(1,132,322)	(727,042)



Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Cash flows from financing activities			
New bank and other borrowings raised		5,853,926	6,992,027
Repayment of bank and other borrowings		(5,677,994)	(7,185,429)
Capital element of lease rental paid		(34,544)	(20,212)
Interest element of lease rental paid		(6,109)	(2,252)
Interest paid		(429,459)	(600,419)
Acquisition of non-controlling interests in subsidiaries		–	(1,146)
Consideration received for partial disposal of a subsidiary without loss of control	44	9,671	21,087
Dividends paid to non-controlling shareholders of subsidiaries		–	(102,078)
Capital contributions from non-controlling interests of subsidiaries		2,054	–
Net cash used in financing activities		(282,455)	(898,422)
Net increase/(decrease) in cash and cash equivalents			
Cash and cash equivalents at the beginning of the year		3,965,148	5,693,844
Net effect of foreign exchange rate changes		(32,916)	11,434
Cash and cash equivalents at the end of year	33	5,789,852	3,965,148



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

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 Act (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 changed from Unit 2805, Level 28, Admiralty Centre Tower 1, 18 Harcourt Road, Admiralty, Hong Kong to Unit C1, 26th Floor, United Centre, 95 Queensway, Admiralty, Hong Kong with effect from 17 March 2025. The Company’s shares are listed on The Stock Exchange of Hong Kong Limited (the “**SEHK**”).

The Company is an investment holding company. Details of the activities of its principal subsidiaries are set out in Note 49 to the consolidated financial statements. 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.

As at 31 December 2025, the single largest shareholder of the Company is Magnolia Wealth International Limited (“**Magnolia**”), which is a company incorporated in the British Virgin Islands with limited liability. In the opinion of the directors of the Company, as at 31 December 2025, the Company had no single controlling shareholder.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”) and the disclosure requirements of Hong Kong Companies Ordinance. The consolidated financial statements have been prepared under the historical cost basis, except for certain financial assets and liabilities (including derivative instruments), and investment properties that are measured at fair value.

The preparation of consolidated financial statements in conformity with HKFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of HKFRS Accounting Standards that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in Note 5.

During the year ended 31 December 2025, the Group failed to fulfil certain financial obligations as set out in an earnest money agreement and asset transfer agreement in respect of previous plan on disposal of equity interests of subsidiaries and certain assets (Note 35(ii)&(iii)), and a number of loan agreements in respect of certain overdue and defaulted borrowings (Note 36).

In view of such circumstances, the directors of the Company have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern. The management has prepared the cash flow projections which cover a period of twelve months from the date of this report. The directors are of the opinion that, based on the cash flow projections and taking into account the expected operation results, the Group’s assets available for realisation if necessary, the adequate collaterals of the relevant loans, and the continuing liaison and renegotiation with relevant parties in respect of timing of repayment of the Group’s financial obligations, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due in the next twelve months. Accordingly, the directors of the Company are satisfied that it is appropriate to prepare the consolidated financial statements under the going concern basis.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

Material uncertainty related to control over a material subsidiary of the Group

Nanjing High Speed Gear Manufacturing Co., Ltd. (“**Nanjing High Speed**”) is a material subsidiary of China High Speed Transmission Equipment Group Co., Ltd. (“**CHS**”, a listed subsidiary of the Company), and consequently a material subsidiary of the Group. Principally engaged in the manufacturing and sales of wind and industrial gear transmission equipment, Nanjing High Speed and its subsidiaries contributed sales revenue of approximately RMB19,396,844,000 for the year ended 31 December 2025, representing approximately 95% of the Group’s total revenue.

Following an amendment to the articles of association of Nanjing High Speed on 29 September 2024, CHS can no longer retain definite control over its board of directors solely based on the amended articles of association. The Group’s current basis of preparation for consolidating Nanjing High Speed relies on an acting in concert agreement (the “**Concert Agreement**”) entered into on the same date by two shareholders of Nanjing High Speed, namely Nanjing Gear Enterprise Management Co., Ltd.* (“**Nanjing Gear Management**”), a wholly-owned subsidiary of CHS holding approximately 50.02% of equity interest of Nanjing High Speed, and Jinhu Shifu Corporate Management Partnership (Limited Partnership) (“**Jinhu LP**”). Pursuant to the Concert Agreement, Jinhu LP shall procure its nominated directors to vote in the same manner as those nominated by Nanjing Gear Management at Nanjing High Speed’s board meetings. Based on the Concert Agreement and the amended articles of association taken together, the Group has secured effective control of six out of nine seats on the board of Nanjing High Speed. The management of CHS and the Company assesses that the Group has the current ability to direct the relevant activities of Nanjing High Speed and is exposed to variable returns from its involvement in Nanjing High Speed. Accordingly, Nanjing High Speed has been accounted for as a subsidiary of CHS and the financial results of Nanjing High Speed have been consolidated into the Group’s consolidated financial statements for the year ended 31 December 2025.

However, the Concert Agreement is subject to termination upon the occurrence of events beyond the Group’s control (such as Jinhu LP ceasing to hold any shares in Nanjing High Speed, or Jinhu LP voting against any proposal to amend the articles of association). Having sought professional advice, the management of CHS considers and the Company concurs, that if the Concert Agreement is terminated without any alternative arrangements to the current situation, CHS (and thereby the Group) would no longer have the right to appoint a majority of the board members or control a majority of the voting rights at the board meetings of Nanjing High Speed. Consequently, Nanjing High Speed would cease to be a subsidiary of CHS, and its financial results would be deconsolidated from the Group’s consolidated financial statements from the date on which control is lost.

These conditions indicate the existence of a material uncertainty that may cast significant doubt on the basis upon which the Group maintains control over Nanjing High Speed. Subsequent to the reporting period, all original board members of CHS who were in office at the time of the amendment have resigned. The newly appointed board of CHS is actively evaluating measures to mitigate the risks to the Group arising from the said amendment. As at 31 December 2025 and up to the date of approval of these consolidated financial statements, the management of CHS and the Company are not aware of any event that has resulted in the termination of the Concert Agreement or the loss of control over Nanjing High Speed.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policies

(a) Amendments to a HKFRS Accounting Standard that are mandatorily effective for the current year

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

Amendments to HKAS 21	Lack of Exchangeability
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The application of the amendments to a HKFRS Accounting Standard in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

(b) New and amendments to HKFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 ²
HKFRS 18	Presentation and Disclosure in Financial Statements ³
Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency ³

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2026.

³ Effective for annual periods beginning on or after 1 January 2027.

Except for the new HKFRS Accounting Standard mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 Presentation of Financial Statements. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 and HKFRS 7. Minor amendments to HKAS 7 Statement of Cash Flows and HKAS 33 Earnings per Share are also made.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES *(Continued)*

2.2 Changes in accounting policies *(Continued)*

(b) New and amendments to HKFRS Accounting Standards in issue but not yet effective (Continued)

HKFRS 18 Presentation and Disclosure in Financial Statements (Continued)

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is not expected to have material impact on the financial performances and positions of the Group in terms of recognition and measurement. However it is expected to affect the presentation of the consolidated statement of profit or loss and disclosures in the future financial statements. The Group will continue to assess the impact of HKFRS 18 on the Group's consolidated financial statements.

2.3 Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group (Note 2.8).

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity respectively.

2.4 Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Investments in associates are accounted for using the equity method (Note 2.6), after initially being recognised at cost in the consolidated statement of financial position.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES *(Continued)*

2.5 Joint arrangements

Joint arrangements are classified as either joint ventures or joint operations depending on the contracted rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures.

Investments in joint ventures are accounted for using the equity method (Note 2.6), after initially being recognised at cost in the consolidated statement of financial position.

2.6 Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

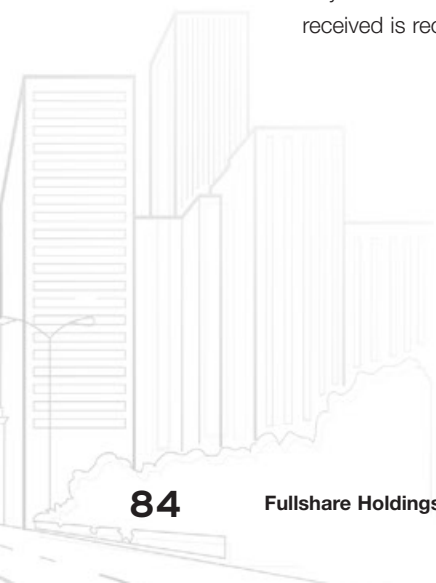
When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains or losses on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 2.16.

2.7 Changes in the Group's ownership interests in existing subsidiaries, associates and joint arrangements

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity shareholders of the Group. A change in ownership interests results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to the shareholders of the Company.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (Continued)

2.7 Changes in the Group's ownership interests in existing subsidiaries, associates and joint arrangements (Continued)

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interests in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interests as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRS Accounting Standards.

If the ownership interests in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

2.8 Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises:

- Fair values of the assets transferred;
- Liabilities incurred to the former shareholders of the acquired business;
- Equity interests issued by the Group;
- Fair value of any asset or liability resulting from a contingent consideration arrangement; and
- Fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non controlling interest's proportionate share of the acquired entity's net identifiable assets.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES *(Continued)*

2.8 Business combinations *(Continued)*

Acquisition-related costs are expensed as incurred.

The excess of:

- Consideration transferred;
- Amount of any non-controlling interests in the acquired entity; and
- Acquisition-date fair value of any previous equity interests in the acquired entity,

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently re-measured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date. Any gains or losses arising from such re-measurement are recognised in profit or loss.

2.9 Investments in subsidiaries in separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (Continued)

2.10 Segment reporting

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the chief operating decision-maker for their decisions about resources allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the chief operating decision-maker are determined following the Group's major business and service lines.

2.11 Foreign currency translation

(i) *Functional and presentation currency*

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the entity operates (the "**functional currency**"), which is mainly Hong Kong dollars ("**HK\$**"), Renminbi ("**RMB**"), US dollars ("**US\$**"), Australian dollars ("**AUD**") and European Monetary Unit ("**EUR**") respectively. The consolidated financial statements are presented in RMB.

(ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in profit or loss.

All foreign exchange gains and losses are presented in the consolidated statement of profit or loss and other comprehensive income within "Other losses, net".

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss ("**FVPL**") are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as fair value through other comprehensive income ("**FVOCI**") are recognised in other comprehensive income.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES *(Continued)*

2.11 Foreign currency translation *(Continued)*

(iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position item are translated at the closing rate at the date of the statement of financial position;
- Income and expenses for each statement of profit or loss and other comprehensive income item are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- All resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

(iv) Disposal of foreign operation and partial disposal

On disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a joint venture that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the currency translation differences accumulated in equity in respect of that operation attributable to the equity shareholders of the Company are reclassified to profit or loss.

In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated currency translation differences is re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (that is, reductions in the Group's ownership interest in associates or joint ventures that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences are reclassified to profit or loss.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (Continued)

2.12 Property, plant and equipment

Property, plant and equipment, other than construction in progress, are stated at historical cost less accumulated depreciation and any impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is calculated on the straight-line method to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful lives, as follows:

Hotel properties	25 years
Freehold lands	Indefinite
Buildings	30-35 years
Plant and machinery	5-10 years
Furniture and fixtures	5 years
Motor vehicles and others	5-10 years

Freehold lands are stated at cost less any impairment losses and are not depreciated.

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately.

Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at the end of the reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.16).

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gains or losses on disposal or retirement recognised in profit or loss in the year the asset is derecognised as the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is stated at historical cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction and capitalised borrowing costs on related borrowed funds during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES *(Continued)*

2.13 Investment properties

Investment properties are interests in lands and buildings held to earn rental income and/or for capital appreciation.

Investment properties are initially measured at cost, including related transaction costs and borrowing costs where applicable. After initial recognition, investment properties are carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If the information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. Changes in fair values are recorded in the consolidated statement of profit or loss and other comprehensive income as fair value gains or losses in investment properties.

Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year of the retirement or disposal.

2.14 Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are subsequently amortised over the useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of the reporting period.

(i) Patents and technologies

Purchased patents and technologies are stated at cost less any impairment losses and are amortised on the straight-line method over their estimated useful lives of 5 to 15 years.

(ii) Customer relationship

Customer relationship is stated at cost less any impairment losses and are amortised on the straight-line method over their estimated useful lives of 10 years.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (Continued)

2.14 Intangible assets (other than goodwill) (Continued)

(iii) Research and development costs

All research costs are charged to profit or loss as incurred.

Development costs incurred on projects to develop new products are capitalised and deferred only when the following criteria are met:

- It is technically feasible to complete the products so that it will be available for use;
- Management intends to complete the products and use or sell it;
- There is an ability to use or sell the products;
- It can be demonstrated how the products will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the products are available; and
- The expenditure attributable to the products during its development can be reliably measured.

Development costs that do not meet the above criteria are expensed when incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Capitalised development costs are recorded as intangible assets and amortised using the straight-line method over the useful lives of the underlying products of 5 to 10 years, commencing from the date when the products are put into commercial production.

(iv) Licenses

Licenses are stated at cost less any impairment losses and are amortised on the straight-line method over their estimated useful lives of 10 years.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (Continued)

2.15 Goodwill

Goodwill is measured as described in Note 2.8. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. The Group performs its annual impairment test of goodwill as at 31 December.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units (“CGU”), or group of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

Impairment is determined by assessing the recoverable amount of the CGU or group of CGUs to which the goodwill relates. Where the recoverable amount of the CGU or group of CGUs is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a CGU or group of CGUs and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the CGU retained.

The Group’s policy for goodwill arising on the acquisition an associate is described in Note 2.4.

2.16 Impairment of non-financial assets

Goodwill, intangible assets and freehold lands that have an indefinite useful life are not subject to amortisation or depreciation, and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s value-in-use and fair value less costs of disposal. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (CGUs). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of the reporting period.

2.17 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (Continued)

2.18 Leases

A lease is recognised as a right-of-use asset and a corresponding liability of the date of which the leased asset is available for use by the Group.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor.

Assets and liabilities arising from a lease are initially measured on present value. Lease liabilities include the present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the Group under residual value guarantees;
- The exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- Where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- Uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third party financing; and
- Makes adjustments specific to the lease, e.g., term, country, currency and security.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES *(Continued)*

2.18 Leases *(Continued)*

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the Group use that rate as a starting point to determine the incremental borrowing rate.

The Group is exposed to potential future increase in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost and comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct costs; and
- Restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Rental income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as rental income. The respective based assets are included in the consolidated statement of financial position based on their nature.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES *(Continued)*

2.19 Investments and other financial assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at FVPL or FVOCI; and
- Those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets that are measured at fair value, gains and losses will be recorded either in profit or loss or in other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to present subsequent changes in fair value in other comprehensive income.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES *(Continued)*

2.19 Investments and other financial assets *(Continued)*

(iii) Measurement (Continued)

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in "Other income" using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in "Other losses, net", together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the consolidated statement of profit or loss and other comprehensive income.
- **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment losses or respective reversals, interest income and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised in "Other losses, net". Foreign exchange gains and losses are presented in "Other losses, net" in the consolidated statement of profit or loss and other comprehensive income.
- **FVPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented as a separate line item.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investments. Dividends from such investments continue to be recognised in profit or loss as "Other income" when the Group's right to receive dividend is established.

Changes in the fair value of financial assets at FVPL are recognised in "Net fair value changes in financial instruments" in profit or loss as applicable.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (Continued)

2.19 Investments and other financial assets (Continued)

(iv) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass through arrangement, it evaluates if and to what extent it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

(v) Impairment of financial assets

The Group assesses on a forward-looking basis the expected credit losses ("ECL") associated with its debt instruments measured at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 3(iv) details how the Group determines whether there has been a significant increase in credit risk.

Other financial assets measured at fair value, including units in bond funds, equity and debt securities measured at FVPL, equity securities designated at FVOCI (non-recycling) and derivative financial assets, are not subject to ECL assessment.

For financial instruments that have low risk of default at the end of the reporting period, except for receivables related to revenue, the Group assumes that there is no significant increase in credit risk since the initial recognition, on first stage, and measures the loss allowance at an amount equal to 12-month ECL. If there has been a significant increase in credit risk or credit impairment has occurred since the initial recognition of a financial instrument, on second stage, the Group recognizes a loss allowance at an amount equal to lifetime ECL. If credit impairment has occurred since the initial recognition of a financial instrument, on third stage, the Group recognises a loss allowance at an amount equal to lifetime ECL.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES *(Continued)*

2.19 Investments and other financial assets *(Continued)*

(v) Impairment of financial assets (continued)

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see Note 3(iv) for further details.

2.20 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.21 Trade and other receivables

Trade and other receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, in which case they are recognised at fair value. The Group holds trade and other receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest rate method, less allowance for impairment. See Note 3(iv) for a description of the Group's impairment policies.

2.22 Cash and cash equivalents and restricted cash

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with banks and other financial institutions, and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Restricted cash is excluded from cash and cash equivalents.

Restricted cash represents guarantee deposits held in a separate reserve account that is pledged to the banks for issuance of trade facilities such as bills payables and bankers' guarantee and as security deposits under bank borrowing agreements or monies held on trust for the customers. Such restricted cash will be released when the Group repays the related trade facilities, bank loans or trust money.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (Continued)

2.23 Share capital

Ordinary shares are classified as equity. Share capital is determined using the nominal value of shares that have been issued.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

2.24 Trade, bills and other payables

Trade, bills and other payables represent liabilities for goods and services provided to the Group prior to the end of year which are unpaid. Trade, bills and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade, bills and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

2.25 Borrowings and borrowing costs

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Covenants that the Group is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Group is required to comply with after the reporting period do not affect the classification at the reporting date.

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are expensed in the period in which they are incurred.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (Continued)

2.26 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the current and deferred tax is also recognised in other comprehensive income or directly in equity, respectively

(i) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the jurisdictions where the Company and its subsidiaries, associates and joint ventures operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Current income tax also includes the PRC land appreciation tax ("LAT") which is levied on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including land cost, borrowing costs and all property development expenditures.

(ii) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply at the time when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The deferred tax liability in relation to investment properties that are measured at fair value is determined assuming the property will be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

Deferred tax assets are recognised only to the extent that it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES *(Continued)*

2.26 Current and deferred income tax *(Continued)*

(ii) Deferred income tax (Continued)

Deferred tax assets and liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in the subsidiaries, associates and joint ventures where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

(iii) Offsetting

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.27 Employee benefits

(a) Short-term obligation

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are included in other payables and accruals in the consolidated statement of financial position.

(b) Pension obligations

The PRC employees of the Group are covered by various PRC government-sponsored defined-contribution pension plans under which the employees are entitled to a monthly pension based on certain formulas. The relevant government agencies are responsible for the pension liability to these employees when they retire. The Group contributes on a monthly basis to these pension plans for the employees which are determined at a certain percentage of their salaries. Under these plans, the Group has no obligation for post-retirement benefits beyond the contribution made. Contributions to these plans are expensed as incurred and contributions paid to the defined contribution pension plans for a staff are not available to reduce the Group's future obligations to such defined-contribution pension plans. The non-PRC employees are covered by other defined-contribution pension plans regulated by the government of their respective country of residence.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES *(Continued)*

2.27 Employee benefits *(Continued)*

(c) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: when the Group can no longer withdraw the offer of those benefits; and when the entity recognises costs for a restructuring that is within the scope of HKAS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

2.28 Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure expected to be required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to passage of time is recognised as interest expense.

Provisions for product warranties granted by the Group on certain products are recognised based on sales volume and past experience of the level of repairs and returns, discounted to their present values as appropriate, which represent the directors' best estimate of the expected cost and may vary as a result of new materials, altered manufacturing processes or other events affecting product quality.

2.29 Financial guarantee contracts

Financial guarantees are contracts that require the issuer (i.e. the guarantor) to make specified payments to reimburse the holder (i.e. the guaranteee) for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES *(Continued)*

2.29 Financial guarantee contracts *(Continued)*

Financial guarantees issued are initially recognised within “trade and other payables” at fair value, which is determined by reference to fees charged in an arm’s length transaction for similar services, when such information is obtainable, or to interest rate differentials, by comparing the actual rates charged by lenders when the guarantee is made available with the estimated rates that lenders would have charged, had the guarantees not been available, where reliable estimates of such information can be made. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group’s policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in profit or loss.

Subsequent to initial recognition, the amount initially recognised as deferred income is amortised in profit or loss over the term of the guarantee as income from financial guarantees issued.

Where guarantees in relation to loans or other payables of associates or joint arrangements are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

2.30 Derivative financial instruments

Derivative financial instruments are initially recognised at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each of the reporting period. The resulting gain or loss is recognised in profit or loss unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

2.31 Written put option liability

Written put option is a financial instrument granted by the Group whereby counterparties may have the rights to request the Group to purchase their equity interests in the Group’s subsidiaries for cash when certain conditions are met. If the Group does not have the unconditional right to avoid delivering cash under the put option, the Group has to recognise a financial liability at the present value of the estimated future cash outflows under the put option. The financial liability is initially recognised at fair value.

