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)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

The board (the "**Board**") of directors (the "**Directors**") of Fullshare Holdings Limited (the "**Company**") announces the unaudited interim condensed consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2024 (the "**Period Under Review**"), together with comparative figures for the previous corresponding period prepared in accordance with generally accepted accounting principles in Hong Kong as follows:

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

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

		For the six months ended 30 June	
		2024	2023
		(Unaudited)	(Unaudited)
	Note	***RMB'000***	*RMB'000*
Revenue	*5*	**10,675,171**	11,551,515
Cost of sales and services provided	*9*	**(9,244,682)**	(9,697,332)
Gross profit		**1,430,489**	1,854,183
Selling and distribution expenses	*9*	**(262,102)**	(277,583)
Administrative expenses	*9*	**(412,775)**	(522,780)
Research and development costs	*9*	**(410,115)**	(459,359)
Net provision for impairment losses recognised on financial assets	*3*	**(1,056,193)**	(219,712)
Other income	*7*	**251,386**	204,380
Net fair value changes in financial instruments	*6*	**(31,143)**	19,258
Other (losses)/gains – net	*8*	**(600,609)**	182,811

	Note	For the six months ended 30 June 2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
Operating (loss)/profit		**(1,091,062)**	781,198
Finance costs	*10*	**(564,378)**	(604,576)
Share of results of joint ventures		**(33,792)**	4,967
Share of results of associates		**(5,530)**	(1,583)
(Loss)/profit before tax		**(1,694,762)**	180,006
Income tax credit/(expenses)	*11*	**167,822**	(9,994)
(Loss)/profit for the period		**(1,526,940)**	170,012
Other comprehensive loss for the period:			
Items that may be reclassified subsequently to profit or loss:			
– Exchange differences on translation of foreign operations		**3,747**	(89,304)
– Changes in fair value of debt instruments at fair value through other comprehensive income		**(1,031)**	(890)
– Income tax relating to these items		**124**	(336)
– Share of other comprehensive income of associates		**3,843**	–
		6,683	(90,530)
Items that will not be reclassified to profit or loss:			
– Changes in fair value of equity instruments at fair value through other comprehensive income		**(262,971)**	(315,995)
– Income tax relating to these items		**66,212**	68,970
		(196,759)	(247,025)
Other comprehensive loss for the period, net of tax		**(190,076)**	(337,555)
Total comprehensive loss for the period		**(1,717,016)**	(167,543)
(Loss)/profit for the period attributable to:			
– Equity shareholders of the Company		**(1,495,728)**	(172,544)
– Non-controlling interests		**(31,212)**	342,556
		(1,526,940)	170,012

		For the six months ended 30 June	
		2024	2023
		(Unaudited)	(Unaudited)
	Note	***RMB'000***	*RMB'000*
Total comprehensive (loss)/income for the period attributable to:			
– Equity shareholders of the Company		**(1,647,186)**	(436,562)
– Non-controlling interests		**(69,830)**	269,019
		(1,717,016)	(167,543)

		For the six months ended 30 June	
		2024	2023
		(Unaudited)	(Unaudited)
		RMB	*RMB*
			(Restated)
Loss per share			
Basic and diluted loss per share	*13*	**(2.349)**	(0.325)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2024
(Expressed in Renminbi)

