

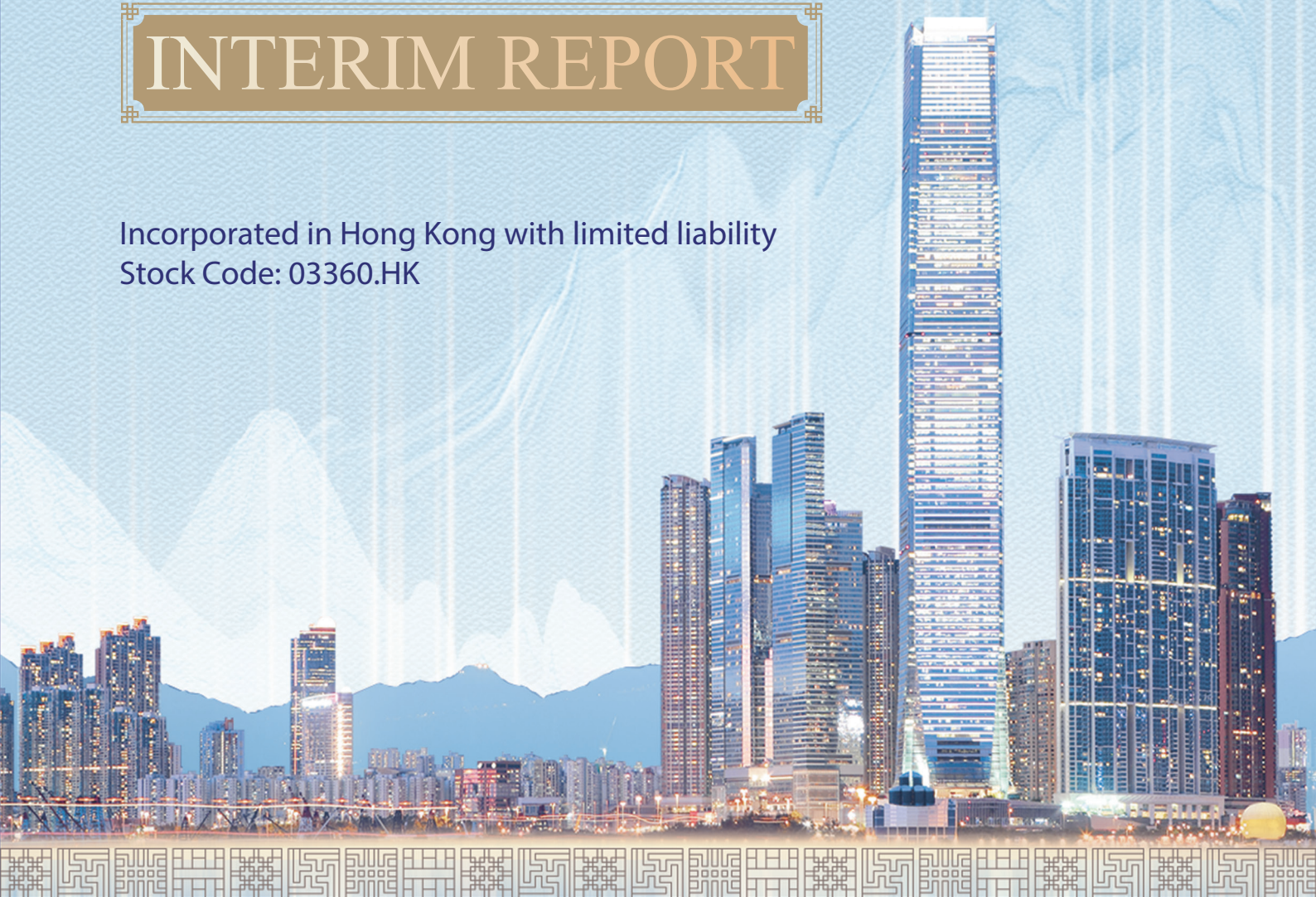


遠東宏信
FEHORIZON

2025

INTERIM REPORT

Incorporated in Hong Kong with limited liability
Stock Code: 03360.HK





遠東宏信有限公司
FAR EAST HORIZON LIMITED



**Together we stand,
aiming forward.**



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Chairman and Executive Director