Subsequently, if the Group revises its estimates of the payments, the Group adjusts the carrying amount of the financial liability to reflect actual and revised estimated cash outflows. At the end of the reporting period, the Group recalculates the carrying amount by computing the present value of the revised estimated future cash outflows at the financial instrument’s original effective interest rate and adjustment to its carrying amount is to be recognised as income or expenses in profit or loss.

In the event that the written put option expires unexercised, the financial liability is derecognised with a corresponding adjustment to equity.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES *(Continued)*

2.32 Revenue recognition

(a) Revenue from contracts with customers

The Group manufactures and sells goods, develops and sells properties, and renders other services to its customers. Revenue is recognised when the control of the asset is transferred to the customer. Depending on the terms of the contract and the laws and rules that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the Group's performance:

- Provides all of the benefits received and consumed simultaneously by the customer; or
- Creates and enhances an asset that the customer controls as the Group performs; or
- Do not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

Revenue excludes value added taxes and is after deduction of any trade discounts.

(i) Sales of gear products and trading of goods

Revenue is recognised when the customer takes possession of and accepts the products. Transportation and handling activities that occur before customers obtain control are considered as fulfilment activities.

No significant element of financing is deemed present as the sales are made with a credit term of 90 days upon delivery, which is consistent with market practice.

The Group provides standard warranty on its gear products and is obliged to repair or replace faulty products under the standard warranty terms, the standard warranty is recognised as a provision in Note 37.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (Continued)

2.32 Revenue recognition (Continued)

(a) Revenue from contracts with customers (Continued)

(ii) Sales of tourist goods and healthcare products

Revenue is recognised when control of the tourist goods and healthcare products has been transferred, being at the point the customer purchases the tourist goods and healthcare products.

(iii) Sales of properties

The Group develops and sells residential properties in the PRC. Revenue is recognised at a point in time when the property is delivered to the customer. The properties have generally no alternative use for the Group due to contractual restrictions. However, an enforceable right to payment does not arise until legal title has passed to the customer. Therefore, revenue is recognised at a point in time when the legal title has passed to the customer.

(iv) Service income from construction consulting, hotel operations, investment and financial consulting and education

The Group provides services to its customers at fixed or variable amount. If the consideration is variable, revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. The Group recognises revenue from services over the period of time where the customer simultaneously receives and consumes the benefits provided by the Group or the Group has an enforceable right to payments for performance completed to date and the performance do not create an asset with an alternative use. For revenue recognised over the period of time, the Group measures the progress towards complete satisfaction of performance obligation on the basis of the actual costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract. Where the outcome of a contract cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered. Provision is made for foreseeable losses as soon as they are anticipated by the Group. Estimates of revenue, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenue or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by the Group.

(v) Contract assets and contract liabilities

As agreed in the contracts, the customer pays fixed or variable amount based on a payment schedule. If the services or goods rendered by the Group exceed the payment, a contract asset is recognised. If the payments exceed the services or goods rendered, a contract liability is recognised. Any unconditional rights to consideration are presented separately as receivables.

For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES *(Continued)*

2.32 Revenue recognition *(Continued)*

(b) Revenue from other sources

(i) Rental income

Rental income is recognised in profit or loss on a straight-line basis over the term of the lease. See Note 2.18 for further details.

(ii) Dividend income

Dividend income is received from financial assets at FVPL and FVOCI. Dividend is recognised as “Other income” in profit or loss when the right to receive dividend is established.

(iii) Interest income

Interest income on loan receivables and other financial assets at amortised cost calculated using the effective interest rate method is recognised as “Other income” in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that are subsequently become credit-impaired. For credit impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the impairment losses).

2.33 Loss per share

(i) Basic loss per share

Basic loss per share is calculated by dividing the loss attributable to the equity shareholders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(ii) Diluted loss per share

Diluted loss per share adjusts the figures used in the determination of basic loss per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (Continued)

2.34 Government grants

Government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs they are intended to compensate.

Government grants that become receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised as income of the period in which they become receivable.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are recognised in profit or loss on a straight-line method over the expected lives of the related assets.

2.35 Related parties

- (a) A person, or a close member of that person's family, is related to the Group if that person:
- (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or the Group's parent.
- (b) An entity is related to the Group if any of the following conditions applies:
- (i) The entity and the Group are members of the same Group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES *(Continued)*

2.35 Related parties *(Continued)*

(b) An entity is related to the Group if any of the following conditions applies: *(Continued)*

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

2.36 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the consolidated financial statements. When a change in the probability of an outflow occurs so that outflow of economic resources is probable, it will then be recognised as a provision.

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.

(i) Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed-rate bank and other borrowings (Note 36), loan receivables (Note 28(i)) and certain financial assets at amortised cost (Note 28(ii), (iii)), at FVPL (Note 26) and at FVOCI (Note 27). The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank and other borrowings (Note 36). Management monitors the interest rate exposures and will consider hedging significant interest rate exposures should the need arise. The Group is also exposed to cash flow interest rate risk relates to restricted cash and cash and cash equivalents carried at prevailing market rates. However, such exposure is minimal to the Group as these cash and cash equivalents are all short-term in nature.

The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of the interest rate as stipulated by the People's Bank of China arising from the Group's RMB borrowings.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3 FINANCIAL RISK MANAGEMENT (Continued)

(i) Interest rate risk (Continued)

The sensitivity analysis below has been determined based on the exposure to interest rates for variable-rate bank and other borrowings, which is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year.

For variable-rate bank and other borrowings, if the interest rates had been 50 basis points higher and all other variables were held constant, the Group's profit after tax for the year ended 31 December 2025 would have decreased by approximately RMB27,677,000 (2024: loss after tax for the year would have increased by approximately RMB25,633,000), and vice versa. The analysis is performed on the same basis as 2024.

(ii) Foreign currency risk

The Group has transactional currency exposures and exposures on net investment in the Group's foreign operations. Such exposures arise from sales or purchases by operating units in currencies other than the units' functional currencies and the fluctuation in exchange rates between the foreign operations and RMB, which causes the carrying amount of the net investment to vary. Approximately 7% (2024: 4%) of the Group's sales were denominated in currencies other than the functional currencies of the operating units making the sale, whilst approximately 1% (2024: 1%) of costs were not denominated in the units' functional currencies. The Group currently did not enter into any hedge under the Group's foreign currency risks strategy as the Group considers the risk of movements in exchange rates between different foreign currencies and RMB to be insignificant.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the RMB exchange rate, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities) and the Group's equity (due to the translation of a foreign operation using a functional currency other than the presentation currency of the Group). The analysis is performed on the same basis as 2024. Differences resulting from the translation of the financial statements of foreign operations into the Group's presentation currency are excluded.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3 FINANCIAL RISK MANAGEMENT (Continued)

(ii) Foreign currency risk (Continued)

	Increase/ (decrease) in RMB rate	(Decrease)/ increase in profit before tax RMB'000	Increase/ (decrease) in equity* RMB'000
2025			
If HK\$ weakens against RMB	5%	(115,457)	4,510
If HK\$ strengthens against RMB	(5%)	115,457	(4,510)
If US\$ weakens against RMB	5%	(100,751)	10,168
If US\$ strengthens against RMB	(5%)	100,751	(10,168)
If EUR weakens against RMB	5%	(15,145)	–
If EUR strengthens against RMB	(5%)	15,145	–
If AUD weakens against RMB	5%	5,023	10,045
If AUD strengthens against RMB	(5%)	(5,023)	(10,045)
	Increase/ (decrease) in RMB rate	(Increase)/ decrease in loss before tax RMB'000	Increase/ (decrease) in equity* RMB'000
2024			
If HK\$ weakens against RMB	5%	(120,812)	3,644
If HK\$ strengthens against RMB	(5%)	120,812	(3,644)
If US\$ weakens against RMB	5%	(70,302)	10,114
If US\$ strengthens against RMB	(5%)	70,302	(10,114)
If EUR weakens against RMB	5%	(12,822)	–
If EUR strengthens against RMB	(5%)	12,822	–
If AUD weakens against RMB	5%	6,460	10,917
If AUD strengthens against RMB	(5%)	(6,460)	(10,917)

* Excluding retained earnings

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3 FINANCIAL RISK MANAGEMENT (Continued)

(iii) 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 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.

The sensitivity analysis below has been determined based on the exposure to equity price risk at the end of the reporting period. If the prices of the respective listed equity instruments had been 10% (2024: 10%) higher/lower, the profit after tax and other comprehensive income after tax for the year ended 31 December 2025 would have increased/decreased by approximately RMB1,269,000 and RMB5,234,000 (2024: the loss after tax and other comprehensive loss after tax for the year would have decreased/increased by approximately RMB4,711,000 and RMB5,816,000) respectively, as a result of the changes in fair value of the equity instruments. The Group has diversified its investment portfolio in order to minimise the concentration of such equity price risk.

If the fair value of the respective unlisted equity instruments had been 10% (2024: 10%) higher/lower, the profit after tax and other comprehensive income after tax for the year ended 31 December 2025 would have increased/decreased by approximately RMB65,322,000 and RMB120,660,000 (2024: the loss after tax and other comprehensive loss after tax for the year would have decreased/increased by approximately RMB66,002,000 and RMB104,180,000) respectively, as a result of the changes in fair value of the unlisted equity instruments.

(iv) Credit risk

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



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3 FINANCIAL RISK MANAGEMENT (Continued)

(iv) Credit risk (Continued)

The credit risk on the Group's cash and cash equivalents and restricted cash is limited because the counterparties are banks and other financial institutions with high credit ratings and a regulated company. Other than concentration of the credit risk on liquid funds which are deposited with several banks and other financial institutions with high credit ratings, the Group also has concentration of credit risks with exposure limited to certain counterparties and customers. As at 31 December 2025, trade and bills receivables from top five customers accounted for approximately 30% (2024: 30%) of the Group's trade and bills receivables. Apart from delegating a team for determining the credit limits, credit approval and other monitoring procedures on customers, the Group had also explored new markets and new customers in order to minimise the concentration of credit risk. Other than above, there is no other concentration of credit risk on the Group's trade and bills receivables. The Group does not obtain collateral from customers or counterparties in respect of trade and bills receivables.

For loan receivables, other receivables, consideration receivables and other financial assets at amortised cost, management makes periodic and collective assessment as well as individual assessment on their respective recoverability based on historical settlement records, past experience, and also quantitative and qualitative forward looking information that is reasonable and supportive. Collateral for certain of the trade receivables, loan receivables and other receivables included both listed and non-listed securities of small to medium-sized companies. Those securities are less liquid and more volatile in respect of their value, which have been taken into consideration in arriving at the measurement of ECL.

For financial guarantee contracts, the maximum amount that the Group has guaranteed under the respective contracts was RMB3,225,544,000 (2024: RMB2,959,697,000 (restated)) as at 31 December 2025. The credit risk on certain financial guarantee contract is considered to be either default or virtually certain to default given the financial position of those counterparties. Accordingly, the loss allowances are measured at lifetime ECL and take into consideration of delinquency ratio and collateral values.

The Group has the following types of financial assets that are subject to 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.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3 FINANCIAL RISK MANAGEMENT (Continued)

(iv) Credit risk (Continued)

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

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

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

- internal credit rating;
- external credit rating;
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations;
- 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 behaviour 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 so on. The management would assess and examine the balance individually.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3 FINANCIAL RISK MANAGEMENT (Continued)

(iv) 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, producer price index and industry value-added 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.

On that basis, the ECL provision as at 31 December 2025 and 2024 was determined as follows:

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3 FINANCIAL RISK MANAGEMENT (Continued)

(iv) Credit risk (Continued)

(a) Trade receivables (Continued)

2024	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	3%	16%	34%	66%	100%	7%
Gross carrying amount – Trade receivables assessed under provision matrix (excluding trade receivables of which 100% loss allowances specifically provided)	5,887,562	376,563	159,456	71,181	132,346	6,627,108
Loss allowances under provision matrix	(152,811)	(59,878)	(54,476)	(46,752)	(132,346)	(446,263)
100% loss allowances specifically provided						
– Businesses other than Relevant Trading Business (Note a)	–	(12,643)	(1,885)	(1,765)	(182,158)	(198,451)
– Relevant Trading Business	(3,072,759)	(116,222)	–	–	–	(3,188,981)
Loss allowances	(3,225,570)	(188,743)	(56,361)	(48,517)	(314,504)	(3,833,695)
Net carrying amount	5,734,751	316,685	104,980	24,429	–	6,180,845

Note:

- (a) As at 31 December 2025 and 2024, the balances of trade receivables and prepayments relating to trading business included in new energy segment which carried out with 13 customers and 3 suppliers (“**Relevant Trading Business**”) were fully impaired. Details of the findings and actions are sent out in Note 45.

The movements of ECL provision for trade receivables during the years ended 31 December 2025 and 2024 are as follows:

	2025 RMB'000	2024 RMB'000
ECL provision as at 1 January	3,833,695	692,460
Provision for loss allowances recognised in profit or loss		
– Businesses other than Relevant Trading Business	30,940	8,022
– Relevant Trading Business	–	3,178,115
Uncollectible receivables written off during the year	(9,830)	(3,879)
Disposal of subsidiaries	–	(41,121)
Exchange differences	(150)	98
ECL provision as at 31 December	3,854,655	3,833,695

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



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3 FINANCIAL RISK MANAGEMENT (Continued)

(iv) Credit risk (Continued)

(a) Trade receivables (Continued)

The following table shows the movement in lifetime ECL that has been recognised for trade receivables under simplified approach.

Trade receivables	Lifetime ECL (non-credit- impaired) RMB'000	Lifetime ECL (credit- impaired) RMB'000	Total RMB'000
As at 1 January 2024	464,652	227,808	692,460
Changes due to financial instruments recognised as at 1 January 2024:			
– Transferred to credit-impaired			
– Businesses other than Relevant Trading Business	(1,805)	1,805	–
– Relevant Trading Business	(10,866)	10,866	–
– Impairment losses (reversed)/recognised			
– Businesses other than Relevant Trading Business	(2,346)	9,549	7,203
– Relevant Trading Business	–	3,132,368	3,132,368
– Disposal of a subsidiary	(2,371)	(38,750)	(41,121)
– Written off as uncollectible	(1,820)	(2,059)	(3,879)
New financial assets originated or purchased:			
– Impairment losses recognised			
– Businesses other than Relevant Trading Business	819	–	819
– Relevant Trading Business	–	45,747	45,747
Exchange differences	–	98	98
As at 31 December 2024	446,263	3,387,432	3,833,695
Changes due to financial instruments recognised as at 1 January 2025:			
– Transferred to credit-impaired			
– Businesses other than Relevant Trading Business	(12,684)	12,684	–
– Impairment losses recognised			
– Businesses other than Relevant Trading Business	26,508	3,286	29,794
– Written off as uncollectible	(217)	(9,613)	(9,830)
New financial assets originated or purchased:			
– Impairment losses recognised			
– Businesses other than Relevant Trading Business	1,146	–	1,146
Exchange differences	–	(150)	(150)
As at 31 December 2025	461,016	3,393,639	3,854,655

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3 FINANCIAL RISK MANAGEMENT (Continued)

(iv) Credit risk (Continued)

(a) Trade receivables (Continued)

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.

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 ECL. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime	0% – 20%
Stage two	There have been significant increase in credit risk since initial recognition through information developed internally or externally sources, or when contractual payments are more than 30 days past due	Lifetime ECL	20% – 50%
Stage three	There is evidence indicating the receivable is credit impaired, or when contractual payments are more than 90 days past due	Lifetime ECL	50% – 100%



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3 FINANCIAL RISK MANAGEMENT (Continued)

(iv) Credit risk (Continued)

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

As at 31 December 2025 and 2024, the Group provided the following ECL provision against financial assets at amortised cost (excluding trade receivables):

	ECL rate	Gross carrying amount RMB'000	ECL provision RMB'000	Carrying amount (net of provision for loss allowances) RMB'000
2025				
Loan receivables (Note a)	82%	836,340	(684,675)	151,665
Consideration receivables	27%	641,082	(174,144)	466,938
Other receivables	49%	2,107,981	(1,034,399)	1,073,582
		3,585,403	(1,893,218)	1,692,185
2024				
Loan receivables (Note a)	88%	835,563	(738,630)	96,933
Consideration receivables	10%	678,647	(66,855)	611,792
Other receivables	44%	2,405,544	(1,069,494)	1,336,050
		3,919,754	(1,874,979)	2,044,775

Note:

- (a) As at 31 December 2025 and 2024, the ECL rate for loan receivables was relatively high due to higher credit risks of certain borrowers since initial recognition. The financial condition of certain borrowers have been significantly deteriorated with certain of their loans default in repayments and remain unsettled as at the end of the reporting period.

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3 FINANCIAL RISK MANAGEMENT (Continued)

(iv) Credit risk (Continued)

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

The following table shows reconciliation of loss allowances that has been recognised for loan receivables:

	12-month ECL RMB'000	Lifetime ECL (non-credit- impaired) RMB'000	Lifetime ECL (credit- impaired) RMB'000	Total RMB'000
Loan receivables				
As at 1 January 2024	2,325	12,349	595,163	609,837
Changes due to financial instruments recognised as at 1 January 2024:				
– Transferred to credit-impaired	(2,325)	(12,349)	14,674	–
– Impairment losses recognised	–	–	435,186	435,186
– Disposal of a subsidiary	–	–	(306,393)	(306,393)
As at 31 December 2024	–	–	738,630	738,630
Changes due to financial instruments recognised as at 1 January 2025:				
– Impairment losses reversed	–	–	(53,955)	(53,955)
As at 31 December 2025	–	–	684,675	684,675



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3 FINANCIAL RISK MANAGEMENT (Continued)

(iv) Credit risk (Continued)

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

The following table shows reconciliation of loss allowances that has been recognised for consideration receivables:

	12-month ECL RMB'000	Lifetime ECL (non-credit- impaired) RMB'000	Lifetime ECL (credit- impaired) RMB'000	Total RMB'000
Consideration receivables				
As at 1 January 2024	–	69,407	–	69,407
Changes due to financial instruments recognised as at 1 January 2024:				
– Impairment losses reversed	–	(14,636)	–	(14,636)
New financial assets originated or purchased:				
– Impairment losses recognised	12,084	–	–	12,084
As at 31 December 2024	12,084	54,771	–	66,855
Changes due to financial instruments recognised as at 1 January 2025:				
– Transferred to credit-impaired	–	(54,771)	54,771	–
– Impairment losses recognised	300	–	106,989	107,289
As at 31 December 2025	12,384	–	161,760	174,144

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3 FINANCIAL RISK MANAGEMENT (Continued)

(iv) Credit risk (Continued)

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

The following table shows reconciliation of loss allowances that has been recognised for other receivables:

	12-month ECL RMB'000	Lifetime ECL (non-credit- impaired) RMB'000	Lifetime ECL (credit- impaired) RMB'000	Total RMB'000
Other receivables				
As at 1 January 2024	1,510	12,137	988,748	1,002,395
Changes due to financial instruments recognised as at 1 January 2024:				
– Transferred to credit-impaired	(227)	(2,593)	2,820	–
– Impairment losses (reversed)/ recognised	(416)	10,887	118,679	129,150
– Written off as uncollectible	–	–	(217)	(217)
New financial assets originated or purchased:				
– Impairment losses recognised	34	–	–	34
– Disposal of a subsidiary	(432)	(4,243)	(59,514)	(64,189)
Exchange differences	–	–	2,321	2,321
As at 31 December 2024	469	16,188	1,052,837	1,069,494
Changes due to financial instruments recognised as at 1 January 2025:				
– Transferred to credit-impaired	(10)	–	10	–
– Impairment losses reversed	(1)	(1,887)	(30,334)	(32,222)
Exchange differences	–	–	(2,873)	(2,873)
As at 31 December 2025	458	14,301	1,019,640	1,034,399



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3 FINANCIAL RISK MANAGEMENT (Continued)

(iv) Credit risk (Continued)

(c) Bills receivables measured at FVOCI

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

(d) Financial assets at FVPL

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

As at 31 December 2025 and 2024, the Group is also exposed to credit risk in relation to debt investments that are measured at FVPL. The debt investments which are unrated or credit rating below the pre-set levels have to be approved by the investment committee. The management regularly reviews and monitors the portfolio of debt securities.

The maximum exposure at the end of the reporting period is the carrying amount of these investments, which is RMB154,190,000 (2024: RMB101,454,000).

(e) Financial guarantee contracts

As at December 2025, financial guarantees included in new energy segment provided for in the consolidated financial statements were as follows:

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

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

As a result, the Group measured ECL on a lifetime basis and recognised an impairment loss of RMB205,352,000 (2024: Nil) for the year ended 31 December 2025 (which comprised the guaranteed principal of RMB180,000,000 and accrued interest of RMB25,352,000), with a corresponding financial guarantee liability included in “other payables” in the consolidated statement of financial position.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3 FINANCIAL RISK MANAGEMENT (Continued)

(iv) Credit risk (Continued)

(e) Financial guarantee contracts (Continued)

- (ii) During the year ended 31 December 2016, CHS has provided a financial guarantee in respect of a borrowing of a third party (which was previously a related party of the Group prior to 1 December 2018). Pursuant to an extension agreement, the repayment maturity date of the borrowing was extended to 30 October 2026, with CHS's guarantee remains enforceable and valid based on legal advice obtained. As at 31 December 2025, the guaranteed principal amount was RMB400,000,000, and the corresponding accumulated interest was RMB276,697,000. Details of which are set out in the CHS's announcement date 12 June 2026.