	Note	**30 June 2024 (Unaudited)** *RMB'000*	31 December 2023 (Audited) *RMB'000*
Non-current assets			
Property, plant and equipment		**11,173,595**	10,584,760
Investment properties		**4,545,307**	4,931,388
Right-of-use assets		**1,125,892**	1,096,638
Goodwill		**1,503,817**	1,503,817
Other intangible assets		**183,619**	218,686
Investments in joint ventures		**273,639**	303,902
Investments in associates		**337,008**	339,589
Financial assets at fair value through other comprehensive income		**1,410,964**	1,675,229
Financial assets at fair value through profit or loss		**779,437**	439,395
Consideration receivables		**155,132**	154,326
Loan receivables		**132,410**	131,130
Properties under development		**530,852**	536,311
Prepayments		**–**	5,890
Deferred tax assets		**1,557,385**	1,325,068
		23,709,057	23,246,129
Current assets			
Inventories		**7,493,044**	6,548,666
Trade receivables	*14*	**8,820,974**	8,524,702
Consideration receivables		**125,696**	130,593
Loan receivables		**139,533**	524,497
Prepayments		**2,610,290**	1,978,386
Other receivables		**2,006,420**	1,879,212
Income tax prepaid		**26,638**	42,984
Financial assets at fair value through other comprehensive income		**1,702,250**	1,809,484
Financial assets at fair value through profit or loss		**79,424**	501,437
Properties held for sale		**49,000**	51,836
Restricted cash		**3,550,994**	3,578,324
Cash and cash equivalents		**5,220,635**	5,693,844
		31,824,898	31,263,965

	Note	**30 June 2024 (Unaudited)** ***RMB'000***	31 December 2023 (Audited) *RMB'000*
Current liabilities			
Trade and bills payables	*15*	**8,471,784**	7,625,165
Other payables and accruals	*16*	**3,557,392**	3,755,124
Contract liabilities		**1,963,748**	1,779,712
Derivative financial instruments		**17,682**	33,228
Lease liabilities		**6,749**	7,351
Bank and other borrowings	*17*	**11,362,313**	9,702,996
Income tax payable		**599,376**	647,684
Warranty provision		**966,055**	1,144,479
Deferred income		**65,380**	43,229
Written put option liability		**4,901,175**	4,772,175
		31,911,654	29,511,143
Net current (liabilities)/assets		**(86,756)**	1,752,822
Total assets less current liabilities		**23,622,301**	24,998,951
Non-current liabilities			
Bank and other borrowings	*17*	**4,859,226**	4,777,218
Deferred income		**682,512**	475,164
Lease liabilities		**5,762**	8,629
Warranty provision		**1,244,587**	1,124,470
Deferred tax liabilities		**1,088,133**	1,175,460
		7,880,220	7,560,941
Net assets		**15,742,081**	17,438,010
Capital and reserves			
Share capital		**269,500**	269,500
Reserves		**8,863,287**	10,634,529
Equity attributable to equity shareholders of the Company		**9,132,787**	10,904,029
Non-controlling interests		**6,609,294**	6,533,981
Total equity		**15,742,081**	17,438,010

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

(Expressed in Renminbi)

1 GENERAL INFORMATION

Fullshare Holdings Limited (the "**Company**") was incorporated and registered as an exempted company with limited liability in the Cayman Islands under the Companies Law (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands, and its principal place of business is Unit 2805, Level 28, Admiralty Centre Tower 1, 18 Harcourt Road, Admiralty, Hong Kong. The Company's shares are listed on The Stock Exchange of Hong Kong Limited (the "**SEHK**").

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

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

The interim condensed consolidated financial information were approved for issue by the board of directors of the Company on 30 August 2024.

2 BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2024 have been prepared in accordance with Hong Kong Accounting Standard ("**HKAS**") 34, Interim Financial Reporting, issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the SEHK.

The interim condensed consolidated financial information have been prepared in accordance with the same accounting policies adopted in the Group's 2023 annual consolidated financial statements, except for the adoption of new and amendments to Hong Kong Financial Reporting Standards ("**HKFRSs**"), as set out in Note 2.1.

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

2 BASIS OF PREPARATION (Continued)

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

The interim condensed consolidated financial information contain interim condensed consolidated financial information and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the Group's 2023 annual consolidated financial statements. These interim condensed consolidated financial information and notes thereon do not include all of the information and disclosures required for a complete set of financial statements prepared in accordance with HKFRSs, and should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2023.