Mr. KONG Fanxing
(Chairman, Chief Executive Officer)

Executive Directors

Mr. WANG Mingzhe
(Chief Financial Officer)

Mr. CAO Jian
(Senior Vice President)

Non-Executive Directors

Mr. CHEN Shumin
(Vice Chairman)

Ms. WEI Mengmeng

Mr. LIU Haifeng David

Mr. KUO Ming-Jian

Mr. John LAW

Independent Non-executive Directors

Mr. HAN Xiaojing

Mr. LIU Jialin

Mr. YIP Wai Ming

Mr. WONG Ka Fai Jimmy

COMPOSITION OF COMMITTEES

Audit and Risk Management Committee

Mr. YIP Wai Ming (Chairman)

Mr. HAN Xiaojing

Mr. John LAW

Remuneration and Nomination Committee

Mr. LIU Jialin (Chairman)

Mr. HAN Xiaojing

Mr. KUO Ming-Jian

Strategy and Investment Committee

Mr. LIU Haifeng David (Chairman)

Mr. KONG Fanxing

Mr. WONG Ka Fai Jimmy

Environmental, Social and Governance Committee

Mr. WONG Ka Fai Jimmy
(Chairman)

Mr. HAN Xiaojing

Mr. John LAW

COMPANY SECRETARY

Ms. YUEN Wing Yan Winnie

AUTHORISED REPRESENTATIVES

Mr. KONG Fanxing

Ms. YUEN Wing Yan Winnie

REGISTERED OFFICE

Units 6706B-6708A, 67/F,
International Commerce Centre,
1 Austin Road West,
Kowloon,
Hong Kong

CORPORATE INFORMATION

PRINCIPAL PLACE OF BUSINESS IN THE PRC

Far East Horizon Plaza,
9 Yaojiang Road,
Pudong New Area,
Shanghai,
the People's Republic of China

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Units 6706B-6708A, 67/F,
International Commerce Centre,
1 Austin Road West,
Kowloon,
Hong Kong

SHARE REGISTRAR

Computershare Hong Kong Investor
Services Limited

Shops 1712-1716,
17th Floor, Hopewell Centre,
183 Queen's Road East,
Wanchai, Hong Kong

PRINCIPAL BANKERS

China Development Bank
Bank of China

AUDITORS

Ernst & Young

(Public Interest Entity Auditor registered
in accordance with the Financial
Reporting Council Ordinance)

(As the auditors for the financial year
since 2009)

LEGAL ADVISER

Baker & McKenzie

COMPANY'S WEBSITE

www.fehorizon.com

STOCK CODE

The Company's shares are listed on the
Main Board of The Stock Exchange of
Hong Kong Limited