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

Based on the results of the Group's assessment, an impairment loss of RMB186,475,000 (2024: Nil) was recognised in consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2025, with a corresponding financial guarantee liability included in "other payables" in the consolidated statement of financial position.

- (iii) In addition, as at 31 December 2024, a subsidiary of CHS issued a financial guarantee to a bank of RMB8,028,000 granted to an associate. A financial guarantee liability of RMB1,928,000 was recognised and included in "other payables" in the consolidated statement of position. During the year ended 31 December 2025, such guarantee was lapsed upon the guarantee period expired. Accordingly, no provision for loss allowance was recognised as at 31 December 2025.

Other than the guarantee contracts mentioned above, as at 31 December 2025, the Group also provided financial guarantees to two associates (2024: two associate), details of which are set out in Note 50(iii)(b) and one independent third party (2024: one independent third party) in favour of bank loans of RMB1,732,384,000 (2024: RMB1,527,565,000) and RMB579,000,000 (2024: RMB579,000,000), respectively. These amounts represented the balances that the Group could be required to be paid if the guarantees were called upon in its entirety. At the end of the reporting period, the management has performed impairment assessment by considering the borrower's financial position, the protection of the Group's interests (such as counter-guarantee and/or other pledged assets in relation to the guarantees) and any change in credit risk based on their understanding, and considered that no provision was recognised during the year ended 31 December 2025 and 2024.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3 FINANCIAL RISK MANAGEMENT (Continued)

(iv) Credit risk (Continued)

During the years ended 31 December 2025 and 2024, the summary of the net impairment losses on financial assets and financial guarantee contracts recognised in profit or loss was as follows:

	Note	2025 RMB'000	2024 RMB'000
Provision for/(reversal of) impairment losses on			
Trade receivables		30,940	3,186,137
<i>Less: Trade receivables for Relevant Trading Business (Note a)</i>	45	–	(3,178,115)
– Trade receivables for businesses other than Relevant Trading Business		30,940	8,022
– Loan receivables		(53,955)	435,186
– Consideration receivables		107,289	(2,552)
– Other receivables		(32,222)	129,184
– Financial guarantee contracts		391,827	–
		443,879	569,840

Note:

(a) As at 31 December 2025 and 2024, balances of trade receivables and prepayments relating to trading business included in new energy segment which carried out with 13 customers and 3 suppliers ("**Relevant Trading Business**") were fully impaired. Details of the findings and actions are set out in Note 45.

(v) Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents considered adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management of the Group monitors utilisation of bank and other borrowings and ensures compliance with loan covenants.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities based on the agreed repayment terms and its derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest is floating rate, the undiscounted amount is derived from the interest rate curve at the end of the reporting period.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3 FINANCIAL RISK MANAGEMENT (Continued)

(v) Liquidity risk (Continued)

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

	2025			Total undiscounted cashflows RMB'000	Carrying amount RMB'000
	Less than 1 year or on demand RMB'000	1 to 5 years RMB'000	Over 5 years RMB'000		
Bank and other borrowings	6,969,763	4,966,871	226,754	12,163,388	11,621,207
Trade and bills payables	10,192,381	–	–	10,192,381	10,192,381
Other payables and accruals	1,941,113	–	–	1,941,113	1,941,113
Lease liabilities	36,427	144,398	67,350	248,175	219,508
Financial guarantee contracts	3,225,544	–	–	3,225,544	391,827
Derivative financial instruments	35,295	–	–	35,295	32,833
	22,400,523	5,111,269	294,104	27,805,896	24,398,869

	2024			Total undiscounted cashflows RMB'000	Carrying amount RMB'000
	Less than 1 year or on demand RMB'000	1 to 5 years RMB'000	Over 5 years RMB'000		
Bank and other borrowings	6,622,902	5,218,202	653,604	12,494,708	11,761,835
Trade and bills payables	9,407,155	–	–	9,407,155	9,407,155
Other payables and accruals	2,190,129	–	–	2,190,129	2,190,129
Lease liabilities	55,628	120,684	26,922	203,234	183,569
Financial guarantee contracts (restated)	2,959,697	–	–	2,959,697	1,928
Derivative financial instruments	36,823	–	–	36,823	34,254
	21,272,334	5,338,886	680,526	27,291,746	23,578,870

The amounts included above for variable interest rate instruments for non-derivative financial liabilities are subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

The amount included above for financial guarantee contracts are the maximum amounts the Group could be required to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on the expectations at the end of the reporting period, the Group considers that amount of RMB391,827,000 (2024: RMB1,928,000) will be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3 FINANCIAL RISK MANAGEMENT (Continued)

(vi) Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2025 and 2024.

The Group monitors capital using a gearing ratio, which is calculated as a ratio of the sum of bank and other borrowings to total assets. The gearing ratio as at the end of the reporting periods was as follows:

	2025 RMB'000	2024 RMB'000
Bank and other borrowings (Note 36)	11,621,207	11,761,835
Non-current assets	18,825,484	20,299,151
Current assets	27,289,063	24,748,906
Total assets	46,114,547	45,048,057
Gearing ratio	25%	26%



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

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 the 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 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.

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 fair value hierarchy during the years ended 31 December 2025 and 2024.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4 FAIR VALUE ESTIMATION (Continued)

(i) Financial assets and liabilities (Continued)

(a) Fair value hierarchy (Continued)

The following tables present the financial assets and financial liabilities that are measured at fair value at 31 December 2025 and 2024.

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
As at 31 December 2025				
Financial assets at FVOCI:				
– Listed equity investments	52,343	–	–	52,343
– Unlisted equity investments	–	–	1,206,600	1,206,600
– Bills receivables	–	–	3,323,219	3,323,219
Financial assets at FVPL:				
– Listed equity investments	12,690	–	–	12,690
– Unlisted equity investments	–	–	653,225	653,225
– Trade receivables measured at FVPL	–	–	154,190	154,190
– Derivative financial instruments	–	–	16,217	16,217
Financial liability at FVPL				
– Derivative financial instruments	–	–	(32,833)	(32,833)
	65,033	–	5,320,618	5,385,651
As at 31 December 2024				
Financial assets at FVOCI:				
– Listed equity investments	68,403	–	–	68,403
– Unlisted equity investments	–	–	1,387,606	1,387,606
– Bills receivables	–	–	3,348,203	3,348,203
Financial assets at FVPL:				
– Listed equity investments	47,111	–	–	47,111
– Unlisted equity investments	–	–	767,517	767,517
– Trade receivables measured at FVPL	–	–	101,454	101,454
– Derivative financial instruments	–	–	18,506	18,506
Financial liability at FVPL:				
– Derivative financial instruments	–	–	(34,254)	(34,254)
	115,514	–	5,589,032	5,704,546

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4 FAIR VALUE ESTIMATION *(Continued)*

(i) Financial assets and liabilities *(Continued)*

(b) Valuation techniques used to determine fair values

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

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

(c) Valuation processes of the Group

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



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4 FAIR VALUE ESTIMATION (Continued)

(i) Financial assets and liabilities (Continued)

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

The following tables presents the changes in Level 3 fair value hierarchy items for the years ended 31 December 2025 and 2024:

	Financial assets at FVPL				Financial assets at FVOCI		Total RMB'000
	Unlisted equity investments RMB'000 (Note 26)	Trade receivables RMB'000 (Note 26)	Structured bank deposits RMB'000 (Note 26)	Derivative financial instruments RMB'000 (Note 26)	Unlisted equity investments RMB'000 (Note 27)	Bills receivables RMB'000 (Note 27)	
At 1 January 2024	841,586	43,262	-	27,995	1,623,329	1,804,904	4,341,076
Acquisitions	-	230,846	20,000	-	-	21,322,176	21,573,022
Disposals	-	(171,495)	(20,092)	-	(2,000)	(19,770,555)	(19,964,142)
Distribution in specie (Note 26(iii))	(50,643)	-	-	-	-	-	(50,643)
Disposal of a subsidiary	-	-	-	-	(215,800)	-	(215,800)
Fair value (losses)/gains recognised in profit or loss	(35,650)	(1,159)	92	(9,443)	-	-	(46,160)
Fair value losses recognised in other comprehensive income	-	-	-	-	(17,923)	(8,322)	(26,245)
Exchange differences	12,224	-	-	(46)	-	-	12,178
At 31 December 2024 and 1 January 2025	767,517	101,454	-	18,506	1,387,606	3,348,203	5,623,286
Acquisitions	150	939,112	-	-	-	22,993,071	23,932,333
Disposals	-	(882,243)	-	-	-	(23,022,571)	(23,904,814)
Disposal of subsidiaries (Note 43)	-	-	-	-	(101,700)	-	(101,700)
Fair value losses recognised in profit or loss	(98,958)	(4,133)	-	(2,584)	-	-	(105,675)
Fair value (losses)/gains recognised in other comprehensive income	-	-	-	-	(79,306)	4,516	(74,790)
Exchange differences	(15,484)	-	-	295	-	-	(15,189)
At 31 December 2025	653,225	154,190	-	16,217	1,206,600	3,323,219	5,353,451

**Derivative
financial
instruments**
RMB'000
(Note 29)

Financial liability at FVPL

At 1 January 2024	(33,228)
Fair value losses recognised in profit or loss	(1,026)
At 31 December 2024 and 1 January 2025	(34,254)
Fair value gains recognised in profit or loss	1,421
At 31 December 2025	(32,833)

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4 FAIR VALUE ESTIMATION (Continued)

(i) Financial assets and liabilities (Continued)

(e) Valuation inputs and relationships to fair value

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

Financial instruments	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of significant unobservable inputs to fair value
Financial assets at FVPL – Unlisted equity investments – Trade receivables – Derivative financial instruments	Level 3	(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 flow; expected recovery date; discount rates that correspond to the expected risk level, ranging from 2.6% to 18.0% (2024: 3.1% to 18.0%)	The higher the future cash flow, 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 flow; expected recovery date; discount rates that correspond to the expected risk level, ranging from 0.4% to 2.3% (2024: 1.1%)	The higher the future cash flow, the higher the fair value; the earlier the recovery date, the higher the fair value; the lower the discount rate, the higher the fair value, and vice versa
		(ii) Market comparison approach	Price-to-book multiples at 0.67 (2024: 1.22); share price changes multiples at -2% (2024: 2%);	The higher the price-to-book multiples, the higher the fair value; the higher the positive share price changes multiple, the higher the fair value; and vice versa
Financial liability at FVPL – Derivative financial instruments	Level 3	Discounted cash flow with future cash flows that are estimated based on expected recoverable amounts, discounted at rates that reflect management's best estimation of the expected risk level	Expected future cash flow; expected recovery or payment date; discount rates that correspond to the expected risk level at 7.5% (2024: 7.5%)	The higher the future cash flow, 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



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

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 the 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 income (net of tax) for the year ended 31 December 2025 would have increased/decreased by approximately RMB29,520,000 (2024: the total comprehensive loss (net of tax) for the year would have decrease/increase by approximately RMB7,186,000) as a result of the changes in fair value of the financial assets. The analysis was performed on the same basis as 2024.

(iii) Non-financial assets and liabilities

Refer to Note 19 for disclosures of investments properties that are measured at fair value.

5 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

(i) Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the consolidated financial statements:

(a) *Deferred taxation and LAT on investment properties*

For the purposes of measuring deferred tax liabilities and LAT arising from investment properties that are measured using the fair value model, the directors of the Company have reviewed the Group's investment property portfolios and concluded that two (2024: two) of the Group's investment properties, shopping malls acquired or constructed in previous years, are held under a business model whose objective is to consume substantially all of the economic benefits embodied in that investment property over time rather than through sale. Therefore, in measuring the Group's deferred tax liabilities on such investment properties, the directors of the Company have determined that the presumption that the carrying amounts of such investment properties are recovered entirely through sale is rebutted. As at 31 December 2025, the carrying amount of such properties was RMB2,734,741,000 (2024: RMB2,773,582,000). For the remaining investment properties on which the presumption is not rebutted, the Group had assessed if it is necessary to further recognise deferred taxes on changes in fair value of investment properties in relation to the LAT, which is the additional tax to be charged if a property in the PRC is recovered through sale. As at 31 December 2025, the carrying amount of these properties was RMB21,359,000 (2024: RMB22,006,000).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

5 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(Continued)*

(i) Judgements *(Continued)*

(b) Principal or agent consideration for revenue

The Group distributes a wide range of trading of goods. Revenue is recognised when or as the control of the goods is transferred to the customer. The Group determines the presentation of its revenue by assessing whether it acts as the principal of the goods that are sold. The Group presents its revenue on a net basis when the Group acts as an agent with no control over the underlying goods and does not assume inventory risk. The Group presents its revenue on a gross basis when the Group assumes inventory risk and acts as a principal from the goods suppliers for the trade. The purchase payments to the goods suppliers are recorded as “Cost of sales and services provided” in profit or loss. The Group presents majority of its revenue on gross basis as the Group is primarily responsible for providing the underlying goods and the Group controls the goods provided by suppliers prior to its transfer to customers.

(c) Going concern consideration

In the process of applying the Group’s accounting policies, apart from those involving estimations, management has prepared the consolidated financial statements on the assumption that the Group will be able to operate as a going concern in the coming year, which is a critical judgement that has the most significant effect on the amounts recognised in the consolidated financial statements. The assessment of the going concern assumption involves making a judgement by the directors, at a particular point of time, about the future outcome of events or conditions which are inherently uncertain. The directors consider that the Group has the capability to continue as a going concern even though the Group failed to fulfil certain financial obligations as set out in Note 2.1 to the consolidated financial statements.

(ii) Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year, are described below.

(a) Impairment of goodwill

The Group performs goodwill impairment assessment both annually and whenever there is an indication that a CGU to which goodwill has been allocated may be impaired. This requires an estimation of the value in-use or fair value less costs of disposal of the CGUs to which the goodwill is allocated as applicable. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from the CGUs and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The cost of goodwill at 31 December 2025 was RMB1,623,368,000 (2024: RMB1,623,368,000) with accumulated impairment of RMB119,551,000 (2024: RMB119,551,000). Further details are disclosed in Note 21 to the consolidated financial statements.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

5 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

(ii) Estimation uncertainty (Continued)

(b) Estimation of fair value of investment properties

In the absence of current prices in an active market for similar properties, the Group uses its judgement to select a variety of methods like market comparison approach, term and reversionary method and/or discounted cash flow method and make assumptions about the expected cash flows, discount rates etc. and take into account the current market rents for similar properties in the same location and condition. The carrying amounts of investment properties at 31 December 2025 was RMB2,756,100,000 (2024: RMB2,795,588,000). Further details, including the key assumptions used for fair value measurement, are disclosed in Note 19 to the consolidated financial statements.

(c) Impairment of financial assets

The ECL for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgements in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward-looking estimates at the end of the reporting period. Details of the key assumptions and inputs used are disclosed in Note 3(iv) to the consolidated financial statements.

(d) Net realisable value of inventories, properties under development and held for sale

Net realisable value of inventories, properties under development and held for sale is the estimated selling price in the ordinary course of business less estimated costs to be incurred to completion and disposal. These estimates are based on the current market condition and the historical experience of selling products of a similar nature. It could change significantly as a result of changes in market conditions. Management reassesses these estimates at the end of the reporting period.

(e) Fair value measurement of financial instruments

As at 31 December 2025, certain of the Group's financial assets and financial liabilities, including unlisted equity investments and derivative financial instruments, amounting to RMB1,876,042,000 (2024: RMB2,173,629,000) and RMB32,833,000 (2024: RMB34,254,000), respectively, are measured at fair values which are determined based on significant unobservable inputs using valuation techniques. Judgement and estimation are required in establishing the relevant valuation techniques and the relevant inputs, including expected future cash flows, expected recovery date and discount rates, etc., which are mainly based on market practice and industry knowledge existing at the end of the reporting period. Changes in assumptions relating to these factors could result in material adjustments to the fair values of these instruments. Details of the key assumptions used and the impact of changes to these assumptions are disclosed in Note 4 to the consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

5 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

(ii) Estimation uncertainty (Continued)

(f) Current and deferred income tax

The Group is subject to income tax in a number of jurisdictions. Significant judgement is required in determining the provision for income taxes in various jurisdictions. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be levied. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

(g) Useful lives and residual values of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives of the assets, after taking into account the estimated residual value. Management reviews the estimated useful lives and residual value of the assets annually in order to determine the amount of depreciation expense to be recorded during any reporting period. The useful lives and residual value are based on the Group's historical experience with similar assets, taking into account anticipated technological changes. The depreciation expense for future periods is adjusted if there are significant changes from previous estimates.

(h) Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment of all non-financial assets, including property, plant and equipment, at the end of the reporting period. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a CGU exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value-in-use.

Certain property, plant and equipment are subject to impairment and impairment losses of RMB226,540,000 (2024: RMB228,184,000) in respect of property, plant and equipment that have been recognised during the year ended 31 December 2025. Details of the impairment of property, plant and equipment are disclosed in Note 18.

(i) Estimation of provision for warranty claims

The Group generally offers 60-66 months warranties for its mechanical transmission equipment. Management estimates the related provision for future warranty claims based on historical warranty claim information, as well as recent trends that might suggest that historical cost information may differ from future claims. The assumptions made in relation to the current period are consistent with those in the prior year. Factors that could impact the estimated claim information include the success of the Group's productivity and quality initiatives, as well as parts and labour costs. As at 31 December 2025, this particular provision had a carrying amount of RMB2,202,823,000 (2024: RMB2,168,813,000).



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

5 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(Continued)*

(ii) Estimation uncertainty *(Continued)*

(j) *Withholding tax arising from the distribution of dividends*

The Group's determination as to whether to accrue withholding taxes arising from the distributions of dividends by certain subsidiaries according to the relevant tax rules enacted in the jurisdictions, is subject to judgement on the plan of the distribution of the dividends. At as 31 December 2025, the carrying value of deferred tax liabilities relating to the withholding tax was approximately RMB93,477,000 (2024: RMB93,477,000).

6 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), finance costs as well as head office and corporate expenses are excluded from such measurement.