The Group incurred loss of RMB1,526,940,000 during the six months ended 30 June 2024. As at 30 June 2024, the Group had net current liabilities of RMB86,756,000. As at 30 June 2024, the Group failed to fulfil certain financial obligations as set out in an earnest money agreement in respect of previous plan on disposal of equity interests of subsidiaries and certain assets (Note 16(ii), (iii)), a number of loan agreements in respect of certain overdue and defaulted borrowings (Note 17), a financial guarantee contract provided to an independent third party which caused certain of the Group's investment properties to be frozen by the court order of the People's Republic of China (the "**PRC**") (Note 18(i)) and bank and other borrowings of RMB11,362,313,000 are repayable within one year, which exceeded the Group's cash and cash equivalents of RMB5,220,635,000. In view of such circumstances, the directors of the Company have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern. The management has prepared the cash flow projections which cover a period of twelve months from 30 June 2024. The directors of the Company are satisfied that it is appropriate to prepare the interim condensed consolidated financial information under the going concern basis after taken into consideration of the followings:

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

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

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

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

2 BASIS OF PREPARATION (Continued)

These interim condensed consolidated financial information are unaudited, but have been reviewed by the Audit Committee. They have also been reviewed by the Company's auditor in accordance with Hong Kong Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the HKICPA.

2.1 New standards and amendments adopted by the Group

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

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

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

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

3 FINANCIAL RISK MANAGEMENT

Credit risk

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

3 FINANCIAL RISK MANAGEMENT (Continued)

Credit risk (Continued)

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 behavior of the debtor, including changes in the payment status of debtor in the Group and changes in the operating results of the debtor.

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

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

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

4 OPERATING SEGMENT INFORMATION

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

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

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

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

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

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

4 OPERATING SEGMENT INFORMATION (Continued)

	For the six months ended 30 June 2024 (Unaudited)					
	Properties *RMB'000*	Tourism *RMB'000*	Investment and financial services *RMB'000*	Healthcare, education and others *RMB'000*	New energy *RMB'000*	Total *RMB'000*
Segment revenue:						
Sales to external customers	**125,416**	**135,208**	**1,440**	**253,413**	**10,159,694**	**10,675,171**
Fair value changes in financial instruments	**–**	**–**	**(31,143)**	**–**	**–**	**(31,143)**
Segment results	**(405,703)**	**(290,782)**	**(429,390)**	**(4,344)**	**(80,219)**	**(1,210,438)**
Reconciliation:						
Unallocated bank interest income *(Note 7)*						**63,263**
Unallocated interest income on deferred consideration *(Note 7)*						**4,458**
Unallocated income and losses, net						**39,326**
Corporate and other unallocated expenses						**(26,993)**
Finance costs *(Note 10)*						**(564,378)**
Loss before tax						**(1,694,762)**
Segment assets as at 30 June 2024 (Unaudited)	**5,858,149**	**1,116,088**	**2,169,997**	**403,019**	**35,321,756**	**44,869,009**
Reconciliation:						
Corporate and other unallocated assets						**10,664,946**
Total assets as at 30 June 2024 (Unaudited)						**55,533,955**
Segment liabilities as at 30 June 2024 (Unaudited)	**1,397,472**	**73,815**	**256,373**	**10,214**	**14,153,431**	**15,891,305**
Reconciliation:						
Corporate and other unallocated liabilities						**23,900,569**
Total liabilities as at 30 June 2024 (Unaudited)						**39,791,874**