Stock Code: 3360



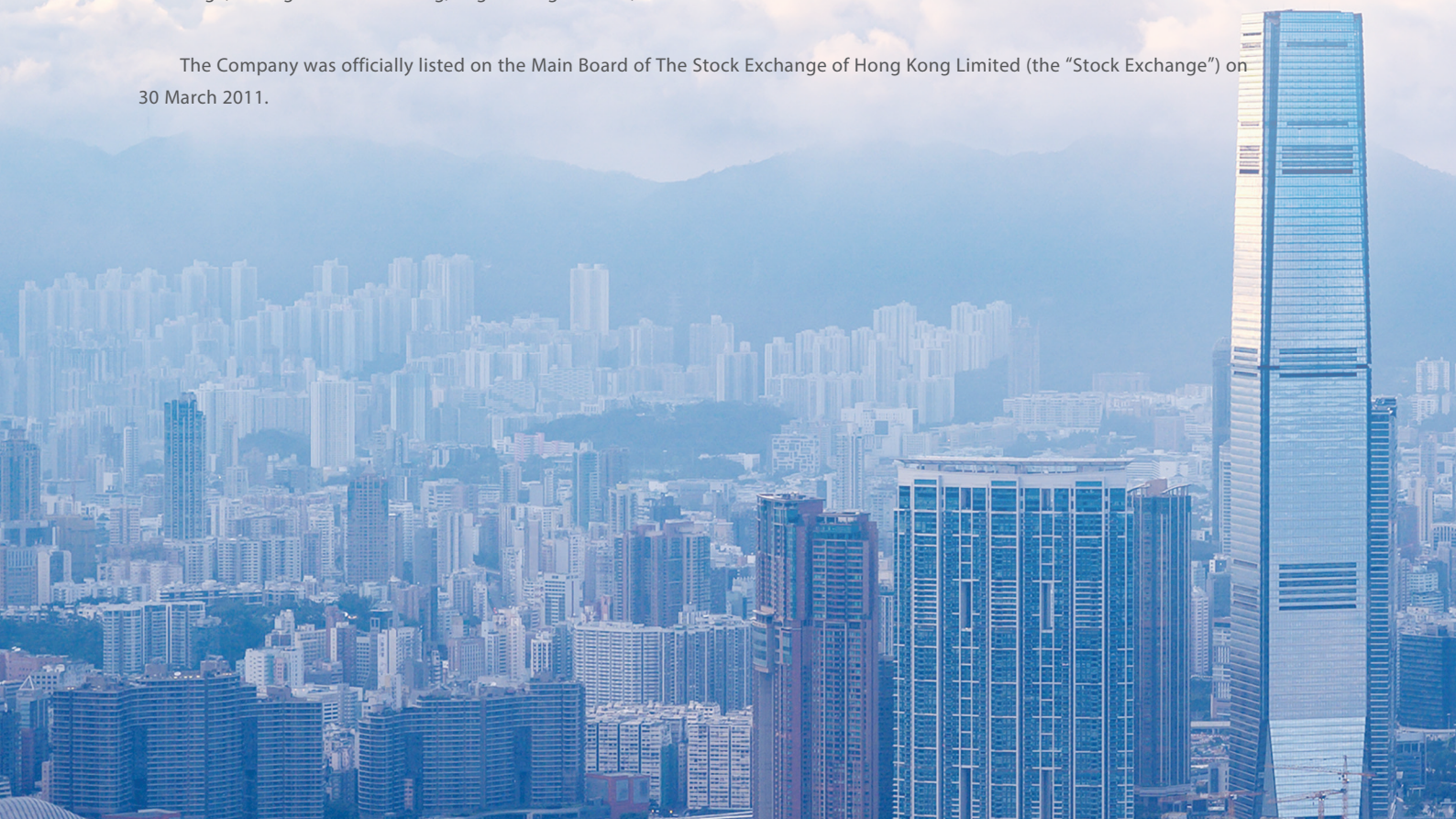
COMPANY PROFILE

Far East Horizon Limited (the “Company” or “Far East Horizon”) and its subsidiaries (the “Group”) is one of China’s leading innovative financial companies focusing on the Chinese fundamental industries and leveraging the business model of integrating finance and industry to serve enterprises of greatest vitality with the support of the fast-growing and enormous economy in China. Based on its operational philosophy of “finance + industry”, Far East Horizon endeavours to realize its vision of “Integrating global resources and promoting industry development” by making innovations in products and services to provide our customers with tailor-made integrated operations services. Over the past more than 10 years, the Group has been leading the development of the industry, and has been listed among the Fortune China 500 and Forbes Global 2000.

Over the past two decades, the Group has evolved from a single financial service company into an integrated service provider backed by the mainland and headquartered in Hong Kong with influence extended to reach Southeast Asia so as to facilitate national economic and sustainable social development. With the creative integration of industrial services and financial capital and with unique advantages in the organization of resources and value added services, we provide integrated finance, investment, trade, advisory and engineering services in healthcare, cultural & tourism, engineering construction, machinery, chemical & medicine, electronic information, public consuming, transportation & logistics, urban public utility as well as other fundamental sectors.