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

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

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

6 OPERATING SEGMENT INFORMATION (Continued)

	For the year ended 31 December 2025					Total RMB'000
	Properties RMB'000	Tourism RMB'000	Investment and financial services RMB'000	Healthcare, education and others RMB'000	New energy RMB'000	
Segment revenue:						
Sales to external customers	205,879	351,724	16,548	55,993	19,734,338	20,364,482
Net fair value changes in financial instruments	-	-	46,533	-	(170,149)	(123,616)
Segment results	(54,604)	3,216	72,685	(5,593)	1,377,263	1,392,967
Reconciliation:						
Unallocated bank interest income (Note 9)						109,338
Unallocated interest on deferred consideration (Note 9)						8,928
Gains on disposal of subsidiaries (Note 10)						105,656
Unallocated income and losses, net						(120,323)
Corporate and other unallocated expenses						(57,511)
Finance costs (Note 12)						(447,550)
Profit before tax						991,505
Segment assets as at 31 December 2025	3,048,985	463,987	1,876,927	207,347	30,371,334	35,968,580
Reconciliation:						
Corporate and other unallocated assets						10,145,967
Total assets as at 31 December 2025						46,114,547
Segment liabilities as at 31 December 2025	709,421	156,037	308,570	3,095	16,262,478	17,439,601
Reconciliation:						
Corporate and other unallocated liabilities						13,501,640
Total liabilities as at 31 December 2025						30,941,241

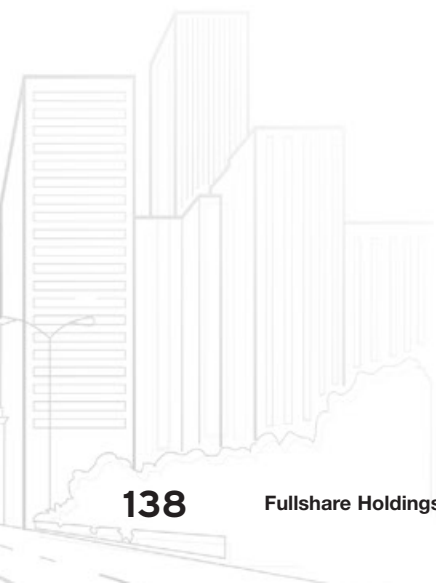


Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

6 OPERATING SEGMENT INFORMATION (Continued)

	For the year ended 31 December 2025						
	Properties RMB'000	Tourism RMB'000	Investment and financial services RMB'000	Healthcare, education and others RMB'000	New energy RMB'000	Unallocated RMB'000	Total RMB'000
Other segment information:							
Share of profit of a joint venture (Note 23)	–	–	7,630	–	–	–	7,630
Share of loss and impairment loss of associates (Note 24)	(125,975)	–	–	(2,608)	(54,921)	–	(183,504)
Provision for impairment losses on property, plant and equipment (Note 10)	–	–	–	–	(226,540)	–	(226,540)
Depreciation and amortisation (Note 11)	(34,125)	(34,826)	(1,066)	(22)	(1,037,058)	(4,547)	(1,111,644)
Investment in a joint venture (Note 23)	–	–	145,597	–	–	–	145,597
Investments in associates (Note 24)	19,124	–	–	92,049	165,015	–	276,188
Capital expenditure*	495	18,465	82	84	772,905	1,517	793,548



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

6 OPERATING SEGMENT INFORMATION (Continued)

	For the year ended 31 December 2024					Total RMB'000
	Properties RMB'000	Tourism RMB'000	Investment and financial services RMB'000	Healthcare, education and others RMB'000	New energy RMB'000	
Segment revenue:						
Sales to external customers	242,025	339,795	3,168	487,458	22,075,470	23,147,916
Net fair value changes in financial instruments	-	-	(60,840)	-	(1,160)	(62,000)
Segment results	(504,561)	(239,499)	(532,640)	(15,157)	(5,098,847)	(6,390,704)
Reconciliation:						
Unallocated bank interest income (Note 9)						116,280
Unallocated interest on deferred consideration (Note 9)						9,130
Loss on disposal of a subsidiary (Note 10)						(9,976)
Unallocated income and losses, net						192,233
Corporate and other unallocated expenses						(57,691)
Finance costs (Note 12)						(997,693)
Loss before tax						(7,138,421)
Segment assets as at 31 December 2024	3,058,845	490,641	2,264,246	319,663	31,050,442	37,183,837
Reconciliation:						
Corporate and other unallocated assets						7,864,220
Total assets as at 31 December 2024						45,048,057
Segment liabilities as at 31 December 2024	620,253	177,875	274,758	7,655	15,715,769	16,796,310
Reconciliation:						
Corporate and other unallocated liabilities						13,648,172
Total liabilities as at 31 December 2024						30,444,482



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

6 OPERATING SEGMENT INFORMATION (Continued)

	For the year ended 31 December 2024						
	Properties RMB'000	Tourism RMB'000	Investment and financial services RMB'000	Healthcare, education and others RMB'000	New energy RMB'000	Unallocated RMB'000	Total RMB'000
Other segment information:							
Share of (loss)/profit of joint ventures (Note 23)	(40,179)	-	7,786	-	-	-	(32,393)
Share of loss and impairment loss of associates (Note 24)	(25,465)	(95)	-	(7,877)	(1,361)	-	(34,798)
(Provision for)/reversal of impairment losses on property, plant and equipment (Note 10)	-	(234,294)	-	-	6,110	-	(228,184)
Impairment losses on trade receivables and prepayments in relation to trading business included in new energy segment	-	-	-	-	(6,628,646)	-	(6,628,646)
Depreciation and amortisation (Note 11)	(9,196)	(66,963)	(679)	(3,453)	(861,787)	(5,787)	(947,865)
Investments in joint ventures (Note 23)	-	-	143,998	-	-	-	143,998
Investments in associates (Note 24)	152,107	-	-	99,695	209,936	-	461,738
Capital expenditure*	98,796	104,622	-	56	2,130,146	3,993	2,337,613

* Capital expenditure consists of additions to property, plant and equipment and right-of-use assets.

(i) Revenue from external customers by locations of customers

	2025 RMB'000	2024 RMB'000
The PRC	17,232,976	20,770,052
The United States of America (the "USA")	1,657,484	1,275,193
Europe	245,980	208,666
Australia	263,109	246,935
Other countries	964,933	647,070
	20,364,482	23,147,916

(ii) Non-current assets by locations of assets

	2025 RMB'000	2024 RMB'000
The PRC	15,105,287	15,730,389
Australia	385,504	377,628
The USA	152,745	175,865
Other countries	303,672	270,395
	15,947,208	16,554,277

The non-current assets information above is based on the locations of the assets and excludes financial instruments, loan receivables, consideration receivables, deferred tax assets and investments in a joint venture and associates.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

6 OPERATING SEGMENT INFORMATION (Continued)

(iii) Information about major customers

Revenue from customers which individually amounted to over 10% of the total sales of the Group is as follows:

	2025 RMB'000	2024 RMB'000
Customer A ¹	3,159,586	N/A ²
Customer B ¹	2,988,441	2,529,425
Customer C ¹	2,257,865	N/A ²
Customer D ¹	2,254,355	N/A ²

¹ It represented revenue from sale of mechanical transmission equipment in the new energy segment.

² Not disclosed as the revenue from such customers was less than 10% of the total sales during the corresponding year.

7 REVENUE

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

An analysis of revenue is as follows:

	2025 RMB'000	2024 RMB'000
Revenue from contracts with customers		
Properties segment:		
– Property development and sales	–	2,583
Tourism segment:		
– Hotel operations	351,724	332,722
– Sales of tourist goods and services	–	7,073
	351,724	339,795
New energy segment:		
– Sales of gear products	19,734,338	17,613,069
– Trading of goods	–	4,462,401
	19,734,338	22,075,470
Investment and financial services segment:		
– Investment and financial consulting service	16,548	3,168
Healthcare, education and others segment:		
– Education services	11,563	10,436
– Healthcare products and other services	4,509	4,273
– Trading of goods	39,921	472,749
	55,993	487,458
	20,158,603	22,908,474
Revenue from other sources		
Properties segment:		
– Gross rental income	205,879	239,442
	205,879	239,442
	20,364,482	23,147,916



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

7 REVENUE (Continued)

(ii) Revenue from contracts with customers and other sources disaggregated by timing of revenue recognition

	2025 RMB'000	2024 RMB'000
Timing of revenue recognition:		
– Recognised at a point in time	19,794,359	22,562,148
– Recognised over time	570,123	585,768
	20,364,482	23,147,916

(iii) Liabilities related to contracts with customers

It represents deposits received in advance for made-to-order manufacturing arrangement on acceptance of manufacturing orders and the EPC project (Note 32(a)) and deposits received for other businesses when the contracts signed. The sum of deposits received are based on negotiation on a case-by-case basis with customers.

The Group has recognised the following liabilities related to contracts with customers:

	2025 RMB'000	2024 RMB'000
Contract liabilities related to:		
– Manufacturing and sales of gear products	1,236,917	1,613,686
– Other	25,746	30,023
	1,262,663	1,643,709

As at 1 January 2024, contract liabilities amounted to RMB1,779,712,000.

The carrying amount of contract liabilities of approximately RMB796,687,000 (2024: RMB673,946,000) as at 31 December 2025 is expected not to be realised within the next twelve months from the end of the reporting period.

(iv) Revenue recognised in relation to brought-forward contract liabilities

The following table shows the revenue recognised in the current reporting period that relates to brought-forward contract liabilities:

	2025 RMB'000	2024 RMB'000
Revenue recognised that was included in the contract liabilities at the beginning of the year		
– Manufacturing and sales of gear products	816,998	1,055,739
– Others	29,446	99,717
	846,444	1,155,456

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

8 NET FAIR VALUE CHANGES IN FINANCIAL INSTRUMENTS

	2025 RMB'000	2024 RMB'000
Fair value losses in financial assets at FVPL	(122,453)	(51,531)
Fair value losses in derivative financial instruments	(1,163)	(10,469)
	(123,616)	(62,000)

9 OTHER INCOME

	Notes	2025 RMB'000	2024 RMB'000
Bank interest income	(i)	109,338	116,280
Interest on deferred consideration	(ii)	8,928	9,130
Other interest income	(iii)	5,951	9,191
Dividend income from financial assets at FVPL and FVOCI		1,545	3,712
Management fees income	(iv)	17,096	36,614
Government grants	(v)	181,237	195,031
Sales of scraps and materials		109,342	97,944
Others		26,027	28,501
		459,464	496,403

Note:

- (i) Bank interest income is principally derived from restricted cash and cash and cash equivalents.
- (ii) Interest income is derived from deferred consideration on disposal of 72.71% equity interest in Sparrow Early Learning Pty Limited ("Sparrow").
- (iii) Other interest income is principally derived from loan receivables.
- (iv) Management fees income consists of management fees income for leased shops, carparking fees income and other ancillary service income in relation to leases of property.
- (v) 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.

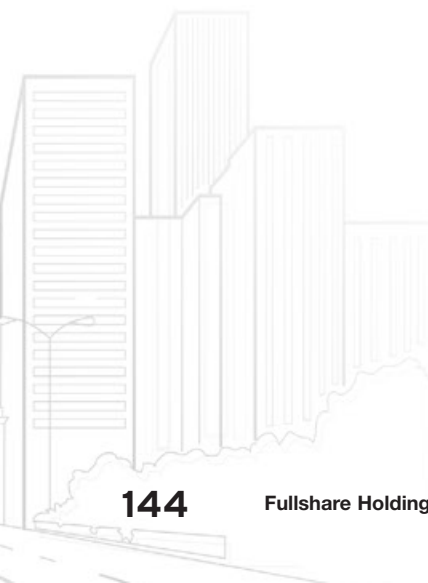


Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

10 OTHER LOSSES, NET

	Notes	2025 RMB'000	2024 RMB'000
Gains/(losses) on disposal of subsidiaries	43	105,656	(9,976)
Fair value losses in investment properties	19	(39,488)	(444,344)
Gains on disposal of property, plant and equipment		1,381	9,727
Gains on partial disposal of an associate	24	–	7,404
Loss on swap contracts		(35,295)	(36,823)
Impairment losses on property, plant and equipment	18	(226,540)	(228,184)
(Provision for)/reversal of impairment losses on prepayments (excluding Relevant Trading Business)	32	(3,017)	311
Impairment losses on other intangible assets	22	–	(9,680)
Foreign exchange (losses)/gains, net		(62,603)	164,157
Others		1,154	95
		(258,752)	(547,313)



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

11 EXPENSES BY NATURE

	Notes	2025 RMB'000	2024 RMB'000
Employee benefit expenses:			
Directors' remuneration	13		
– Fees		1,992	2,324
– Salaries, allowances and benefits in kind		3,152	2,337
– Discretionary bonuses		–	560
– Pension scheme contributions		344	297
		5,488	5,518
Other staff costs			
– Salaries and other benefits		2,079,652	2,054,385
– Pension scheme contributions		185,776	176,631
		2,265,428	2,231,016
		2,270,916	2,236,534
Other items:			
Cost of inventories sold		13,355,634	17,242,926
Cost of properties sold		–	2,497
Amortisation of other intangible assets	22	70,688	70,307
Depreciation of right-of-use assets	20(a)	78,493	46,602
Depreciation of property, plant and equipment	18	962,463	830,956
Write-down of inventories	30	204,567	77,371
Write-down of properties under development		–	5,738
Write-down of properties held for sale		–	339
Expenses relating to short-term leases	20(b)(ii)	16,178	35,173
Expenses relating to leases of low-value assets	20(b)(ii)	1,700	1,891
Auditors' remuneration			
– Audit services		7,200	7,065
– Non-audit services		3,563	4,420
Others (<i>Note a</i>)		1,411,368	1,348,238
Total expenses		18,382,770	21,910,057
Represented by:			
– Cost of sales and services provided		15,883,625	19,654,507
– Selling and distribution expenses		759,611	619,837
– Administrative expenses		865,633	826,239
– Research and development costs		873,901	809,474
		18,382,770	21,910,057

Note:

(a) The "Others" items were mainly transportation expenses, office expenses, electricity and advertising expenses.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

12 FINANCE COSTS

	Note	2025 RMB'000	2024 RMB'000
Interest on bank and other borrowings		441,441	742,482
Less: Interest capitalised (<i>Note a</i>)		–	(5,041)
Interest on lease liabilities	20(b)(ii)	441,441	737,441
Unwinding of discount on written put option liability		6,109	2,252
		–	258,000
		447,550	997,693

Note:

(a) During the year ended 31 December 2024, interest was capitalised at rates ranging from 3.60% to 4.05% per annum.

13 DIRECTORS' REMUNERATION

(i) Directors' emoluments

	Note	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Discretionary bonuses* RMB'000	Pension scheme contributions RMB'000	Total RMB'000
For the year ended 31 December 2025						
Executive directors:						
Mr. Ji Changqun ("Mr. Ji")	(a)	332	–	–	–	332
Ms. Du Wei		–	1,628	–	126	1,754
Mr. Shen Chen		332	802	–	109	1,243
Mr. Ge Jinzhu		332	722	–	109	1,163
Independent non-executive directors:						
Mr. Lau Chi Keung		332	–	–	–	332
Mr. Huang Shun		332	–	–	–	332
Mr. Tsang Sai Chung		332	–	–	–	332
		1,992	3,152	–	344	5,488

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

13 DIRECTORS' REMUNERATION (Continued)

(i) Directors' emoluments (Continued)

	Note	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Discretionary bonuses* RMB'000	Pension scheme contributions RMB'000	Total RMB'000
For the year ended						
31 December 2024						
Executive directors:						
Mr. Ji	(a)	332	–	–	–	332
Ms. Du Wei		332	1,377	–	99	1,808
Mr. Shen Chen		332	480	320	99	1,231
Mr. Ge Jinzhu		332	480	240	99	1,151
Independent non-executive directors:						
Mr. Lau Chi Keung		332	–	–	–	332
Mr. Huang Shun		332	–	–	–	332
Mr. Tsang Sai Chung		332	–	–	–	332
		2,324	2,337	560	297	5,518

Note:

(a) Mr. Ji is the chief executive and executive director of the Company.

* The bonus was determined with reference to performance of individuals for the year and market trends.

There was no arrangement under which a director or a chief executive waived or agreed to waive any remuneration in both years.

(ii) Directors' retirement benefits and termination benefits

No director received or will receive any retirement benefits or termination benefits during the year ended 31 December 2025 (2024: nil).

(iii) Consideration provided to third parties for making available of the directors' services

During the year ended 31 December 2025, the Company did not pay consideration to any third parties for making available of the directors' services (2024: nil).

(iv) Information about loans, quasi-loans and other dealings in favour of the directors, controlled bodies corporate by and connected entities with the directors

There is no loan, quasi-loan or other dealing arrangement in favour of the directors, controlled bodies corporate by and controlled entities with the directors (2024: nil).



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

14 FIVE HIGHEST PAID EMPLOYEES

No director is included in the five highest paid employees during the year ended 31 December 2025 (2024: nil). Details of the remuneration for the year of the five (2024: five) highest paid employees who are neither a director nor a chief executive of the Company are as follows:

	2025 RMB'000	2024 RMB'000
Salaries, allowances and benefits in kind	17,506	17,388
Pension scheme contributions	200	212
	17,706	17,600

The number of highest paid employees (excluding directors or chief executive) whose remuneration fell within the following bands is as follows:

	Number of employees	
	2025	2024
HK\$2,500,001 to HK\$3,000,000	1	2
HK\$3,000,001 to HK\$3,500,000	2	1
HK\$3,500,001 to HK\$4,000,000	1	1
HK\$5,500,001 to HK\$6,000,000	1	1
	5	5

During the years ended 31 December 2025 and 2024, no emolument was paid by the Group to the directors, chief executive or the highest paid individuals as an inducement to join or upon joining the Group, or as compensation for loss of office.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

15 INCOME TAX EXPENSES

The Group calculates the income tax expenses for the year using the tax rates prevailing in the jurisdiction in which the Group operates.

	2025 RMB'000	2024 RMB'000
Current tax – charge for the year		
– The PRC	300,179	171,219
– Hong Kong	27,306	27,121
– Australia	595	609
– The USA	49,471	12,286
– Others	1,436	656
Over-provision in respect of prior years	(11,618)	(3,443)
Deferred tax	(33,765)	(21,519)
	333,604	186,929

A reconciliation between income tax expenses and accounting profit/(loss) at applicable tax rates is as follows:

	2025 RMB'000	2024 RMB'000
Profit/(loss) before tax	991,505	(7,138,421)
Tax calculated at the statutory tax rate of 25%	247,876	(1,784,605)
Effect of different tax rates of subsidiaries operating in other jurisdictions and lower tax rate for specific provinces or enacted by local authorities	(178,092)	(116,536)
Effect of share of results of associates and joint ventures	41,508	9,914
Income not subject to tax	(26,201)	(8,618)
Expenses not deductible for tax	87,221	62,754
Utilisation of recognised tax losses from prior years	(54,654)	(51,050)
Unused tax losses not recognised	152,902	556,674
Temporary differences not recognised	96,676	1,469,983
Provision for LAT	–	1,864
Tax effect for LAT	–	(293)
Additional deductible allowances for research and development expenses recognised in profit or loss in current year	(23,196)	(30,027)
Over-provision in respect of prior years	(11,618)	(3,443)
Decrease in opening deferred tax assets resulting from a decrease in applicable tax rate	–	31,938
Others	1,182	48,374
Income tax expenses	333,604	186,929



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

15 INCOME TAX EXPENSES (Continued)

(a) PRC Corporate Income Tax (“CIT”)

PRC CIT has been provided at the rate of 25% (2024: 25%) on the taxable profits of the Group’s PRC subsidiaries, except those listed below, for the year ended 31 December 2025.

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

Name of company	Year end during which approval was obtained
Nanjing High Speed	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.	31 December 2024
NGC (Huai’an) High Speed Gear Manufacturing Co., Ltd. (“NGC Huai’an”)	31 December 2024

(b) PRC 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% (2024: 8.25% to 30%) prevailing in the places in which these enterprises operated for the year ended 31 December 2025.

(d) Pillar Two Model Rules

The Group is within the scope of the Pillar Two Model Rules published by the Organisation for Economic Co operation and Development. As at 31 December 2025, Pillar Two legislation has been enacted and is in effect in certain jurisdictions where the Group operates. During the year ended 31 December 2025, based on the information currently available, the management of the Group considers that the overall impact of Pillar Two rules on the Group’s income tax position is not expected to be material. The Group will continue to monitor developments in Pillar Two legislation across relevant jurisdictions and assess the potential future impact on its financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

16 DIVIDENDS

The board has resolved not to declare a final dividend for the year ended 31 December 2025 (2024: nil).

17 LOSS PER SHARE

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

	2025	2024
Loss attributable to equity shareholders of the Company (in RMB'000)	(104,151)	(6,013,900)
Weighted average number of ordinary shares in issue	636,763,934	636,763,934
Basic and diluted loss per share (in RMB)	(0.164)	(9.444)

No diluted loss per share was presented as there were no potential ordinary shares in issue for both years.

18 PROPERTY, PLANT AND EQUIPMENT

	Hotel properties RMB'000	Freehold lands and leasehold buildings RMB'000	Plant and machinery RMB'000	Furniture and fixtures RMB'000	Motor vehicles and others RMB'000	Construction in progress RMB'000	Total RMB'000
At 1 January 2024							
Cost	1,515,961	3,407,580	8,546,668	316,704	881,360	2,559,952	17,228,225
Accumulated depreciation and impairments	(243,197)	(960,838)	(4,774,052)	(239,875)	(351,776)	(73,727)	(6,643,465)
Net carrying amount	1,272,764	2,446,742	3,772,616	76,829	529,584	2,486,225	10,584,760
For the year ended 31 December 2024							
Opening net carrying amount	1,272,764	2,446,742	3,772,616	76,829	529,584	2,486,225	10,584,760
Additions	4,331	46,460	106,528	8,518	28,893	1,904,102	2,098,832
Transferred from construction in progress	-	506,684	1,555,025	29,251	296,987	(2,387,947)	-
Depreciation for the year (Note 11)	(49,978)	(133,740)	(516,138)	(15,372)	(115,728)	-	(830,956)
Disposals	-	(6,074)	(75,428)	(2,475)	(5,824)	(5,810)	(95,611)
Disposal of a subsidiary	(678,842)	-	-	(2,484)	(136)	-	(681,462)
Exchange differences	(16,700)	(2,500)	108	183	528	(1,042)	(19,423)
(Provision for)/reversal of impairments (Note 10)	(270,751)	36,457	(68)	(88)	-	6,266	(228,184)
Closing net carrying amount	260,824	2,894,029	4,842,643	94,362	734,304	2,001,794	10,827,956
At 31 December 2024							
Cost	342,848	3,926,087	10,123,279	334,255	1,200,535	2,069,255	17,996,259
Accumulated depreciation and impairments	(82,024)	(1,032,058)	(5,280,636)	(239,893)	(466,231)	(67,461)	(7,168,303)
Net carrying amount	260,824	2,894,029	4,842,643	94,362	734,304	2,001,794	10,827,956



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

18 PROPERTY, PLANT AND EQUIPMENT (Continued)

	Hotel properties RMB'000	Freehold land and leasehold buildings RMB'000	Plant and machinery RMB'000	Furniture and fixtures RMB'000	Motor vehicles and others RMB'000	Construction in progress RMB'000	Total RMB'000
At 1 January 2025							
Cost	342,848	3,926,087	10,123,279	334,255	1,200,535	2,069,255	17,996,259
Accumulated depreciation and impairments	(82,024)	(1,032,058)	(5,280,636)	(239,893)	(466,231)	(67,461)	(7,168,303)
Net carrying amount	260,824	2,894,029	4,842,643	94,362	734,304	2,001,794	10,827,956
For the year ended 31 December 2025							
Opening net carrying amount	260,824	2,894,029	4,842,643	94,362	734,304	2,001,794	10,827,956
Additions	2,368	23,115	42,105	44,101	8,423	673,436	793,548
Transferred from construction in progress	-	120,476	1,320,871	12,219	4,689	(1,458,255)	-
Depreciation for the year (Note 11)	(10,943)	(115,716)	(718,277)	(23,366)	(94,161)	-	(962,463)
Disposals	-	(22,649)	(17,719)	(38,993)	(3,550)	(14,026)	(96,937)
Exchange differences	2,585	(6,028)	(7,667)	5,030	(769)	379	(6,470)
Provision for impairments (Note 10)	-	-	(219,924)	(48)	(793)	(5,775)	(226,540)
Closing net carrying amount	254,834	2,893,227	5,242,032	93,305	648,143	1,197,553	10,329,094
At 31 December 2025							
Cost	357,507	4,011,743	11,315,778	361,800	1,139,926	1,270,789	18,457,543
Accumulated depreciation and impairments	(102,673)	(1,118,516)	(6,073,746)	(268,495)	(491,783)	(73,236)	(8,128,449)
Net carrying amount	254,834	2,893,227	5,242,032	93,305	648,143	1,197,553	10,329,094

Depreciation of property, plant and equipment has been charged to profit or loss as follows:

	2025 RMB'000	2024 RMB'000
Cost of sales and services provided	893,067	710,989
Selling and distribution expenses	19,903	28,640
Administrative expenses	41,707	64,906
Research and development costs	7,786	26,421
	962,463	830,956

The Group was in the process of obtaining property certificates for buildings with carrying amount of RMB370,808,000 (2024: RMB305,251,000) at the end of the reporting period.