4 OPERATING SEGMENT INFORMATION (Continued)

	For the six months ended 30 June 2023 (Unaudited)					
	Properties *RMB'000*	Tourism *RMB'000*	Investment and financial services *RMB'000*	Healthcare, education and others *RMB'000*	New energy *RMB'000*	Total *RMB'000*
Segment revenue:						
Sales to external customers	126,650	160,994	1,567	4,709	11,257,595	11,551,515
Fair value changes in financial instruments	–	–	22,682	–	(3,424)	19,258
Segment results	55,255	(14,222)	(21,491)	(1,596)	704,989	722,935
Reconciliation:						
Unallocated bank interest income *(Note 7)*						56,298
Unallocated interest income on deferred consideration *(Note 7)*						4,457
Unallocated income and gains, net						125,832
Corporate and other unallocated expenses						(124,940)
Finance costs *(Note 10)*						(604,576)
Profit before tax						180,006
Segment assets as at 31 December 2023 (Audited)	6,339,169	1,433,985	2,665,623	550,487	32,529,027	43,518,291
Reconciliation:						
Corporate and other unallocated assets						10,991,803
Total assets as at 31 December 2023 (Audited)						54,510,094
Segment liabilities as at 31 December 2023 (Audited)	1,624,223	122,157	210,764	3,765	13,256,861	15,217,770
Reconciliation:						
Corporate and other unallocated liabilities						21,854,314
Total liabilities as at 31 December 2023 (Audited)						37,072,084

4 OPERATING SEGMENT INFORMATION (Continued)

(i) Revenue from external customers by locations of customers

	For the six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
The PRC	**9,595,472**	10,296,043
United States of America	**578,531**	768,303
Europe	**100,133**	55,568
Australia	**89,013**	114,956
Other countries	**312,022**	316,645
	10,675,171	11,551,515

5 REVENUE

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

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Revenue from contracts with customers		
Properties segment:		
– Property development and sales	**2,583**	154
– Construction consulting services	**–**	444
	2,583	598
Tourism segment:		
– Hotel operations	**130,514**	152,827
– Sales of tourist goods and services	**4,694**	8,167
	135,208	160,994
New energy segment:		
– Sales of gear products	**6,786,451**	8,250,777
– Trading of goods	**3,373,243**	3,006,818
	10,159,694	11,257,595
Investment and financial services segment:		
– Investment and financial consulting services	**1,440**	1,567
Healthcare, education and others segment:		
– Education services	**4,733**	4,635
– Healthcare products and other services	**123**	74
– Trading of goods	**248,557**	–
	253,413	4,709
	10,552,338	11,425,463
Revenue from other sources		
Properties segment:		
– Gross rental income	**122,833**	126,052
	10,675,171	11,551,515

5 REVENUE (Continued)

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

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

6 NET FAIR VALUE CHANGES IN FINANCIAL INSTRUMENTS

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

7 OTHER INCOME

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

Notes:

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

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

(iii) Government grants represent mainly grants from the PRC's local authority to support local companies. There are no unfulfilled conditions or contingencies attaching to these grants.

8 OTHER (LOSSES)/GAINS – NET

	For the six months ended 30 June **2024** **(Unaudited)** ***RMB'000***	2023 (Unaudited) *RMB'000*
Fair value (losses)/gains on investment properties	**(351,668)**	429
Gains/(losses) on disposal of property, plant and equipment	**8,296**	(462)
Loss on swap contracts	**(18,334)**	(18,305)
(Provision for)/reversal of impairment losses on property, plant and equipment	**(268,081)**	11,680
Foreign exchange gains – net	**29,132**	187,506
Others	**46**	1,963
	(600,609)	182,811

9 EXPENSES BY NATURE

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

10 FINANCE COSTS

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

11 INCOME TAX (CREDIT)/EXPENSES

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

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

11 INCOME TAX (CREDIT)/EXPENSES (Continued)

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

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

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

Name of company	**Year ended during which approval was obtained**
Nanjing High Speed Gear Manufacturing Co., Ltd.	31 December 2023
Nanjing High Speed & Accurate Gear (Group) Co., Ltd.	31 December 2023
Nanjing High Accurate Rail Transportation Equipment Co., Ltd.	31 December 2023
NGC (Baotou) Transmission Equipment Co., Ltd. ("**NGC (Baotou)**")	31 December 2021 *(Note)*

Note:

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

(b) PRC land appreciation tax ("LAT")

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

(c) Other corporate income tax

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

11 INCOME TAX (CREDIT)/EXPENSES (Continued)

(d) Pillar Two Model Rules

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

12 DIVIDENDS

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

13 LOSS PER SHARE

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

	For the six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Loss attributable to equity shareholders of the Company	**(1,495,728)**	(172,544)

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

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

14 TRADE RECEIVABLES

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

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

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

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

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

As at 30 June 2024, trade receivables with carrying amount of RMB398,794,000 (31 December 2023: RMB398,794,000) were pledged as collateral for the Group's borrowings (Note 20).