The Group, headquartered in Hong Kong, has business operations centers in Shanghai, Tianjin and Guangzhou, and has offices in major cities throughout China such as Beijing, Shenyang, Ji’nan, Zhengzhou, Wuhan, Chengdu, Chongqing, Changsha, Shenzhen, Xi’an, Harbin, Xiamen, Kunming, Hefei, Nanning and Urumqi, forming a client service network that covers the national market. The Group has been successfully operating its multiple specialized business platforms in China and abroad in financial services, industrial investment, hospital investment and operations, equipment operation services, exquisite education, trade brokerage, management consulting, engineering services, etc.

The Company was officially listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 30 March 2011.



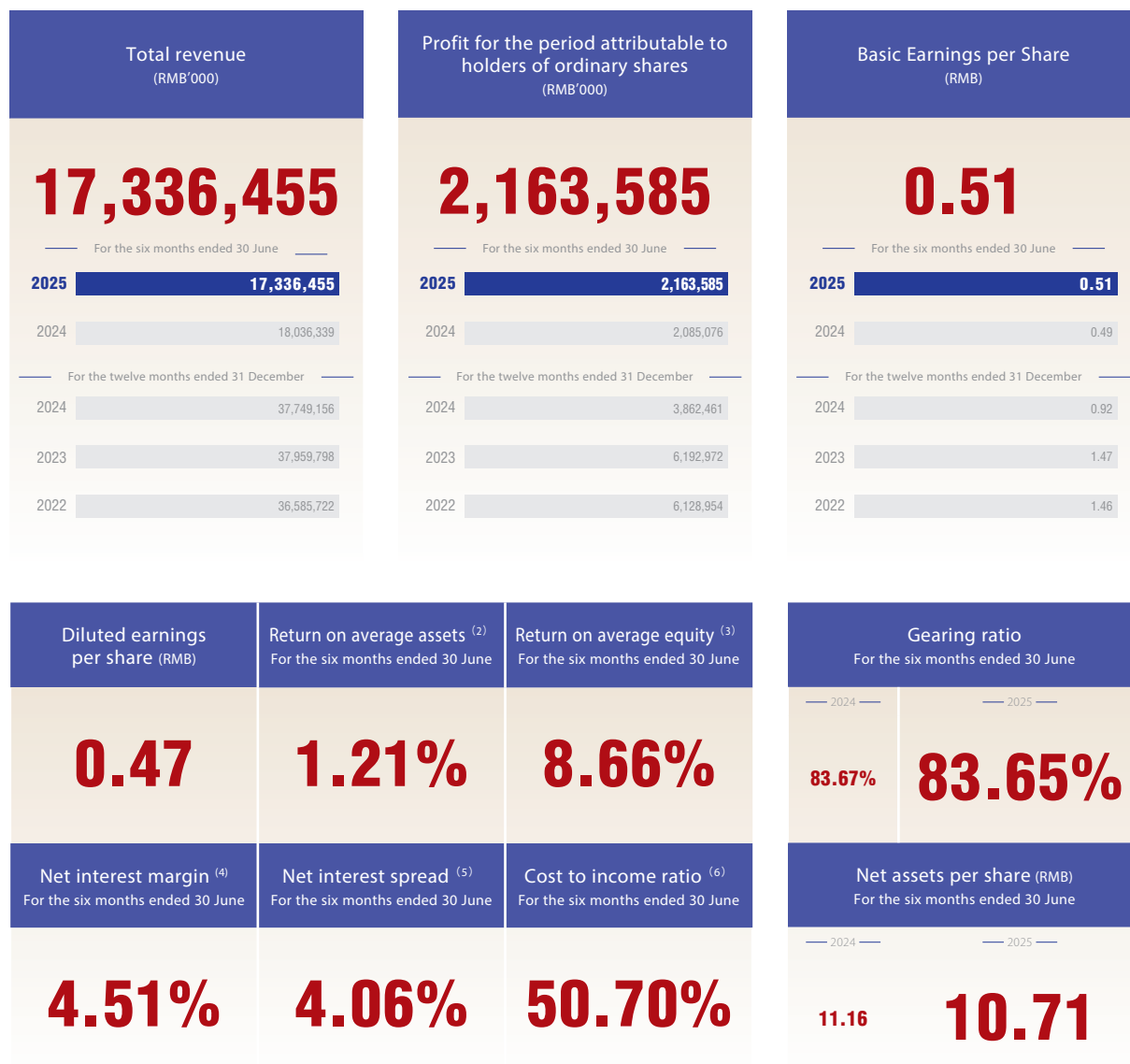
OFFICE LAYOUT NATIONWIDE



BUSINESS OVERVIEW

For the six months ended 30 June

2025



BUSINESS OVERVIEW

	For the six months ended 30 June		For the year ended 31 December		
	2025	2024	2024	2023	2022
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Operating results					
Total revenue	17,336,455	18,036,339	37,749,156	37,959,798	36,585,722
Financial services (interest income)	10,657,250	10,699,938	21,182,108	22,467,103	21,677,501
Advisory services (fee income)	433,249	162,101	523,546	896,331	1,822,575
Revenue from industrial operation	6,328,829	7,244,246	16,180,581	14,739,271	13,232,942
Tax and surcharges	(82,873)	(69,946)	(137,079)	(142,907)	(147,296)
Cost of sales	(9,686,711)	(9,914,209)	(20,734,304)	(19,958,815)	(18,127,725)
Borrowing costs	(4,711,141)	(4,799,138)	(9,397,606)	(9,982,081)	(9,007,594)