The freehold lands are located in the USA and Australia.

As at 31 December 2025, property, plant and equipment with carrying amount of RMB2,676,759,000 (2024: RMB3,828,475,000) were pledged as collateral for the Group's borrowings (Note 48).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

18 PROPERTY, PLANT AND EQUIPMENT (Continued)

The provision for impairment losses on property, plant and equipment during the year ended 31 December 2025 was mainly related to certain plant and machinery used by the new energy segment. In view that certain production lines for which the economic performance were lower than expected, the Group conducted impairment assessment on recoverable amounts of certain property, plant and equipment. The recoverable amounts are estimated individually based on replacement cost basis. Based on the result of the assessment, impairment losses of RMB226,540,000 were recognised in “Other losses, net” during the year ended 31 December 2025.

The provision for impairment losses on property, plant and equipment during the year ended 31 December 2024 was mainly recognised for a hotel operated in the PRC, which was derecognised upon the disposal of a subsidiary. In view of the negative impact brought by the economic downturn and challenging business environment of the real estate sector in the PRC, the management considered that the operating income generated from a hotel in the PRC (the “Hotel”) may not meet the expectation at the initial investment plan and/or its fair value less cost of disposal may be drastically decreased, which indicated there may be an impairment. Accordingly, the Group performed an impairment assessment on the Hotel. Based on the result of the assessment, the recoverable amount of the Hotel assessed based on the value-in-use method using a discount rate of 8.6% was lower than its carrying value, and therefore, an impairment loss for the Hotel of RMB270,751,000 was recognised and included in “Other losses, net” during the year ended 31 December 2024.

19 INVESTMENT PROPERTIES

	Note	2025 RMB'000	2024 RMB'000
Carrying amount at 1 January		2,795,588	4,931,388
Fair value losses recognised in profit or loss	10	(39,488)	(444,344)
Disposals		–	(34,413)
Disposal of a subsidiary		–	(1,657,043)
Carrying amount at 31 December		2,756,100	2,795,588

Rental income and operating expenses arising from leasing of investment properties are as follows:

	2025 RMB'000	2024 RMB'000
Rental income received	128,268	239,442
Direct operating expenses from investment properties that generated rental income	(12,676)	(36,623)

The Group’s investment properties consist of two shopping malls, offices and parking lots (2024: two shopping malls, offices and parking lots) in the PRC. The Group engages external, independent and qualified valuers to determine the fair value of investment properties at the end of each reporting period. The Group’s investment properties were revalued on 31 December 2025 and 2024 based on valuations performed by independent professional qualified valuers. The valuations were either based on discounted cash flow projections based on reliable estimates of future cash flows, supported by the terms of any existing leases and other contracts and (when possible) by external evidences such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows (“Discounted cash flow method”), based on capitalization of rental income derived from existing leases with due allowance for reversionary income potential of the properties (“Term and reversionary method”), or made with reference to comparable market transactions, adjusted for differences in the nature, location and conditions of the transactions (“Market approach”), whichever is appropriate.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

19 INVESTMENT PROPERTIES (Continued)

The investment properties are leased to independent third parties under operating leases, details of which are included in Note 47(i) to the consolidated financial statements.

As at 31 December 2025, the Group's investment properties with carrying amount of RMB2,734,741,000 (2024: RMB2,773,560,000) were pledged as collateral for the Group's borrowings (Note 48), an associate's borrowings (Note 50(iii)(b)) and third party's borrowings.

Fair value hierarchy

In estimating the fair value of properties, the highest and best use is the current use. The following table illustrates the fair value measurement hierarchy of the Group's investment properties:

	31 December 2025			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Recurring fair value measurement for:				
– Shopping malls	–	–	2,734,741	2,734,741
– Offices	–	–	21,359	21,359
	–	–	2,756,100	2,756,100

	31 December 2024			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Recurring fair value measurement for:				
– Shopping malls	–	–	2,773,582	2,773,582
– Offices	–	–	22,006	22,006
	–	–	2,795,588	2,795,588

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2024: nil).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

19 INVESTMENT PROPERTIES (Continued)

Fair value hierarchy (Continued)

Below is a summary of the valuation techniques used and the key inputs to the valuation of investment properties:

Name of the investment properties	Valuation techniques	Significant unobservable inputs	Range or weighted average	
			2025	2024
Wonder City (虹悅城)	Market approach	Market unit rate ¹	RMB34,000 to RMB42,000	RMB12,000 to RMB35,100
	Discounted cash flow method	Discount rate	N/A	8%
	Term and reversionary method ²	Term yield Reversionary yield	3.5%-4.5% 4%-5%	N/A N/A
WanGuo (萬國物業)	Market approach	Market unit rate ¹	RMB3,700 to RMB5,000	RMB3,400
Happy Plaza (歡樂廣場)	Market approach	Market unit rate ¹	RMB3,900 to RMB27,000	RMB4,400 to RMB23,300

Remark 1: The market unit rate takes into account the recent transaction prices for similar properties adjusted for nature, location and conditions of the properties.

Remark 2: During the year ended 31 December 2025, the valuation technique was changed to the Term and reversionary method as the management considered this method better reflects the pricing of the properties by market participants under current market condition. The change in valuation technique did not have a material impact on the fair value measurement of the Group's investment properties.

For the years ended 31 December 2025 and 2024, the fair value measurement is positively correlated to the market unit rate and negatively correlated to the discount rates, term yields and reversionary yields.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

20(a) RIGHT-OF-USE ASSETS

	Leasehold buildings RMB'000	Leasehold lands RMB'000	Total RMB'000
At 1 January 2024			
Cost	28,076	1,317,147	1,345,223
Accumulated depreciation	(22,549)	(226,036)	(248,585)
Net carrying amount	5,527	1,091,111	1,096,638
For the year ended 31 December 2024			
Opening net carrying amount	5,527	1,091,111	1,096,638
Additions	188,029	50,720	238,749
Depreciation for the year (Note 11)	(16,080)	(30,522)	(46,602)
Exchange differences	–	(600)	(600)
Closing net carrying amount	177,476	1,110,709	1,288,185
At 31 December 2024 and 1 January 2025			
Cost	255,493	1,367,193	1,622,686
Accumulated depreciation	(78,017)	(256,484)	(334,501)
Net carrying amount	177,476	1,110,709	1,288,185
For the year ended 31 December 2025			
Opening net carrying amount	177,476	1,110,709	1,288,185
Early termination of a lease	(10,199)	–	(10,199)
Lease modification	91,585	–	91,585
Depreciation for the year (Note 11)	(48,299)	(30,194)	(78,493)
Exchange differences	–	200	200
Closing net carrying amount	210,563	1,080,715	1,291,278
At 31 December 2025			
Cost	261,899	1,361,943	1,623,842
Accumulated depreciation	(51,336)	(281,228)	(332,564)
Net carrying amount	210,563	1,080,715	1,291,278

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

20(a) RIGHT-OF-USE ASSETS (Continued)

The land use rights are located in the PRC and Germany. As at 31 December 2025, the Group is in the process of obtaining certain land use rights certificates with carrying amounts of RMB51,669,000 (2024: RMB53,311,000).

As at 31 December 2025, right-of-use assets with carrying amount of RMB273,670,000 (2024: RMB497,957,000) were pledged as collateral for the Group's borrowings (Note 48).

The depreciation of right-of-use assets has been charged to profit or loss as follows:

	2025 RMB'000	2024 RMB'000
Cost of sales and services provided	45,709	12,797
Administrative expenses	32,784	33,805
	78,493	46,602

20(b) LEASES

This note provides information for leases where the Group is a lessee.

(i) Amounts recognised in the consolidated statement of financial position

The consolidated statement of financial position shows the following amounts relating to the leases:

	2025 RMB'000	2024 RMB'000
Right-of-use assets		
Leasehold buildings	210,563	177,476
Leasehold lands	1,080,715	1,110,709
	1,291,278	1,288,185
Lease liabilities		
Current	29,323	47,841
Non-current	190,185	135,728
	219,508	183,569



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

20(b) LEASES (Continued)

(ii) Amounts recognised in the consolidated statement of profit or loss and other comprehensive income

The consolidated statement of profit or loss and other comprehensive income shows the following amounts relating to leases:

	Notes	2025 RMB'000	2024 RMB'000
Depreciation charges of right-of-use assets			
Leasehold buildings		48,299	16,080
Leasehold lands		30,194	30,522
		78,493	46,602
Interest expense (included in finance costs)	12	6,109	2,252
Expenses relating to short-term leases (included in cost of sales and services provided, selling and distribution expenses and administrative expenses)	11	16,178	35,173
Expenses relating to leases of low-value assets that are not included in short-term leases (included in cost of sales and services provided, selling and distribution expenses, administrative expenses and research and development costs)	11	1,700	1,891
		102,480	85,918

The total cash outflows for payments for right-of-use assets and capital element and interest element of lease rental paid during the year ended 31 December 2025 were RMB nil and RMB40,653,000 (2024: RMB50,720,000 and RMB22,464,000) respectively.

(iii) The Group's leasing activities

The Group leases various leasehold lands and buildings. The lease agreements are typically made for fixed periods of 1 year to 75 years (2024: 1 year to 75 years).

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

21 GOODWILL

	RMB'000
At 1 January 2024, 31 December 2024 and 31 December 2025	
Cost	1,623,368
Accumulated impairment	(119,551)
Net carrying amount	<u>1,503,817</u>

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

21 GOODWILL (Continued)

Note:

(i) Impairment testing of goodwill

After a series of acquisitions, the Group formed certain diversified operations, including manufacturing and sales of gear products in the PRC, provision of investment and financial consulting services in Hong Kong, and provision of education services in United Kingdom. The Group monitors the results of these businesses separately for the purpose of making decision about resources allocation and performance. Goodwill acquired through these acquisitions is allocated to the following CGUs for impairment testing:

- New energy CGU;
- Education CGU; and
- Investment and financial consulting services CGU

(a) New energy CGU

At 31 December 2025, the recoverable amount of the new energy CGU has been determined based on a value-in-use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The discount rate applied to the cash flow projections is 8.0% (2024: 8.92%). The growth rate used to extrapolate the cash flows of the new energy CGU beyond the five-year period is 2% (2024: nil), which was the same as the long-term average growth rate of the industry. Management believes that any reasonably possible change in any of these assumptions would not result in impairment losses.

(b) Education CGU

At 31 December 2025, the recoverable amount of the education CGU in United Kingdom has been determined based on a value-in-use calculation using cash flows projections based on financial budgets covering a five-year period approved by senior management. The discount rate applied to the cash flow projections is 8.60% (2024: 8.60%). The growth rate used to extrapolate the cash flows of the education CGU beyond the five-year period is 3% (2024: 3%), which was the same as the long-term average growth rate of the industry. Management believes that any reasonably possible change in any of these assumptions would not result in impairment losses.

(c) Investment and financial consulting services CGU

As at 31 December 2025 and 2024, all of the goodwill of RMB119,551,000 in relation to the investment and financial consulting services CGU was fully impaired.

(ii) Summary of the allocation of goodwill

As at 31 December 2025, the net carrying amount of goodwill allocated to each of the CGUs is as follows:

	New energy RMB'000	Education RMB'000	Investment and financial consulting services RMB'000	Total RMB'000
Net carrying amount of goodwill	1,492,488	11,329	–	1,503,817

As at 31 December 2024, the net carrying amount of goodwill allocated to each of the CGUs is as follows:

	New energy RMB'000	Education RMB'000	Investment and financial consulting services RMB'000	Total RMB'000
Net carrying amount of goodwill	1,492,488	11,329	–	1,503,817



Notes to the Consolidated Financial Statements

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22 OTHER INTANGIBLE ASSETS

	Patents and technologies RMB'000	Deferred development costs RMB'000	Customer relationship RMB'000	Licenses RMB'000	Total RMB'000
At 1 January 2024					
Cost	158,710	650,522	540,000	22,205	1,371,437
Accumulated amortisation	(112,055)	(650,522)	(382,500)	(7,674)	(1,152,751)
Net carrying amount	46,655	–	157,500	14,531	218,686
For the year ended 31 December 2024					
Opening net carrying amount	46,655	–	157,500	14,531	218,686
Additions	32	–	–	–	32
Charge for the year (Note 11)	(15,649)	–	(54,000)	(658)	(70,307)
Provision for impairments (Note 10)	–	–	–	(9,680)	(9,680)
Closing net carrying amount	31,038	–	103,500	4,193	138,731
At 31 December 2024 and 1 January 2025					
Cost	158,742	650,522	540,000	22,205	1,371,469
Accumulated amortization and impairment	(127,704)	(650,522)	(436,500)	(18,012)	(1,232,738)
Net carrying amount	31,038	–	103,500	4,193	138,731
For the year ended 31 December 2025					
Opening net carrying amount	31,038	–	103,500	4,193	138,731
Charge for the year (Note 11)	(15,644)	–	(54,000)	(1,044)	(70,688)
Disposals of subsidiaries (Note 43)	–	–	–	(1,124)	(1,124)
Closing net carrying amount	15,394	–	49,500	2,025	66,919
At 31 December 2025					
Cost	158,742	650,522	540,000	11,436	1,360,700
Accumulated amortization and impairment	(143,348)	(650,522)	(490,500)	(9,411)	(1,293,781)
Net carrying amount	15,394	–	49,500	2,025	66,919

The amortisation of other intangible assets has been charged to profit or loss as follows:

	2025 RMB'000	2024 RMB'000
Selling and distribution expenses	54,000	54,000
Administrative expenses	16,688	16,307
	70,688	70,307

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23 INVESTMENT IN A JOINT VENTURE

	2025 RMB'000	2024 RMB'000
Share of net assets	145,597	143,998

	2025 RMB'000	2024 RMB'000
At 1 January	143,998	303,902
Share of results of joint ventures	7,630	(32,393)
Disposal of a subsidiary	–	(131,707)
Exchange differences	(6,031)	4,196
At 31 December	145,597	143,998

(i) Summarised financial information for a joint venture

Name	Registered capital	Place of incorporation/ registration and business	Percentage of ownership		Principal activities	Carrying amount	
			interest attributable to the Group			2025	2024
			2025	2024		RMB'000	RMB'000
Fullshare Value Fund I L.P. ("FVF I L.P.")	Registered capital of US\$239,827,000	Cayman Islands/ Hong Kong	50.39	50.39	Investment	145,597	143,998



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23 INVESTMENT IN A JOINT VENTURE (Continued)

(i) Summarised financial information for a joint venture (Continued)

	FVF I L.P.	
	2025 RMB'000	2024 RMB'000
Current assets		
Cash and cash equivalents	4	7
Other current assets	100,476	89,138
Total current assets	100,480	89,145
Total non-current assets	188,458	196,621
Total current liabilities	(20)	(21)
Net assets	288,918	285,745
The Group's effective interest	50.39%	50.39%
Carrying amount	145,597	143,998
Revenue	15,141	15,450
Income tax expenses	–	–
Profit for the year	15,141	15,450
The Group's share of results for the year	7,630	7,786

During the year ended 31 December 2024, a joint venture was derecognised consequent to the disposal of a subsidiary. The Group's share of result of this joint venture was a loss of RMB40,179,000 for the period from 1 January 2024 to the date of disposal.

Notes to the Consolidated Financial Statements

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24 INVESTMENTS IN ASSOCIATES

		2025 RMB'000	2024 RMB'000
Share of net assets		238,588	422,210
Goodwill on acquisition		232,412	232,412
Financial guarantees granted to an associate		–	34,038
Provision for impairments		(194,812)	(226,922)
		276,188	461,738
	Notes	2025 RMB'000	2024 RMB'000
At 1 January		461,738	339,589
Additional investments	(i)	10,000	192,676
Share of results of associates		(183,504)	(31,230)
Provision for impairments included in share of results for the year		–	(3,568)
Partial disposal of an associate	(ii)	–	(15,397)
Disposal of a subsidiary		–	(19,798)
Share of other comprehensive (loss)/income of associates		(8,717)	2,904
Dividends from an associate		(2,166)	(2,872)
Exchange differences		(1,163)	(566)
At 31 December		276,188	461,738

Note:

- (i) During the year ended 31 December 2024, the Group lost control over Nanjing Fullshare Dazu Technology Company Limited (“**Fullshare Dazu**”), a former subsidiary of the Group, upon disposal of a subsidiary which held 73.33% equity interests of Fullshare Dazu, and accounted for the remaining 26.67% equity interest in Fullshare Dazu as investment in an associate of RMB177,676,000.

During the year ended 31 December 2025, the Group contributed RMB10,000,000 (2024: RMB15,000,000) to its associate.

- (ii) On 15 October 2024, the Group and Sparrow entered into a share buy back agreement (“**Buy-back Agreement**”), pursuant to which the Group conditionally agreed to sell 24,013,278 shares or 24.01% equity interests of Sparrow (“**Sale Shares**”) to Sparrow, and Sparrow may, at its election, buy back some or all of the Sale Shares (“**Sale Shares Options**”) in one or more tranche(s) at consideration determined by the formula as specified in the Buy-back Agreement whereas the total consideration would not be more than AUD20,000,000.

During the year ended 31 December 2024, Sparrow exercised the Sale Shares Options to buy back 5,853,478 shares at a consideration of AUD5,000,000 (equivalent to RMB22,801,000) and resulted in a gain of RMB7,404,000. After the buy back by Sparrow, the Group holds approximately 19.29% equity interests in Sparrow. Pursuant to the Sparrow shareholders’ agreement signed by the Group and controlling shareholder of Sparrow in prior years, the Group has the right to appoint two out of the five directors to the board of Sparrow. Accordingly, Sparrow will continue to be accounted for as an associate of the Group.