15 TRADE AND BILLS PAYABLES

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

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

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

Amount due to an associate included in trade and bills payables is repayable within 90 days (31 December 2023: 90 days), which represents credit terms similar to those offered by the associate to its major customers.

Trade payables are normally settled on terms of 90 to 180 days (31 December 2023: 90 to 180 days).

16 OTHER PAYABLES AND ACCRUALS

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

Notes:

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

(ii) It represented refundable deposit received from Neoglory Prosperity Inc.（新光圓成股份有限公司）for the possible sale and purchase of the shares of China High Speed Transmission Equipment Group Co., Ltd ("**CHS**") held by the Group in 2018. Details of the transaction, the legal action taken by Neoglory Prosperity Inc. to seek for the refund of the deposit and the settlement arrangement are set out in Note 37(ii) of the Group's 2023 annual consolidated financial statements. No repayment was made by the Group during the six months ended 30 June 2024. Management considers that the repayments of the outstanding balance could be fulfilled through internal funding or sale of certain non-major assets and will not have a significant impact to the Group's operations.

(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 ("**Asset Consideration**"). Pursuant to the Asset Transfer Agreement, if the transfer of the assets was not completed within a specified period, the Group shall refund the Asset Consideration as well as bear the respective penalty. The transfer had not been completed and the Group failed to refund the full amount of the Asset Consideration to Jiangsu Anke.

16 OTHER PAYABLES AND ACCRUALS (Continued)

Notes: (Continued)

(iii) (Continued)

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 30 June 2024, certain bank accounts with accumulated balances of RMB3,115,000 (31 December 2023: RMB6,554,000) were frozen by the court order in the PRC. In July 2024, the legal title of certain of investment properties with carrying value of RMB2,478,457,000 as at 30 June 2024 was frozen by the execution order issued.

Up to the date of these interim condensed consolidated financial information, the Group is still liaising with Jiangsu Anke to extend the repayment period. Management considers that the Asset Consideration, together with the respective default interest payable and past late penalty payable with carrying value of RMB302,937,000 (31 December 2023: RMB297,889,000) recognised in other payables as at 30 June 2024 could be repaid through internal funding or sale of certain non-major assets and will not have significant impact to the Group's operations.

17 BANK AND OTHER BORROWINGS

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

17 BANK AND OTHER BORROWINGS (Continued)

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

Bank and other borrowings are repayable as follows:

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

Notes:

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

(i) All of the equity interests in Nanjing Fullshare Dazu Technology Company Limited（南京豐盛大族科技股份有限公司）(“**Fullshare DZ**”) and NGC (Huai'an) High Speed Gear Manufacturing Co., Ltd., and certain equity interests in Tianjin Heheng Investment Development Co., Ltd.（天津合恒投資發展有限公司）, all of which are subsidiaries of the Group.

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

(iii) The Group's assets as disclosed in Note 20.

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

(b) As at 31 December 2020, a loan from Huarong International Trust Co., Ltd. (the “**Lender**”) 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 Pledged Properties were put up for auction by the Lender during the year ended 31 December 2021. However, such auction met with no response.

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

Notes: (Continued)

(b) (Continued)

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

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

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

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

(d) As at 30 June 2024, certain of the borrowings (including the aforesaid loans from the Lender and the Lessor) with principal amounting to RMB2,183,445,000 (31 December 2023: RMB2,206,636,000) were overdue and defaulted, and overdue interest of RMB46,698,000 (six months ended 30 June 2023: RMB93,608,000) was recognised during the six months ended 30 June 2024. The Group is actively liaising with the lenders to extend the repayment period and has not received any request from any lender of the borrowings for accelerated repayment up to the date of these interim condensed consolidated financial information. Management considers that these borrowings could be repaid through internal fundings and will not have a significant impact to the Group's operations.