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24 INVESTMENTS IN ASSOCIATES (Continued)

(i) Summarised financial information for material associates

Name	Registered capital	Place of incorporation/ registration and business	Percentage of ownership interest attributable to the Group		Principal activities	Carrying amount	
			2025	2024		2025 RMB'000	2024 RMB'000
Hin Sang Group (International) Holding Co. Ltd. ("Hin Sang")	Ordinary shares of HK\$109,180,000	Cayman Islands/ Hong Kong	22.90	22.90	Development and sale of healthcare products	48,341	59,030
Sparrow	Ordinary shares of AUD3,645,277	Australia	19.29	19.29	Education	43,708	40,665
Zhongbang Finance Leasing (Jiangsu) Co., Ltd. (眾邦融 資租賃(江蘇)股份有限公 司)("Zhongbang Finance Leasing")	Registered capital of RMB500,000,000	The PRC	30.00	30.00	Finance Leasing	53,395	101,942
Hainan Kaibang Real Estate Development Co., Ltd. (海南凱邦房 地產開發有限公司) ("Hainan Kaibang")	Registered capital of RMB160,000,000	The PRC	33.69	33.69	Property management	79,636	79,774
Fullshare Dazu	Registered capital of RMB3,000,000,000	The PRC	26.67	26.67	Real estate development and investments	19,124	152,107

Hin Sang is a company listed on the SEHK (06893.SEHK). The fair value of the listed investment as at 31 December 2025 amounted to RMB66,286,000 (2024: RMB61,089,000).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

24 INVESTMENTS IN ASSOCIATES (Continued)

(i) Summarised financial information for material associates (Continued)

	Hin Sang		Sparrow	
	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Current assets				
Cash and cash equivalents	6,535	7,104	39,568	20,522
Other current assets	23,299	27,829	33,711	37,416
Total current assets	29,834	34,933	73,279	57,938
Non-current assets	452,068	492,761	841,133	796,821
Current liabilities	(291,384)	(241,224)	(166,643)	(140,070)
Non-current liabilities	(68,143)	(126,087)	(681,714)	(660,063)
Net assets	122,375	160,383	66,055	54,626
The Group's effective interest	22.90%	22.90%	19.29%	19.29%
The Group's share of net assets	28,021	36,728	12,742	10,537
Goodwill on acquisition	195,574	195,574	30,128	30,128
Exchange differences	19,558	21,540	838	–
Carrying amount before impairment	243,153	253,842	43,708	40,665
Impairment losses recognised for investment in an associate	(194,812)	(194,812)	–	–
Carrying amount	48,341	59,030	43,708	40,665
Revenue	93,574	79,502	655,698	625,530
Income tax expenses	(236)	(826)	(12,286)	(12,631)
(Loss)/profit for the year	(28,879)	(44,819)	20,760	24,796
The Group's share of (loss)/profit for the year	(6,613)	(10,262)	4,005	5,954
Impairment losses recognised for the year	–	(3,568)	–	–
The Group's share of results for the year	(6,613)	(13,830)	4,005	5,954
Other comprehensive (loss)/income for the year	(7,468)	12,682	–	–
The Group's share of other comprehensive (loss)/income for the year	(1,710)	2,904	–	–



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For the year ended 31 December 2025

24 INVESTMENTS IN ASSOCIATES (Continued)

(i) Summarised financial information for material associates (Continued)

	Zhongbang Finance Leasing		Hainan Kaibang	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
Current assets				
Cash and cash equivalents	1,589	34	62	137
Other current assets	131,063	87,469	158,979	158,974
Total current assets	132,652	87,503	159,041	159,111
Non-current assets	104,462	293,770	79,671	79,658
Current liabilities	(59,132)	(107,309)	(2,333)	(1,981)
Non-current liabilities	-	-	-	-
Net assets	177,982	273,964	236,379	236,788
The Group's effective interest	30.00%	30.00%	33.69%	33.69%
The Group's share of net assets	53,395	101,942	79,636	79,774
Carrying amount	53,395	101,942	79,636	79,774
Revenue	16	-	-	-
Income tax expenses	-	-	-	-
Loss for the year	(95,982)	(9)	(409)	(371)
The Group's share of results for the year	(28,795)	(3)	(138)	(124)

	Fullshare Dazhu	
	2025 RMB'000	2024 RMB'000
Current assets		
Cash and cash equivalents	2,269	2,411
Other current assets	1,920,788	2,055,604
Total current assets	1,923,057	2,058,015
Non-current assets	2,399,221	2,898,566
Current liabilities	(4,202,234)	(4,258,576)
Non-current liabilities	(204,176)	(238,872)
Net (liabilities)/assets	(84,132)	459,133
Non-controlling interests	(155,840)	(111,198)
The Group's effective interest	26.67%	26.67%
The Group's share of net assets	19,124	152,107
Carrying amount	19,124	152,107
Revenue	65,488	15,278
Income tax expenses	(34,580)	3,771
Loss for the year	(516,992)	(99,898)
The Group's share of results for the year	(125,975)	(25,569)
Other comprehensive loss for the year	(26,273)	-
The Group's share of other comprehensive loss for the year	(7,007)	-

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

24 INVESTMENTS IN ASSOCIATES (Continued)

(ii) Individually immaterial associates

The following table illustrates the aggregate financial information of the Group's associates that are not individually material:

	2025 RMB'000	2024 RMB'000
Share of the results of the associates for the year	(25,988)	(1,226)

	2025 RMB'000	2024 RMB'000
Aggregate carrying value of investments	31,984	28,220
Aggregate amounts of the Group's share of:		
– Loss for the year	(25,988)	(1,226)
– Total comprehensive loss for the year	(25,988)	(1,226)

As at 31 December 2025, the Group's investment in an associate with carrying amount of RMB19,124,000 (2024: RMB152,107,000) were pledged as collateral for an associate's borrowings (Note 48).

25 FINANCIAL INSTRUMENTS BY CATEGORY

The Group holds the following financial instruments as at the end of the reporting period:

	Notes	2025 RMB'000	2024 RMB'000
Financial assets			
Restricted cash	33	3,159,681	2,822,958
Cash and cash equivalents	33	5,789,852	3,965,148
Consideration receivables	28(ii)	466,938	611,792
Loan receivables	28(i)	151,665	96,933
Trade receivables	31	5,990,154	6,180,845
Other receivables	28(iii)	1,073,582	1,336,050
Financial assets at fair value through other comprehensive income	27	4,582,162	4,804,212
Financial assets at fair value through profit or loss	26	836,322	934,588
		22,050,356	20,752,526
Financial liabilities			
Bank and other borrowings	36	11,621,207	11,761,835
Trade and bills payables	34	10,192,381	9,407,155
Other payables and accruals		2,332,940	2,192,057
Lease liabilities	20(b)(i)	219,508	183,569
Derivative financial instruments	29	32,833	34,254
		24,398,869	23,578,870



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

26 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.

	Notes	2025 RMB'000	2024 RMB'000
Non-current assets			
Derivative financial instruments	(i)	16,217	18,506
Unlisted equity investments	(ii)	261,180	760,830
		277,397	779,336
Current assets			
Listed equity investments	(iii)	12,690	47,111
Unlisted equity investments	(ii)	392,045	6,687
Trade receivables measured at FVPL	(iv)	154,190	101,454
		558,925	155,252
		836,322	934,588

Note:

- (i) Derivative financial instruments

Pursuant to the sale and purchase agreement entered into between Fullshare Investment Management II Limited, the general partner of Fullshare Value Fund I (A) L.P., a joint venture of the Group and the purchaser dated 30 August 2019 ("GSH Disposal Agreement"), details of transaction are disclosed with the Company's relevant contingent liabilities in Note 46, 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 31 December 2025, the Qualifying Transactions have not been completed. The separate derivative associated with GSH Disposal Agreement was measured at FVPL amounting to RMB16,217,000 (2024: RMB18,506,000).

Notes to the Consolidated Financial Statements

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26 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

Note: (Continued)

(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 31 December 2025, these investments had an aggregate fair value of RMB261,030,000 (2024: RMB423,300,000), and an aggregate fair value loss of RMB162,270,000 (2024: fair value gain of RMB11,900,000) was recognised in profit or loss during the year ended 31 December 2025.

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

(iii) Listed equity investments

The balances as at 31 December 2025 represented the fair values of equity shares listed in Hong Kong, Singapore and the USA, which amounting to RMB2,247,000 (2024: RMB26,973,000), RMB799,000 (2024: RMB635,000) and RMB9,644,000 (2024: RMB19,503,000) 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 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 USA with a market value of RMB50,643,000. Subsequently, the Group disposed of certain shares in the open market and an aggregate fair value loss of RMB13,498,000 was recognised in profit or loss during the year ended 31 December 2024.

(iv) Trade receivables measured at FVPL

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

At 31 December 2025, such trade receivables that are held solely for selling purpose amounting to RMB154,190,000 (2024: RMB101,454,000) were classified as financial assets at FVPL. For the year ended 31 December 2025, fair value loss of RMB4,133,000 (2024: RMB1,159,000) was recognised in "Net fair value changes in financial instruments".



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

27 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.

	Notes	2025 RMB'000	2024 RMB'000
Non-current assets			
Listed equity investments	(i)	52,343	68,403
Unlisted equity investments	(ii)	1,206,600	1,383,219
		1,258,943	1,451,622
Current assets			
Unlisted equity investments	(ii)	–	4,387
Debt investments – Bills receivables	(iii)	3,323,219	3,348,203
		3,323,219	3,352,590
		4,582,162	4,804,212

Note:

- (i) The balances as at 31 December 2025 represented the fair values of equity shares listed in the PRC and the USA, which amounting to RMB36,362,000 (2024: RMB40,973,000) and RMB15,981,000 (2024: RMB27,430,000) respectively.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

27 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Continued)

Note: (Continued)

- (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 Company) entered into a limited partnership agreement with thirty-four other partners in respect of the establishment of an investment fund in the PRC named Zhejiang Zheshang Chanrong Equity Investment Fund L.P. (浙江浙商產融股權投資基金合夥企業(有限合夥)) (the “**Zheshang Fund**”) and the subscription of interest therein. Pursuant to the limited partnership agreement, the full registered capital contribution to the investment fund is RMB65,910,000,000, among which, RMB2,000,000,000 was contributed by the Group as a limited partner, which had been fully paid up by the Group to the investment fund. The investment in Zheshang Fund were revalued on 31 December 2025 and 2024 based on valuations performed by an independent professional qualified valuer by market approach. As at 31 December 2025, the fair value of Zheshang Fund amounted to RMB1,197,000,000 (2024: RMB1,269,000,000) is classified as non-current asset and a fair value loss of RMB72,000,000 (2024: fair value gain of RMB30,000,000) was recognised in other comprehensive income for the year ended 31 December 2025.

On 25 April 2016, Fullshare Dazu (the then wholly-owned subsidiary of the Group) entered into an agreement with 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 31 December 2023, capital contribution of RMB200,000,000 and RMB200,000,000 was held by Fullshare Dazu and other subsidiary of the Group respectively. During the year ended 31 December 2024, the investment in Jiangsu Investment held by Fullshare Dazu was derecognised upon disposal of a subsidiary. As at 31 December 2024, the fair value of the remaining investment in Jiangsu Investment amounted to RMB101,700,000 and was pledged as collateral for the Group’s borrowings (Note 48). During the year ended 31 December 2025, the investment in Jiangsu Investment was derecognised upon the disposal of a subsidiary.

The remaining amounts include the unlisted equity investments with individual amount less than RMB200,000,000.

- (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. Information about the credit risk is provided in Note 3(iv).

Transfers of financial assets

The following were the Group’s bills receivables accepted by banks in the PRC (the “**Endorsed Bills**”) that were endorsed to certain of the Group’s suppliers in order to settle the trade payables due to such suppliers. In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to such Endorsed Bills, and accordingly, it continued to recognise the full carrying amounts of the Endorsed Bills and the associated trade payables that are treated as settled.

Bills receivables endorsed to suppliers with full recourse are as follows:

	2025 RMB'000	2024 RMB'000
Carrying amount of transferred assets	298,192	226,993
Carrying amount of associated liabilities	298,192	226,993
Net position	-	-

As at 31 December 2025, the Group’s bills receivables with carrying amount of RMB579,871,000 (2024: RMB220,059,000) were pledged as collateral for the Group’s borrowings (Note 48).



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For the year ended 31 December 2025

28 FINANCIAL ASSETS AT AMORTISED COST (EXCLUDING TRADE RECEIVABLES)

(i) Loan receivables

	Notes	2025 RMB'000	2024 RMB'000
Loans to third parties	(i)-(iii), (v)	736,274	738,630
Loan to an associate	(iv)	100,066	96,933
Less: Loss allowance	3(iv)(b), (vi)	(684,675)	(738,630)
		151,665	96,933
Represented:			
– Current portion		51,599	–
– Non-current portion		100,066	96,933
		151,665	96,933

Note:

- (i) The Group entered into an agreement in June 2019, pursuant to which a loan amount up to a maximum of RMB500,000,000 was arranged to an independent third party. As at 31 December 2025, the unsettled balance amounted to RMB255,675,000 (2024: RMB255,675,000) was past due. The balance is secured and bears an interest at 15% (2024: 15%) per annum.
- (ii) The Group entered into an agreement in February 2023, pursuant to which a loan of RMB109,000,000 was lent to an independent third party. As at 31 December 2025, the unsettled balance amounted to RMB109,000,000 (2024: RMB109,000,000) was past due. The balance is secured and bears an interest at 8% per annum.
- (iii) The Group entered into an agreement in February 2023, pursuant to which a loan of RMB110,000,000 was lent to an independent third party. As at 31 December 2025, the unsettled balance amounted to RMB110,000,000 (2024: RMB110,000,000) was past due. The balance is secured and bears an interest at 8% per annum.
- (iv) As at 31 December 2025, there is a loan of approximately AUD21,406,000 (equivalent to RMB100,066,000) (2024: AUD21,406,000 (equivalent to RMB96,933,000)) with Sparrow, an associate of the Group. The balance is unsecured, bears an interest at 6% (2024: 6%) per annum and is repayable in March 2027.
- (v) The remaining balance includes the loans to third parties with individual amount less than RMB100,000,000. These loans bear interest at rates ranging from 8% to 15% per annum and are all secured.
- (vi) The management of the Group assessed the credit risk of loan receivables and measured the loss allowance at lifetime ECL by considering the expected recoverability and forward-looking information at the end of the reporting period. Based on the results of the Group's assessment, a reversal of impairment loss on loan receivables of RMB53,955,000 (2024: impairment loss of RMB435,186,000) was recognised in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2025.

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For the year ended 31 December 2025

28 FINANCIAL ASSETS AT AMORTISED COST (EXCLUDING TRADE RECEIVABLES) (Continued)

(ii) Consideration receivables

	Notes	2025 RMB'000	2024 RMB'000
Consideration receivables	(i)-(iii)	641,082	678,647
Less: Loss allowance	3(iv)(b)	(174,144)	(66,855)
		466,938	611,792
Represented:			
– Current portion		317,351	466,889
– Non-current portion		149,587	144,903
		466,938	611,792

Note:

- (i) As at 31 December 2025 and 2024, consideration receivables include deferred consideration receivable (the “**Deferred Consideration**”) for the disposal of 72.71% equity interest in Sparrow, an associate of the Group, amounting to AUD32,000,000 (equivalent to RMB149,587,000) (2024: AUD32,000,000 (equivalent to RMB144,903,000)) and consideration receivable for disposal of equity interest of Shanghai Joyu amounting to RMB161,760,000 (2024: RMB162,760,000). The disposal of Sparrow was completed in March 2022. The Deferred Consideration is receivable at the 5th anniversary from the completion date of the 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 31 December 2025 and 2024.
- (ii) During the year ended 31 December 2024, Nanjing Handa Import and Export Trade Co., Ltd. (“**Nanjing Handa**”), a subsidiary of the Company, entered into a loan assignment agreement with an independent third party (the “**Loan Purchaser**”), pursuant to which Nanjing Handa agreed to assign, and the Loan Purchaser agreed to accept, all the Nanjing Handa’s rights, title and interest in an intragroup loan with principal of RMB250,000,000, at a consideration of RMB250,000,000 (the “**Loan Assignment**”) to be paid within one year. As at 31 December 2024, the consideration receivable of RMB250,000,000 in relation to the Loan Assignment is unsecured, interest-free and repayable within one year.

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

The management of CHS considered that there was no significant increase in credit risk and the risk of default was insignificant. Consequently, no impairment loss was recognised in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2025.

- (iii) As at 31 December 2025, the balance of RMB79,735,000 (2024: RMB120,984,000) included in consideration receivables is unsettled consideration related to disposal of 100% equity interests in Nanjing Fengsheng Kanglv Co., Ltd (“**Fengsheng KL**”) which was completed in September 2024. The consideration is receivable within six months following the completion date of the disposal. The repayment term could be further extended for one year if both parties mutually agreed. The receivable is interest-free and secured by 20% equity interests of Fengsheng KL.



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28 FINANCIAL ASSETS AT AMORTISED COST (EXCLUDING TRADE RECEIVABLES) (Continued)

(iii) Other receivables

	Notes	2025 RMB'000	2024 RMB'000
Amounts due from third parties			
– Deposit for land lease		75,000	75,000
– Receivables from the former subsidiaries of the bundle transaction		516,046	516,284
– Redemption receivables from an insurance company	(i)	612,600	612,600
– Refundable deposit	(ii)	68,795	65,788
– Value-added tax recoverable		190,986	451,374
– Others		590,318	629,661
		2,053,745	2,350,707
Amount due from a joint venture		–	874
Amounts due from associates		54,236	53,963
		2,107,981	2,405,544
Less: Loss allowance	3(iv)(b)	(1,034,399)	(1,069,494)
		1,073,582	1,336,050

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

Note:

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

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

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28 FINANCIAL ASSETS AT AMORTISED COST (EXCLUDING TRADE RECEIVABLES) (Continued)

(iii) Other receivables (Continued)

Note: (Continued)

- (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 31 December 2025 and 2024, 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.

29 DERIVATIVE FINANCIAL INSTRUMENTS

	2025	2024
	RMB'000	RMB'000
Swap Contract measured at FVPL (Note)	32,833	34,254

Note:

On 6 March 2017, the Company and Five Season XX Limited entered into a return swap agreement (“**Swap Contract**”) with Reward Lofy International Limited (“**Reward Lofy**”), another joint venturer of FVF I L.P., pursuant to which the Company would guarantee Reward Lofy a fixed annualised return rate at 8% of contributions it made during the investment period in return for the sharing of more than proportionate interests in the accumulated available proceeds of the FVF I L.P. by Five Season XX Limited at the termination date of the FVF I L.P.

The Swap Contract was measured at FVPL and classified as current liabilities as at 31 December 2024 and 2025, based on the estimated revised termination date. Even though the joint venturers agreed to extend the term of FVF I L.P., the revised termination date has yet to be fixed. As at 31 December 2025, management estimated the extended termination date would be on 31 December 2026 (2024: 31 December 2025). As at 31 December 2025, the fair value of the Swap Contract amounted to RMB32,833,000 (2024: RMB34,254,000).



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30 INVENTORIES

	2025 RMB'000	2024 RMB'000
Raw materials	590,039	777,792
Work in progress	3,262,382	2,730,087
Finished goods	2,677,548	2,548,333
	6,529,969	6,056,212

During the year ended 31 December 2025, a provision for decline in net realisable value of inventories amounted to RMB204,567,000 (2024: RMB77,371,000) was recognised and included in "Cost of sales and services provided" in profit or loss.

31 TRADE RECEIVABLES

	Notes	2025 RMB'000	2024 RMB'000
Trade receivables			
– Relevant Trading Business	45	3,188,981	3,188,981
– Businesses other than Relevant Trading Business		6,655,828	6,821,633
– Amounts due from joint ventures		–	3,926
Less: Loss allowance	3(iv)(a)		
– Relevant Trading Business		(3,188,981)	(3,188,981)
– Businesses other than Relevant Trading Business		(665,674)	(644,714)
		5,990,154	6,180,845

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:

	2025 RMB'000	2024 RMB'000
Within 90 days	4,146,516	4,563,176
91 to 180 days	795,033	433,853
181 to 365 days	402,867	737,722
Over 365 days	645,738	446,094
	5,990,154	6,180,845

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31 TRADE RECEIVABLES (Continued)

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

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

32 PREPAYMENTS

	Notes	2025 RMB'000	2024 RMB'000
Prepayments for trading purposes			
– Prepayments for Relevant Trading Business	45	3,450,531	3,450,531
– Prepayments for an engineering, procurement and construction project (the “EPC project”)	(a)	297,212	297,212
– Other prepayments		250,373	156,141
Value-added tax recoverable		1,603	2,900
Prepayments for acquisition of property, plant and equipment		–	41,659
Less: Loss allowance			
– Prepayments for Relevant Trading Business		(3,450,531)	(3,450,531)
– Other prepayments		(100,317)	(97,304)
		448,871	400,608
Represented:			
– Current portion		448,871	400,608



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For the year ended 31 December 2025

32 PREPAYMENTS (Continued)

The movement of impairment provision are as follows:

	Notes	2025 RMB'000	2024 RMB'000
At 1 January		3,547,835	97,944
Provision for/(reversal of) impairment losses recognised during the year			
– Prepayments for Relevant Trading Business	45	–	3,450,531
– Other prepayments	10	3,017	(311)
Amounts written-off as uncollectible		(4)	(329)
At 31 December		3,550,848	3,547,835

Note:

- (a) A subsidiary of CHS acted as the main contractor of an EPC project since prior years and subcontracted the project works to several subcontractors. The Group is in the process of investigating the costs incurred for and progress of the EPC project with several subcontractors. Accordingly, no relevant project revenue and costs were recognised in the consolidated statement of profit or loss and other comprehensive income during the years ended 31 December 2025 and 2024.

33 RESTRICTED CASH AND CASH AND CASH EQUIVALENTS

	2025 RMB'000	2024 RMB'000
Cash and bank balances	8,949,533	6,788,106
Less: Restricted cash		
– Pledged bank deposits	(3,143,328)	(2,810,765)
– Restricted bank deposits	(16,353)	(12,193)
	(3,159,681)	(2,822,958)
Cash and cash equivalents	5,789,852	3,965,148

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term time deposits are made for varying periods between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term time deposit rates. Bank balances, pledged bank deposits and restricted bank deposits are deposited with creditworthy banks and other financial institutions with no recent history of default. As at 31 December 2025, certain bank accounts with balance of RMB15,212,000 (2024: RMB10,526,000) are frozen by the court order in the PRC due to the default in repayment of an earnest deposit received for a proposed acquisition of assets upon the proposed acquisition was cancelled.

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34 TRADE AND BILLS PAYABLES

	2025 RMB'000	2024 RMB'000
Trade payables		
– Amounts due to third parties	4,398,857	4,323,022
– Amount due to an associate	9,200	18
Bills payables	5,784,324	5,084,115
	10,192,381	9,407,155

An ageing analysis of the 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:

	2025 RMB'000	2024 RMB'000
Within 90 days	6,421,371	6,241,240
91 to 180 days	3,171,888	2,404,886
181 to 365 days	261,805	666,988
Over 365 days	337,317	94,041
	10,192,381	9,407,155

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

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

35 OTHER PAYABLES AND ACCRUALS

	Notes	2025 RMB'000	2024 RMB'000
Accruals		926,640	843,649
Amounts due to associates	(i)	4,635	65,582
Refundable deposit received	(ii)	644,000	644,000
Other tax payables		42,465	99,763
Other payables	(iii)	1,059,673	923,869
Payroll and welfare payables		317,653	278,476
Liability arising from financial guarantee contracts		391,827	1,928
Payables for purchase of property, plant and equipment		232,805	556,678
		3,619,698	3,413,945



Notes to the Consolidated Financial Statements

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35 OTHER PAYABLES AND ACCRUALS (Continued)

Note:

- (i) All of the amounts due to associates are non-trade nature, unsecured, interest-free and repayable on demand.
- (ii) On 17 January 2018, each of Five Seasons XVI Limited (a wholly-owned subsidiary of the Company) ("**Five Seasons XVI**") and Mr. Ji entered into a non-legally binding memorandum of understanding with an independent third party, Neoglory Prosperity Inc. (新光圓成股份有限公司), a PRC company listed on Shenzhen Stock Exchange ("**SZSE**") (002147.SZSE) (the "**Potential Offeror**"), in relation to a possible conditional voluntary partial cash offer for more than 50% but not exceeding 75% of the issued capital of CHS, and subsequently changing to a possible sale and purchase of Five Seasons XVI's direct shareholding interests in CHS that would represent more than 50% but not exceeding 73.91% of the issued capital of CHS ("**Possible Sale and Purchase**").

On 24 April 2018, the Company, Five Seasons XVI and the Potential Offeror entered into an earnest money agreement (the "**Earnest Money Agreement**"), pursuant to which, the Potential Offeror shall provide an amount in cash or cash equivalents of RMB1,000,000,000 to the Company (or its subsidiaries) as refundable earnest money ("**Earnest Money**") within 30 days from the date of the Earnest Money Agreement. On 28 September 2018, the relevant parties entered into a supplemental earnest money agreement ("**Supplemental Earnest Money Agreement**", together with the Earnest Money Agreement, collectively referred as "**Earnest Money Agreements**") to extend the term of the Earnest Money Agreement, and pursuant to which if, among others, no definitive agreement in respect of Possible Sale and Purchase was entered into on or before 31 October 2018, the Company shall refund and return in full the Earnest Money (without any income accrued thereon) to the Potential Offeror (or its nominee) within 15 business days. As at 31 October 2018, no definitive agreement(s) has been entered into among the parties. As such, the Earnest Money Agreements have been automatically terminated.

On 18 August 2021, the Company received a copy of a notice of arbitration (the "**Notice of Arbitration**"), filed by the Potential Offeror as claimant, pursuant to which the Potential Offeror purports to commence arbitration (the "**Arbitration**") administered by the Hong Kong International Arbitration Centre against the Company and Five Seasons XVI. In the Notice of Arbitration, the Potential Offeror seeks refund of the Earnest Money to it.

On 24 December 2021, parties including the Company, Five Seasons XVI and the Potential Offeror entered into a settlement agreement (the "**Settlement Agreement**") in relation to settlement of the Earnest Money. Pursuant to the Settlement Agreement, the parties agree that, subject to certain conditions, they will not commence arbitration or other legal proceedings against each other. In particular, the Potential Offeror, the Company and Five Seasons XVI shall terminate the pending Arbitration within three working days after the Settlement Agreement becomes effective. Also, the Earnest Money Agreements will be terminated on the effective date of the Settlement Agreement and upon satisfaction of certain conditions.

During the year ended 31 December 2022, the conditions as stated in the Settlement Agreement have been fulfilled and the Arbitration has been terminated. In addition, RMB356,000,000 had been repaid by cash and other settlement arrangement up to 31 December 2022.

During the years ended 31 December 2025 and 2024, no repayment was made by the Group. Up to the date of these consolidation financial statements, the Group is still negotiating with the Potential Offeror for the subsequent settlement on the remaining outstanding Earnest Money according to the conditions as stated in the Settlement Agreement. Management considers that the repayments of the remaining outstanding Earnest Money 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.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

35 OTHER PAYABLES AND ACCRUALS (Continued)

Note: (Continued)

- (iii) In June 2019, the Group and an independent third party, Jiangsu Anke Technology Development Co., Limited (“**Jiangsu Anke**”) entered into a framework asset transfer agreement (“**Asset Transfer Agreement**”) to dispose of certain investment properties and received the partial consideration of RMB200,000,000 (the “**Asset Consideration**”). Pursuant to Asset Transfer Agreement, if the transfer of the assets was not completed within a specified period, the Group shall refund the Asset Consideration as well as bear the respective penalty. The transfer had not been completed and the Group failed to refund the full amount of the Asset Consideration to Jiangsu Anke.

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

As at 31 December 2025, certain bank accounts with accumulated balances of RMB15,212,000 (2024: RMB10,526,000) and the legal title of certain of investment properties with carrying value of RMB2,368,000,000 (2024: RMB2,405,125,000) were frozen by the court order in the PRC.

Up to the date of these 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 RMB322,064,000 (2024: RMB309,467,000) recognised in other payables as at 31 December 2025 could be repaid through internal funding or sale of certain non-major assets and will not have significant impact to the Group’s operations.

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

36 BANK AND OTHER BORROWINGS

	2025		2024	
	Current RMB'000	Non-current RMB'000	Current RMB'000	Non-current RMB'000
Secured				
– Bank loans	1,344,207	3,864,921	1,432,460	3,303,093
– Loans from other financial institutions	–	–	267,800	–
Total secured borrowings	1,344,207	3,864,921	1,700,260	3,303,093
Unsecured				
– Bank loans	4,379,964	658,099	3,468,569	1,848,892
– Loans from a shareholder	654,407	–	994,810	–
– Loans from a company wholly owned by Mr. Ji	271,630	–	–	–
– Loan from a joint venture	187,967	–	196,106	–
– Loans from other third parties	12	260,000	105	250,000
Total unsecured borrowings	5,493,980	918,099	4,659,590	2,098,892
	6,838,187	4,783,020	6,359,850	5,401,985



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

36 BANK AND OTHER BORROWINGS (Continued)

Bank and other borrowings carry interests ranging from 0% to 8% (2024: 0% to 15%) per annum. As at 31 December 2025, loans from a shareholder and a company wholly owned by Mr. Ji in aggregate of RMB926,037,000 (2024: RMB994,810,000) are interest-free and loan from a joint venture of RMB187,967,000 (2024: RMB196,106,000) carried an effective interest rate at 8% (2024: 8%) per annum.

At the end of the reporting period, the carrying amounts of bank and other borrowings are denominated in the following currencies:

	2025 RMB'000	2024 RMB'000
RMB	10,878,786	11,010,298
US\$	459,597	521,431
HK\$	–	6,579
AUD	282,824	223,527
	11,621,207	11,761,835

	2025 RMB'000	2024 RMB'000
Within one year or on demand	6,838,187	6,359,850
Between one and two years	2,297,620	2,437,237
Between two and five years	2,337,453	2,326,768
Over five year	147,947	637,980
	11,621,207	11,761,835

Notes:

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

- (i) All of the equity interests in NGC Huai'an, a subsidiary of the Group.
- (ii) 30,400,000 ordinary shares of the Company held by a company controlled by Mr. Ji.
- (iii) The Group's assets as disclosed in Note 48.

In addition, bank and other borrowings of RMB618,390,000 (2024: RMB663,247,000) were guaranteed by Mr. Ji.

(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. ("**CITIC**") (formerly known as China Huarong Asset Management Co., Ltd.) by Huarong.

In September 2024, the loan of RMB349,343,000 and the Pledged Properties were derecognised upon disposal of a subsidiary. However, the guarantee provided by the Group in favour of CITIC for the loan and respective interest has not been released and remains in force. Details of the guarantee are set out in Note 50(iii)(b).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

36 BANK AND OTHER BORROWINGS (Continued)

Notes: (Continued)

- (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 Dazu ("Secured Shares") as security.

In September 2024, the loan, the pledged investment property and certain Secured Shares were derecognised upon disposal of a subsidiary. As at 31 December 2025 and 2024, the pledge of the Group's remaining Secured Shares had not been released.

- (d) During the year ended 31 December 2025, certain of the borrowings with principal amounting to RMB187,967,000 (2024: RMB1,048,153,000) were overdue and defaulted, and overdue interest expense of RMB21,922,000 (2024: RMB177,001,000) was recognised in other payables and accruals. Subsequent to the end of the reporting period, a subsidiary of the Group failed to meet its repayment obligations in respect of bank borrowings with principal amounting to RMB548,890,000 as at 31 December 2025. The Group is actively liaising with the lenders to extend the repayment period and has not received any request from any lender of the borrowings for accelerated repayment up to the date of these 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.

37 WARRANTY PROVISION

	2025 RMB'000	2024 RMB'000
At 1 January	2,168,813	2,268,949
Additional provisions recognised during the year	527,237	500,010
Amounts utilised during the year	(493,227)	(600,146)
At 31 December	2,202,823	2,168,813
Represented:		
– Current portion	864,364	908,794
– Non-current portion	1,338,459	1,260,019
	2,202,823	2,168,813

At the end of the reporting period, the amount represents the directors' best estimate of the expected cost that will be required under the Group's obligations for warranties under sale of goods. The estimate has been made on the basis of historical warranty trends and may vary as a result of new materials, altered manufacturing processes or other events affecting product quality.



Notes to the Consolidated Financial Statements

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38 DEFERRED TAX

For presentation purposes, certain deferred tax assets/(liabilities) have been offset in the consolidated statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purpose:

	2025 RMB'000	2024 RMB'000
Deferred tax assets	670,498	666,344
Deferred tax liabilities	(848,010)	(877,690)
	(177,512)	(211,346)

(i) Details of the deferred tax assets recognised in the consolidated statement of financial position and movements during the years are as follows:

	Tax losses	Changes in fair value of financial assets	Write-down of inventories	Impairment of receivables	Temporary difference between accounting basis and tax basis of lease liabilities	Other payables and accrued expenses	Unwinding discount on put option upon partial disposal of a subsidiary	LAT	Unrealised profits on intra-group transactions	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024	66,100	250,231	34,267	281,396	-	406,017	45,626	118,044	66,714	56,673	1,325,068
(Charged)/credited to profit or loss	(16,880)	-	27,516	(142,046)	42,812	19,368	293	64,500	(35,915)	(278)	(40,630)
(Charged)/credited to other comprehensive income	-	(205,796)	-	-	-	-	-	-	-	-	(205,796)
Disposal of a subsidiary	-	(41,049)	-	(102,926)	-	(39,860)	(45,919)	-	-	-	(229,754)
Release of written put option liability	-	-	-	-	-	-	(182,544)	-	-	-	(182,544)
At 31 December 2024 and 1 January 2025	49,220	3,386	61,783	36,424	42,812	385,525	-	-	30,799	56,395	666,344
(Charged)/credited to profit or loss	(49,220)	-	4,490	(10,658)	10,152	16,770	-	-	18,347	14,204	4,085
Credited to other comprehensive income	-	69	-	-	-	-	-	-	-	-	69
At 31 December 2025	-	3,455	66,273	25,766	52,964	402,295	-	-	49,146	70,599	670,498

The Group has tax losses of RMB2,780,283,000 (2024: RMB1,322,439,000) arising from the PRC that will expire in one to five years for offsetting against future taxable profits. Deferred tax assets have not been recognised in respect of the losses of RMB2,780,283,000 (2024: RMB1,125,559,000) as it is not probable that taxable profits will be available against which the tax losses can be utilised.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

38 DEFERRED TAX (Continued)

- (ii) Details of the deferred tax liabilities recognised in the consolidated statement of financial position and movements during the years are as follows:

	Temporary difference between accounting basis and tax basis of investment properties		Temporary difference between accounting basis and tax basis of right-of-use assets		Withholding tax	Others	Total
	Changes in fair value of identified assets upon acquisition of subsidiaries	Changes in fair value of financial assets at FVPL	Changes in fair value of financial assets at FVPL	Changes in fair value of right-of-use assets			
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024	215,219	806,453	17,850	–	93,477	42,461	1,175,460
(Credited)/charged to profit or loss	(24,350)	(87,849)	2,975	42,970	–	4,105	(62,149)
Disposal of a subsidiary	–	(237,019)	–	–	–	1,397	(235,622)
Exchange differences	–	–	–	–	–	1	1
At 31 December 2024 and 1 January 2025	190,869	481,585	20,825	42,970	93,477	47,964	877,690
(Credited)/charged to profit or loss	(24,059)	6,774	(20,825)	8,949	–	(519)	(29,680)
At 31 December 2025	166,810	488,359	–	51,919	93,477	47,445	848,010

Pursuant to the PRC CIT Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in the PRC. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between the PRC and the jurisdiction of the foreign investors. For the Group, the application rates are 5% and 10%. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in the PRC in respect of earnings generated from 1 January 2008 onwards.

As at 31 December 2025, the Group has not recognised the deferred tax for withholding taxes that would be payable on the unremitted retained earnings of RMB5,125,290,000 (2024: RMB4,508,729,000) arising from the Group's subsidiaries established in the PRC as, in the opinion of the directors, it is not probable that these subsidiaries will distribute such earnings in the foreseeable future.

39 SHARE CAPITAL

	Number of shares	RMB'000
Ordinary shares of HK\$0.5 each		
Authorised:		
At 1 January 2024, 31 December 2024 and 31 December 2025	1,600,000,000	675,968
Issued and fully paid:		
At 1 January 2024, 31 December 2024 and 31 December 2025	636,763,934	269,500



Notes to the Consolidated Financial Statements

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40 RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity of the consolidated financial statements.

(i) Equity reserve

Equity reserve represented (a) the difference between the paid-in capital of Nanjing Fullshare Asset Management Limited (南京豐盛資產管理有限公司) ("**Nanjing Fullshare Asset Management**") and the carrying amount of ordinary share capital of the Company immediately before the completion of the reverse takeover transaction during the year ended 31 December 2013 and (b) the difference between deemed consideration given by Nanjing Fullshare Asset Management and the nominal value of ordinary shares of the Company issued in respect of the reverse takeover transaction.

(ii) Statutory surplus reserve

In accordance with the PRC Company Law and the PRC subsidiaries' Articles of Association, a subsidiary registered in the PRC as a domestic company is required to appropriate 10% of its annual statutory net profit as determined in accordance with relevant statutory rules and regulations applicable to enterprises established in the PRC (after offsetting any prior years' losses) to the statutory reserve. When the balance of such reserve fund reaches 50% of the entity's capital, any further appropriation is optional. The statutory reserve can be utilised to offset prior years' losses or to increase capital. However, such balance of the statutory reserve must be maintained at a minimum of 25% of the capital after such usages.

(iii) Merger reserve

The merger reserve of the Group arose as a result of the acquisitions of subsidiaries under common control and represented the difference between the consideration paid for the acquisitions and the carrying amount of the net assets of the subsidiaries at the date when the Group and the acquired subsidiaries became under common control.

(iv) Other reserve

Other reserve represents (a) the gains/(losses) arising from transactions with non-controlling interests, (b) the difference between the fair value of consideration paid for the acquisition of subsidiaries from the equity shareholders of the Company and the fair value of the assets acquired at the date of acquisition, (c) the amount due to the controlling shareholder waived by Mr. Ji and capitalised as capital contribution, (d) the difference between the fair value of capital contribution received from the non-controlling interests and the proportionate of the carrying amount of the net assets of the respective subsidiary attributable to the equity shareholders of the Company being deemed disposed of, (e) the fair value of the share-based payments, (f) loss from disposal of award shares upon expiration of share award scheme, and (g) the initial recognition and subsequent derecognition of written put option liability.

Notes to the Consolidated Financial Statements

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41 SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

Details of the Group's subsidiaries that have material non-controlling interests are set out below:

	CHS	
	2025 RMB'000	2024 RMB'000
Percentage of equity interest held by non-controlling interests	28.92%	28.37%
Accumulated balances of non-controlling interests at the end of the reporting period	7,510,856	6,716,425
Total comprehensive income/(loss) for the year allocated to non-controlling interests	720,582	(1,303,682)

The following table illustrates the summarised financial information of the above subsidiary. The amounts disclosed are before any inter-company eliminations:

	CHS	
	2025 RMB'000	2024 RMB'000
Revenue	19,734,338	22,075,470
Total expenses, other income, gains and losses	(18,609,397)	(27,921,391)
Income tax expenses	(259,994)	(155,046)
Profit/(loss) for the year	864,947	(6,000,967)
Total comprehensive income/(loss) for the year	713,653	(6,163,231)
Net cash flows generated from/(used in) operating activities	3,171,505	(143,377)
Net cash flows used in investing activities	(1,186,556)	(1,105,829)
Net cash flows used in financing activities	(180,945)	(516,834)
Net increase/(decrease) in cash and cash equivalents	1,804,004	(1,766,040)
	2025 RMB'000	2024 RMB'000
Current assets	26,450,231	24,186,756
Non-current assets	14,857,346	15,695,358
Current liabilities	(19,278,415)	(18,152,973)
Non-current liabilities	(6,755,520)	(7,171,152)



Notes to the Consolidated Financial Statements

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42 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(i) Cash generated from operations

	Notes	2025 RMB'000	2024 RMB'000
Cash flows from operating activities			
Profit/(loss) before tax		991,505	(7,138,421)
Adjustments for:			
Finance costs	12	447,550	997,693
Share of results of joint ventures	23	(7,630)	32,393
Share of results of associates	24	183,504	34,798
Interest income		(124,217)	(134,601)
Gains on disposal of property, plant and equipment	10	(1,381)	(9,727)
(Losses)/gains on disposal of subsidiaries	10	(105,656)	9,976
Gains on partial disposal of an associate	10	–	(7,404)
Dividend income	9	(1,545)	(3,712)
Net fair value changes in financial instruments	8	123,616	62,000
Fair value losses in investment properties	10	39,488	444,344
Depreciation of property, plant and equipment	11	962,463	830,956
Depreciation of right-of-use assets	11	78,493	46,602
Net provision for impairment losses recognised on financial assets and financial guarantee contracts	3(iv)	443,879	569,840
Provision for impairment losses on property, plant and equipment	10	226,540	228,184
Provision for/(reversal of) impairment losses on prepayments (excluding Relevant Trading Business)	10	3,017	(311)
Impairment losses on trade receivables and prepayments in relation to trading business included in new energy segment	45	–	6,628,646
Write-down of properties under development	11	–	5,738
Write-down of properties held for sale	11	–	339
Write-down of inventories	11	204,567	77,371
Amortisation of other intangible assets	11	70,688	70,307
Impairment losses on other intangible assets	10	–	9,680
Amortisation of deferred income		(82,806)	(69,671)
Unrealised exchange gains/(loss), net		7,654	(168,462)
Gain on early termination of a lease		(344)	–
Operating cash inflows before movement in working capital		3,459,385	2,516,558

Notes to the Consolidated Financial Statements

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42 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(i) Cash generated from operations (Continued)

	2025 RMB'000	2024 RMB'000
Decrease in properties held for sale	–	2,497
(Increase)/decrease in inventories	(678,324)	415,083
(Increase)/decrease in restricted bank deposits	(4,160)	3,733
Decrease/(increase) in trade and bills receivables, other receivables and prepayments	283,084	(4,742,713)
Increase in trade and bills payables, other payables and accruals, contract liabilities and deferred income	552,701	1,975,488
Increase/(decrease) in provision for product warranties	34,010	(100,136)
Cash generated from operations	3,646,696	70,510

(ii) Changes in liabilities arising from financing activities

	Lease liabilities RMB'000	Bank and other borrowings RMB'000	Total RMB'000
At 1 January 2025	183,569	11,761,835	11,945,404
Early termination of a lease	(10,543)	–	(10,543)
Lease modification	91,585	–	91,585
Interest expense	6,109	441,441	447,550
New bank and other borrowings raised	–	5,853,926	5,853,926
Repayments of bank and borrowings	–	(5,677,994)	(5,677,994)
Capital element of lease rental paid	(34,544)	–	(34,544)
Interest element of lease rental paid	(6,109)	–	(6,109)
Foreign exchange movements	141	(11,260)	(11,119)
Transfer to trade payables and other payables and accruals	(10,700)	(11,982)	(22,682)
Interest paid	–	(429,459)	(429,459)
Waiver of loan from a shareholder of the Group	–	(37,500)	(37,500)
Disposal of subsidiaries	–	(267,800)	(267,800)
At 31 December 2025	219,508	11,621,207	11,840,715



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

42 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(ii) Changes in liabilities arising from financing activities (Continued)

	Lease liabilities RMB'000	Bank and other borrowings RMB'000	Total RMB'000
At 1 January 2024	15,980	14,480,214	14,496,194
New leases	188,029	–	188,029
Interest expense	2,252	742,482	744,734
New bank and other borrowings raised	–	6,992,027	6,992,027
Repayments of bank and borrowings	–	(7,185,429)	(7,185,429)
Capital element of lease rental paid	(20,212)	–	(20,212)
Interest element of lease rental paid	(2,252)	–	(2,252)
Other changes (Note)	–	(400,000)	(400,000)
Foreign exchange movements	(228)	(14,561)	(14,789)
Changes from operating cash flows	–	(126,610)	(126,610)
Interest paid	–	(600,419)	(600,419)
Disposal of a subsidiary	–	(2,125,869)	(2,125,869)
At 31 December 2024	183,569	11,761,835	11,945,404

Note:

During the year ended 31 December 2024, a loan from other financial institution of RMB400,000,000 has settled through the debt arrangement.