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

18 CONTINGENT LIABILITIES

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

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

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

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

On the same day, in order to facilitate the conclusion of the sales, the Company entered into a deed of guarantee with the Purchaser, pursuant to which, the Company agreed to guarantee to the Purchaser the due and punctual performance and observance by the Vendor of the Vendor's obligations under the sale and purchase agreement, subject to a maximum liability of up to SGD169,822,000 (equivalent to approximately RMB910,236,000) (31 December 2023: SGD169,822,000 (equivalent to approximately RMB911,090,000)) (the "**Guarantee Money**") as at 30 June 2024. The Guarantee Money is used to compensate the Purchaser for any adverse effect of the legal cases. These Guarantee Money would be reimbursed by the former owner.

In the opinion of the directors, based on the claim history from the purchaser to the Group and the reimbursement history from the former owner to the Group, the possibility of default or inability of discharging the relevant obligations by the Group is remote. Accordingly, no provision in relation to the guarantee has been made as at 30 June 2024 and 31 December 2023.

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

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

19 CAPITAL COMMITMENTS

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

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

20 PLEDGE OF ASSETS

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

	Note	30 June 2024 (Unaudited) *RMB'000*	31 December 2023 (Audited) *RMB'000*
Property, plant and equipment		**3,664,363**	3,948,536
Investment properties		**4,234,145**	4,502,440
Right-of-use assets		**338,263**	342,352
Trade receivables	*14*	**398,794**	398,794
Financial assets at FVOCI		**428,699**	549,354
Properties under development		**530,852**	536,311
Properties held for sale		**49,000**	49,339
Pledged bank deposits		**3,522,489**	3,562,398
		13,166,605	13,889,524

21 EVENTS AFTER THE REPORTING PERIOD

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

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

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

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

BUSINESS REVIEW

During the Period Under Review, the revenue of the Group was derived from property, tourism, investment and financial services, healthcare and education and new energy businesses.

(1) Property business

(a) Property sales

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

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

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

(b) Investment properties

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

	Address	Existing use	Term of contract	GFA *(sq.m.)*	Interest attributable to the Group
Nanjing					
Yuhua Salon (雨花客廳) – Epark	No. 109 Ruanjian Avenue, Yuhuatai District, Nanjing, Jiangsu Province, the PRC	Shopping mall and carparks	Medium-term covenant	77,711#	100%
Yuhua Salon (雨花客廳) – Feng Sheng Shang Hui (豐盛商滙) (certain office units)	No. 119 Ruanjian Avenue, Yuhuatai District, Nanjing, Jiangsu Province, the PRC	Office and carparks	Medium-term covenant	3,503#	100%
Wonder City (虹悅城)	No. 619 Yingtian Da Jie, Yuhuatai District, Nanjing, Jiangsu Province, the PRC	Shopping mall	Medium-term covenant	100,605	100%
Liuhe Happy Plaza Project* (六合歡樂廣場) (two floors)	No. 52-71 Longjinlu Liuhe District, Nanjing, Jiangsu Province, the PRC	Shopping mall and carparks	Medium-term covenant	18,529#	100%
Nantong					
Huitong Building Project (匯通大廈項目)	No. 89 middle, Zhongxiu Street, Nantong, Jiangsu Province, the PRC	Commercial	Medium-term covenant	20,461	100%
Nantong Youshan Meidi Garden Project (南通優山美地花園項目)	No. 1888, Xinghu Avenue, Nantong, Jiangsu Province, the PRC	Commercial	Medium-term covenant	20,671	100%
Zhenjiang					
Zhenjiang Youshan Meidi Garden Project (鎮江優山美地花園項目)	No. 139,140,141 Guyang Road, Jingkou District, Zhenjiang, Jiangsu Province, the PRC	Commercial	Medium-term covenant	7,278	100%
Weihai					
Weihai Project (威海項目)	Block 1, No. 229, Rongshan Road, Chengshan, Rongcheng City, Weihai, Shandong Province, the PRC	Commercial	Medium-term covenant	6,472	100%
				255,230	

GFA of carparks is not included.