43 DISPOSAL OF SUBSIDIARIES

On 9 December 2024, the Group entered into an agreement with several independent third parties to dispose of its 100% equity interests in Charm Kingdom Limited at an aggregate consideration of approximately HK\$6,072,000 (equivalent to RMB5,686,000), representing the sum of the consideration for the share transfer of HK\$1,200,000 and the adjusted residual net asset value of Charm Kingdom Limited and its subsidiary (“**Charm Kingdom Group**”) at the date of completion. The disposal was completed on 20 February 2025.

In February 2025, the Group entered into an agreement with an independent third party to dispose of its 100% equity interests in Nanjing Green Goblin Business Management Co., Ltd. (南京綠魔商業管理有限公司) (“**Green Goblin**”) at a consideration of RMB1. The disposal was completed on 14 February 2025.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

43 DISPOSAL OF SUBSIDIARIES (Continued)

The assets and liabilities of the subsidiaries at the respective dates of disposal were as follows:

	Charm Kingdom Group RMB'000	Green Goblin RMB'000	Total RMB'000
Net assets/(liabilities) disposed of comprised:			
– Other intangible assets	1,124	–	1,124
– Prepayments	16	–	16
– Other receivables	474	92,216	92,690
– Financial assets at FVOCI	–	101,700	101,700
– Cash and cash equivalents	5,689	15	5,704
– Other payables and accruals	(1,617)	(31,787)	(33,404)
– Bank and other borrowings	–	(267,800)	(267,800)
Net assets/(liabilities) disposed of	5,686	(105,656)	(99,970)
Cash consideration	(5,686)	–	(5,686)
Gain on disposal of subsidiaries	–	(105,656)	(105,656)
Analysis of cash flows on disposal of subsidiaries:			
Consideration received	5,686	–	5,686
Cash and cash equivalents disposed of	(5,689)	(15)	(5,704)
Net cash outflows from disposals of subsidiaries	(3)	(15)	(18)

44 TRANSACTIONS WITH NON-CONTROLLING INTERESTS

Partial disposal of interest in a subsidiary without loss of control

During the year ended 31 December 2025, the Group disposed of 0.55% equity interests of CHS for HK\$10,568,000 (equivalent to RMB9,671,000). The effect on the equity attributable to the equity shareholders of the Company during the year is summarised as follows:

	RMB'000
Consideration received	9,671
Less: Increase in non-controlling interests	(71,851)
Decrease in equity attributable to equity shareholders of the Company	(62,180)

As at 31 December 2025, the Group held 71.08% equity interest in CHS.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

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

Three subsidiaries of CHS (the “**Relevant Subsidiaries**”) carried out transactions in trading business included in new energy segment mainly with 13 customers (the “**Customers**”) and 3 suppliers (the “**Suppliers**”). The Group’s trade receivables of RMB3,188,981,000 and prepayments of RMB3,450,531,000 relating to this trading business are recorded in the consolidated financial statements as of and for the years ended 31 December 2025 and 2024.

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

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

During the year ended 31 December 2025, there was no transaction entered by the Relevant Subsidiaries with the Customers and the Suppliers.

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

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

In view of these circumstances, management of CHS considered that the recoverability over the outstanding trade receivables and prepayments of RMB6,639,512,000 in total were in doubt. For the sake of prudence, these trade receivables and prepayments were fully impaired as at 31 December 2024. Accordingly, an impairment loss of RMB6,628,646,000 has been recognised in the line item “Impairment losses on trade receivables and prepayments in relation to trading business included in new energy segment” in the Group’s consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2024.

During the year ended 31 December 2025, there was no material progress in recovering these balances or obtaining sufficient underlying documentation. Additionally, the result of the Independent Investigation commissioned by CHS as detailed in the CHS’s announcement dated 24 November 2025 was noted with limitations in obtaining sufficient appropriate evidence to resolve the uncertainties surrounding these transactions and the Criminal Investigation was still in progress. A follow-up third-party independent investigation has been commenced after the reporting period.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

46 CONTINGENT LIABILITIES

As at 31 December 2025, contingent liabilities not provided for in the consolidated financial statements were as follows:

On 30 August 2019, a sale and purchase agreement is entered into between an independent third party (the “**Purchaser**”) and the general partner of Fullshare Value Fund I (A) L.P. (the “**Vendor**”), a joint venture of the Group, pursuant to which the Vendor agreed to sell, and the Purchaser agreed to purchase, 100% of the issued and paid up shares of Five Seasons XXII Limited (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 approximately SGD169,822,000 (equivalent to approximately RMB924,171,000), (2024: SGD169,822,000 (equivalent to approximately RMB909,607,000)) (the “**Guarantee money**”) as at 31 December 2025. The Guarantee money is used to compensate the Purchaser for any adverse effect of the legal cases. These Guaranteed 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 31 December 2025 and 2024.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

47 COMMITMENTS

(i) Operating lease arrangement – the Group as lessor

The Group leases its own and leased investment properties under operating lease arrangements, with leases negotiated for terms ranging from one to twenty years. The terms of the leases generally also require the tenants to pay security deposits and provide for periodic rent adjustments according to the prevailing market conditions.

At the end of the reporting period, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

	2025 RMB'000	2024 RMB'000
Within 1 year	107,023	155,949
After 1 year but within 2 years	84,567	114,062
After 2 years but within 3 years	62,540	76,663
After 3 years but within 4 years	45,827	53,384
After 4 years but within 5 years	32,149	29,360
After 5 year	79,081	123,447
	411,187	552,865

(ii) Capital commitments

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

	2025 RMB'000	2024 RMB'000
Contracted, but not provided for: – Property, plant and equipment	526,107	633,141

48 PLEDGE OF ASSETS

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

	Notes	2025 RMB'000	2024 RMB'000
Property, plant and equipment	18	2,676,759	3,828,475
Investment properties	19	2,734,741	2,773,560
Investment in an associate	24	19,124	152,107
Right-of-use assets	20(a)	273,670	497,957
Financial assets at FVOCI	27(ii), (iii)	579,871	321,759
Pledged bank deposits	33	3,143,328	2,810,765
		9,427,493	10,384,623

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

49 PRINCIPAL SUBSIDIARIES

Particulars of the Group's principal subsidiaries as at 31 December 2024 and 2025 are as follows:

Name	Place of incorporation/ operation and kind of legal entity	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
CHS	Cayman Islands/the PRC, limited liability company	US\$16,352,916	–	71.08 (2024: 71.63)	Manufacture and sale of gear products and trading of goods
Nanjing High Speed [#]	The PRC, domestic limited liability company	RMB2,150,000,000	–	50.02 (2024: 50.02)	Manufacture and sale of gear box and fittings
Nanjing Deying Property Limited (南京德盈置業有限公司) ("Nanjing Deying")	The PRC, wholly-foreign owned enterprise	RMB465,200,980	–	100 (2024: 100)	Property investment
Five Seasons VI Pty Limited	Australia, limited liability company	AUD100	–	100 (2024: 100)	Tourism

[#] In September 2024, Nanjing High Speed effected an amendment (the "Articles Amendment") of its articles (the "NHS Articles"). As a result of the Articles Amendment, the new NHS Articles states that the board of directors of Nanjing High Speed shall consist of nine directors, among which four directors shall be nominated by Nanjing Gear Management, while the remaining five directors shall be nominated by the other minority shareholders of Nanjing High Speed (among which Jinhu Shifu, a 6.98%-shareholder of Nanjing High Speed shall have the right to nominate two directors). Upon the effective of the Articles Amendments, Nanjing High Speed entered into an acting in concert agreement with Jinhu LP, pursuant to which Jinhu LP irrevocably and unconditionally undertook to Nanjing High Speed that Jinhu LP would act in concert with Nanjing Gear Management with respect to Nanjing High Speed, whereby Jinhu LP would vote in the same manner as Nanjing Gear Management in the meetings of board of directors of Nanjing High Speed. On this basis, Nanjing High Speed continues to be a subsidiary of the Group.

The directors of the Company understand that the acting in concert agreement contains provisions under which Jinhu LP will be released from its obligations to act in concert with Nanjing Gear Management. If events take place as a result of which Jinhu LP ceases, or refuses, to act in concert with Nanjing Gear Management, Nanjing High Speed will cease to be a subsidiary of the Company.

The above table lists the subsidiaries of the Group which, in the opinion of the directors of the Company, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

50 RELATED PARTY TRANSACTIONS

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

(i) Transactions with related parties

	Notes	2025 RMB'000	2024 RMB'000
Associates:			
– Interest income	(a)	5,951	6,138
– Rental paid	(b)	29,736	12,664
– Interest expense on lease liabilities	(b)	5,811	1,776
– Dividend income		2,105	2,889
Joint venture:			
– Interest expense	(c)	15,409	15,454
The Group's shareholder:			
– Loans received	(d)	2,500	700
– Repayment of loans	(d)	11,000	442,822
– Waiver of loans	(d)	37,500	–
The company wholly owned by Mr. Ji:			
– Management service income	(e)	315	334
– Repayment of loans	(f)	9,175	–
The Group's substantial shareholder:			
– Guarantees provided	(g)	7,190	7,519

Note:

- (a) The interest income is derived from a loan to Sparrow. During the year ended 31 December 2025, interest income of approximately RMB5,951,000 (2024: RMB6,138,000) was recognised and the Group received outstanding interests of RMB5,955,000 (2024: RMB6,091,000).
- (b) During the year ended 31 December 2023 and 2024, the Group entered into several lease agreements with Fullshare Dazu. Upon the disposal of Fengsheng KL, Fullshare Dazu became an associate of the Group, and the Group recognised right-of-use assets and lease liabilities amounting to RMB184,044,000. During the year ended 31 December 2025, the Group negotiated with Fullshare Dazu to modify the lease terms and rental amounts. The related right-of-use assets and lease liabilities were remeasured at the respective effective dates of the lease modifications, with aggregate carrying amounts of RMB215,519,000 and RMB218,653,000 respectively. During the year ended 31 December 2025, the Group paid rent of RMB29,736,000 (2024: RMB12,664,000), and interest expense on lease liabilities of RMB5,811,000 (2024: RMB1,776,000) was recognised in profit or loss.
- (c) On 13 March 2017, the Group entered into an agreement with FVF I L.P. to borrow US\$53,739,000 (equivalent to RMB370,558,000) at an interest rate of 8% per annum. During the year ended 31 December 2025, interest expense of RMB15,409,000 (2024: RMB15,454,000) was recognised in profit or loss.
- (d) The Group entered into several loan agreements with Magnolia, the single largest shareholder of the Company. During the year ended 31 December 2025, Magnolia assigned certain debts owed by the Group to Fullshare Group Pte. Ltd., an entity in which Mr. Ji also holds the entire interests. As at 31 December 2024 and 2025, amounts due to Magnolia are interest-free and repayable on demand.

During the year ended 31 December 2025, the Group received loans of RMB2,500,000 (2024: RMB700,000) and repaid loans of RMB11,000,000 to Magnolia. Magnolia granted a waiver of loan of RMB37,500,000 (2024: nil) to the Group, which was credited to "other reserve" in the consolidated statement of changes in equity of the Group.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

50 RELATED PARTY TRANSACTIONS (Continued)

(i) Transactions with related parties (Continued)

Note: (Continued)

- (e) The management service income is derived from the transactions which are carried out on terms agreed by the Group and Fullshare Group Pte. Ltd..
- (f) As at 31 December 2025, amounts due to Fullshare Group Pte. Ltd. are interest-free and repayable on demand. During the year ended 31 December 2025, the Group repaid loans of RMB9,175,000 to Fullshare Group Pte. Ltd.
- (g) During the year ended 31 December 2025, a guarantee of HK\$8,000,000 (equivalent to RMB7,190,000) (2024: HK\$8,000,000 (equivalent to RMB7,519,000)) at maximum was provided by Mr. Ji to a subsidiary of the Group for securing its loan portfolio.

Except for the transactions with the Group's associates and joint ventures, all the other related party transactions are all connected transactions, some of which have been reported and announced under Chapter 14A of the Listing Rules, others are exempted from reporting, announcement and shareholder approval requirements under the Listing Rules.

(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 28(i)), other receivables (Note 28(iii)), trade receivables (Note 31), trade and bills payables (Note 34), other payables and accruals (Note 35) and bank and other borrowings (Note 36).

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

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

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

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

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

As at 31 December 2025 and 2024, since the Granted Loans exceeded the outstanding amount of the respective bank loans, no provision for the obligations due to guarantee has been made.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

50 RELATED PARTY TRANSACTIONS (Continued)

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

- (b) The Group has provided guarantees in favour of China Great Wall Assets Management Company Tianjin Office (“**Great Wall Assets**”) and CITIC (the “**Existing Guarantees**”), and a subsidiary of the Company has charged certain investment properties in favour of Great Wall Assets, each as security for certain debts (the “**Debts**”) owed by the Fullshare Dazu and its subsidiary (“**Fullshare Dazu Group**”) to the said financial institutions in an aggregate principal sum of approximately RMB965,361,000 (2024: RMB973,042,000) with interest rates ranged from 7.8% to 12% (2024: 7.8% to 12%) (the “**Guaranteed Obligations**”) as at 31 December 2025.

At the date of the completion for the disposal of Fengsheng KL, such guarantees and pledged assets has not been released. To secure and indemnify the Company’s obligations under the Guaranteed Obligations, on the date of the equity transfer agreement to dispose of Fengsheng KL in August 2024, (i) the purchaser executed an equity interest pledge agreement with the Company and Fengsheng KL, pursuant to which, the purchaser shall pledge 80% of the equity interest of Fengsheng KL in favour of the Company; and (ii) the purchaser and Fengsheng KL executed a counter-guarantee agreement in favour of the Company to provide a counter-guarantee.

As at 31 December 2025, the total amount due from Fullshare Dazu Group to Great Wall Asset and CITIC was approximately RMB1,732,384,000 (2024: RMB1,527,565,000). Having considered that (i) the purchaser has executed the equity interest pledge agreement and a counter-guarantee agreement to mitigate the credit risk of the Company under the Existing Guarantees as mentioned above; (ii) the Debts are covered by certain charged assets of Fullshare Dazu Group and Fullshare Dazu Group has other unpledged assets (iii) Fengsheng KL has net asset position, and (iv) the assessment as at 31 December 2025 performed by an external, independent and qualified valuer, in the opinion of the directors, the possibility of discharging the relevant obligations by the Group is not probable. Accordingly, no provision in relation to the guarantee has been made as at 31 December 2025 (2024: Nil).

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

50 RELATED PARTY TRANSACTIONS (Continued)

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

	2025 RMB'000	2024 RMB'000
Short-term employee benefits	6,867	12,044
Post-employment benefits	236	539
Total compensations paid to key management personnel	7,103	12,583

(v) The number of key management personnel whose remuneration fell within the following bands is as follows:

	Number of employees	
	2025	2024
HK\$1 to HK\$500,000	4	1
HK\$500,001 to HK\$1,000,000	–	–
HK\$1,000,001 to HK\$1,500,000	1	3
HK\$1,500,001 to HK\$2,000,000	–	1
HK\$2,000,001 to HK\$2,500,000	1	1
HK\$2,500,001 to HK\$3,000,000	–	2
HK\$3,000,001 to HK\$3,050,000	1	–
	7	8

Further details of directors' and chief executives' emoluments are included in Note 13 to the consolidated financial statements.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

51 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

(i) Statement of financial position of the Company

	2025 RMB'000	2024 RMB'000
Non-current assets		
Investments in subsidiaries	1,296,872	1,297,351
Property, plant and equipment	1,077	180
Right-of-use assets	2,887	5,595
Financial assets at fair value through profit or loss	16,217	18,506
	1,317,053	1,321,632
Current assets		
Amounts due from subsidiaries	12,445,373	13,218,092
Loan receivables	23,948	–
Other receivables	741	2,590
Prepayments	534	2,035
Cash and cash equivalents	62,721	19,640
	12,533,317	13,242,357
Current liabilities		
Amounts due to subsidiaries	246,291	175,889
Other payables and accruals	313,123	288,921
Bank and other borrowings	271,629	331,903
Lease liabilities	1,572	3,169
Derivative financial instruments	32,832	34,254
	865,447	834,136
Net current assets	11,667,870	12,408,221
Total assets less current liabilities	12,984,923	13,729,853
Non-current liabilities		
Lease liabilities	968	2,743
Deferred tax liabilities	44,390	44,390
	45,358	47,133
Net assets	12,939,565	13,682,720
Equity		
Share capital	269,500	269,500
Reserves	12,670,065	13,413,220
Total equity	12,939,565	13,682,720

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

51 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (Continued)

(ii) Reserve movements of the Company

	Equity reserve RMB'000	Share premium RMB'000	Contributed surplus RMB'000	Other reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
At 1 January 2024	422,833	17,878,691	82,603	(844,036)	(1,048,290)	16,491,801
Loss and total comprehensive loss for the year	-	-	-	-	(3,078,581)	(3,078,581)
At 31 December 2024 and 1 January 2025	422,833	17,878,691	82,603	(844,036)	(4,126,871)	13,413,220
Loss and total comprehensive loss for the year	-	-	-	-	(780,655)	(780,655)
Waiver of loan from a shareholder	-	-	-	37,500	-	37,500
At 31 December 2025	422,833	17,878,691	82,603	(806,536)	(4,907,526)	12,670,065

52 EVENTS AFTER THE REPORTING PERIOD

Reference is made to the announcements of the Company dated 26 January 2026, 27 January 2026 and 16 March 2026. On 26 January 2026, the Company entered into subscription agreements (as revised and supplemented by supplemental agreements dated 27 January 2026) with each of Mr. Zhang Tao (張濤) and Mr. Zhang Zhongmin (張忠民) (the "Subscribers"), pursuant to which, each of the Subscribers conditionally agreed to subscribe for and the Company conditionally agreed to allot and issue 72,000,000 new shares and 55,000,000 new shares, respectively or a total of 127,000,000 new shares (the "Subscription Share (s)") at a price of HK\$1.05 per Subscription Share (the "Subscription") or a total of HK\$133,350,000. As at the date of approval of these consolidated financial statements, the Subscription has not yet been completed.



Five Years Financial Summary

A summary of the results and of the assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the published audited financial statements and restated/reclassified as appropriate, is set out below.

Year ended 31 December	2021 RMB'000	2022 RMB'000	2023 RMB'000	2024 RMB'000	2025 RMB'000
RESULTS					
Revenue	20,785,542	21,718,371	24,845,816	23,147,916	20,364,482
(Loss)/profit before tax	(2,095,358)	714,729	(444,860)	(7,138,421)	991,505
Income tax expense	(272,149)	(447,606)	(10,589)	(186,929)	(333,604)
(Loss)/profit for the year from continuing operations	(2,367,507)	267,123	(455,449)	(7,325,350)	657,901
Profit for the year from discontinued operation	31,749	141,573	–	–	–
(Loss)/profit for the year	(2,335,758)	408,696	(455,449)	(7,325,350)	657,901
Attributable to:					
Equity shareholders of the Company	(2,685,344)	(160,981)	(950,538)	(6,013,900)	(104,151)
Non-controlling interests	349,586	569,677	495,089	(1,311,450)	762,052
	(2,335,758)	408,696	(455,449)	(7,325,350)	657,901
ASSETS AND LIABILITIES					
Total assets	45,600,302	55,229,834	54,510,094	45,048,057	46,114,547
Total liabilities	(27,604,447)	(37,109,586)	(37,072,084)	(30,444,482)	(30,941,241)
Total equity	17,995,855	18,120,248	17,438,010	14,603,575	15,173,306
Attributable to:					
Equity shareholders of the Company	14,180,679	12,039,043	10,904,029	7,902,840	7,680,397
Non-controlling interest	3,815,176	6,081,205	6,533,981	6,700,735	7,492,909
	17,995,855	18,120,248	17,438,010	14,603,575	15,173,306

Note:

- (1) The financial figures for the years ended 31 December 2024 and 2025 were extracted from the consolidated financial statements.
- (2) The financial figures for the years ended 31 December 2021 to 2023 were extracted from the 2022 and 2023 annual reports.