(c) Green building services and entrusted construction services

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

(2) Tourism business

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

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

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

Nanjing Five Seasons Hotel is located in the Software Valley, Nanjing, Jiangsu Province, the PRC with a land lot site area of approximately 30,416 sq.m. and a total GFA of approximately 81,380 sq.m. During the Period Under Review, the hotel's Building 9 (Dongshu Lou) and Building 6 (Nansheng Lou) floors have been put into full operation, while Building 7 (Qinyangzhai) and Building 8 (Beiji Lou) are not fully open yet. The project currently has a total of 272 guest rooms, 3 restaurants and 2 banquet halls. As of the end of June 2024, the average room price was approximately RMB648 (excluding tax) with an occupancy rate of approximately 80%.

(3) Investment and financial services business

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

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

(a) Listed equity investments held for trading

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

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

Notes:

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

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

(b) Other investments

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

As at 30 June 2024

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

Note:

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

As at 31 December 2023

Name of investee	Cost of investment	Carrying amount	Unrealised holding gain/(loss) arising on revaluation for the year	Realised gain/(loss) arising from the disposal for the year	Dividend received/ receivable for the year
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Zheshang Fund	2,000,000	1,239,000	(302,019)	–	–
Jiangsu Investment	400,000	254,896	(74,169)	–	14,000
		1,493,896	(376,188)	–	14,000

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

As at 30 June 2024 and 31 December 2023, the Group did not hold any significant investment with a value greater than 5% of the Group's total assets.

(c) Investment and financial related consulting services

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

(4) Healthcare, education and others business

During the Period Under Review, the Group continued to identify appropriate investment opportunities to inject new impetus for the sustainable development of healthcare, education and other businesses. The revenue of healthcare, education and others segment was approximately RMB253,413,000 (six months ended 30 June 2023: RMB4,709,000).

(5) New Energy segment

a) Wind gear transmission equipment

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

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

b) Industrial gear transmission equipment

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

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

c) Rail transportation gear transmission equipment

The Group's rail transportation gear transmission equipment products are widely used in the rail transportation fields such as high-speed rails, metro lines, urban trains and trams. The Company has established long-term cooperative relationships with many well-known domestic and foreign companies in the industry, such as the CRRC Group and the Alstom Group. The Group has obtained ISO/TS22163 Certificate for the Quality Management System of International Railway Industry, CRCC Certification for Railway Products for its rail transportation gear transmission equipment products and Silver Certificate for "IRIS" System, which has laid a solid foundation for further expansion in the international rail transportation market. Currently, the products have been successfully applied to rail transportation transmission equipment in many Chinese cities, such as Beijing, Shanghai, Shenzhen, Nanjing, Hong Kong and Taipei, and other countries and regions such as Singapore, India, Brazil, France, Canada, Australia and Egypt. With optimized gearbox design technology, excellent sealing technology and effective control of the production process, the Group's rail transportation gear transmission equipment products are more environmental friendly, and the products are well received by users.

d) Trading business

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

FINANCIAL REVIEW

Revenue

The revenue of the Group decreased by approximately RMB876,344,000, or 8%, from approximately RMB11,551,515,000 for the Corresponding Period of 2023 to approximately RMB10,675,171,000 for the Period Under Review. The revenue and the changes for the Period Under Review and Corresponding Period of 2023 derived from different segments are listed as below:

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

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

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

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

Cost of sales and services

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

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

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

Gross profit and gross profit margin

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

Selling and distribution expenses

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

Administrative expenses

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

Research and development costs

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

Net provision for impairment losses recognised on financial assets

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

Other income

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

Net fair value changes in financial instruments

The Group maintains its investment segment through possessing and investing in various investment and financial products for potential or strategic use purposes. The Group recorded a loss on change in fair value of financial instruments of approximately RMB31,143,000 for the Period Under Review as compared to the gain on fair value change of RMB19,258,000 for the Corresponding Period of 2023. The fair value change mainly reflected the stock market volatility and change in the expectations on the financial status of investees.

Other (losses)/gains – net

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

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

Finance costs

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

Share of result of joint ventures and associates

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

Income tax credit/(expenses)

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

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

Loss for the Period Under Review

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

LIQUIDITY, FINANCIAL RESOURCES AND GEARING RATIO

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

Cash position

As at 30 June 2024, the Group had cash and cash equivalents (excluding the restricted cash) of approximately RMB5,220,635,000 (31 December 2023: RMB5,693,844,000), representing a decrease by approximately RMB473,209,000 or 8% as compared to 31 December 2023. The Group's cash and cash equivalents remain stable. The Group regularly and closely monitors its funding and treasury position to meet the funding requirements of the Group.

Bank and other borrowings and corporate bonds

As at 30 June 2024 and 31 December 2023, the debt profile of the Group was analysed as follows:

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

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

Leverage

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

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

FOREIGN EXCHANGE EXPOSURE

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

TREASURY POLICIES

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

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

PLEDGE OF ASSETS

Details of the Group's pledged assets as at 30 June 2024 are set out in note 20 to the interim condensed consolidated financial information disclosed in this announcement.

OPERATING SEGMENT INFORMATION

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

CAPITAL COMMITMENTS

Details of the capital commitments of the Group as at 30 June 2024 are set out in note 19 to the interim condensed consolidated financial information disclosed in this announcement.

CONTINGENT LIABILITIES

Details of contingent liabilities of the Group as at 30 June 2024 are set out in note 18 to the interim condensed consolidated financial information disclosed in this announcement.

SUBSEQUENT EVENTS

As at 30 June 2024, details of the subsequent events of the Group are set out in note 21 to the interim condensed consolidated financial information disclosed in this announcement. Save as disclosed therein, there has been no important events of the Group occurred since the end of the Period Under Review.

PROSPECT

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

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

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES OR JOINT VENTURES

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

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

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

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

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

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

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

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities (including sale of treasury shares) of the Group during the Period Under Review. As at 30 June 2024, the Company did not own any treasury shares.

EMPLOYEES

As at 30 June 2024, the Group had 8,729 employees (31 December 2023: 8,881 employees). The Group's total staff costs (including executive directors' remuneration) amounted to approximately RMB991,598,000 for the Period Under Review (for the six months ended 30 June 2023: approximately RMB977,956,000). Employees' remunerations are determined according to the Group's operating results, job requirements, market salary level and ability of individuals. The Group regularly reviews its remuneration policy and additional benefit programs and makes necessary adjustments to bring them in line with the industry level. In addition to basic salaries, the Group has established revenue sharing programs and performance appraisal plans to provide rewards according to the Group's results and employees' individual performance.

CORPORATE GOVERNANCE CODE

The Company has applied the principles and complied with the code provisions of the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") during the Period Under Review save for the following deviation:

Under the Code Provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. During the Period Under Review, the positions of chairman and chief executive officer (the "**CEO**") of the Company were held by Mr. Ji Changqun. Nevertheless, 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 consider that this structure will not impair the balance of power and authority between the Board and the management of the Group.

AUDIT COMMITTEE REVIEW

The Company established an audit committee (the "**Audit Committee**") with written terms of reference in compliance with the CG Code as set out in Appendix C1 to the Listing Rules. The Audit Committee currently comprises three independent non-executive Directors. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal financial control system of the Group, and to review the Group's interim and annual reports and financial statements. The unaudited interim condensed consolidated financial statements for the Period Under Review have been reviewed by the Audit Committee and the Company's auditor in accordance with Hong Kong Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the HKICPA.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

By Order of the Board
Fullshare Holdings Limited
JI CHANGQUN
Chairman

Hong Kong, 30 August 2024

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

* *For identification purposes only*