Costs for industrial operation	(4,975,570)	(5,115,071)	(11,336,698)	(9,976,734)	(9,120,131)
Pre-provision operating profit ⁽¹⁾	4,309,827	4,651,728	9,275,587	10,614,851	12,438,003
Profit before tax	4,011,925	4,007,621	8,021,363	10,425,260	10,318,605
Profit for the period/year attributable to holders of ordinary shares of the Company	2,163,585	2,085,076	3,862,461	6,192,972	6,128,954
Basic earnings per share (RMB)	0.51	0.49	0.92	1.47	1.46
Diluted earnings per share (RMB)	0.47	0.45	0.84	1.33	1.33
Profitability indicators					
Return on average assets ⁽²⁾	1.21%	1.30%	1.27%	1.98%	1.93%
Return on average equity ⁽³⁾	8.66%	8.49%	7.80%	12.99%	14.13%
Net interest margin ⁽⁴⁾	4.51%	4.47%	4.48%	4.58%	4.67%
Net interest spread ⁽⁵⁾	4.06%	3.95%	4.00%	3.98%	3.94%
Cost to income ratio ⁽⁶⁾	50.70%	43.57%	48.98%	45.12%	36.79%

BUSINESS OVERVIEW

	30 June 2025	30 June 2024	31 December 2024	31 December 2023	31 December 2022
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Assets and liabilities					
Total assets	363,799,616	361,642,055	360,390,000	351,483,236	346,995,497
Net interest-earning assets	266,625,712	266,379,098	260,641,331	269,084,739	270,600,890
Total liabilities	304,321,722	302,589,203	302,912,859	293,913,636	294,554,075
Interest-bearing bank and other borrowings	265,358,970	264,864,268	264,918,183	255,636,145	251,327,480
Gearing ratio	83.65%	83.67%	84.05%	83.62%	84.89%
Total equity	59,477,894	59,052,852	57,477,141	57,569,600	52,441,422
Equity attributable to holders of ordinary shares of the Company	50,999,255	48,193,906	48,990,316	50,099,369	45,248,875
Net assets per share (RMB)	10.71	11.16	11.34	11.61	10.49

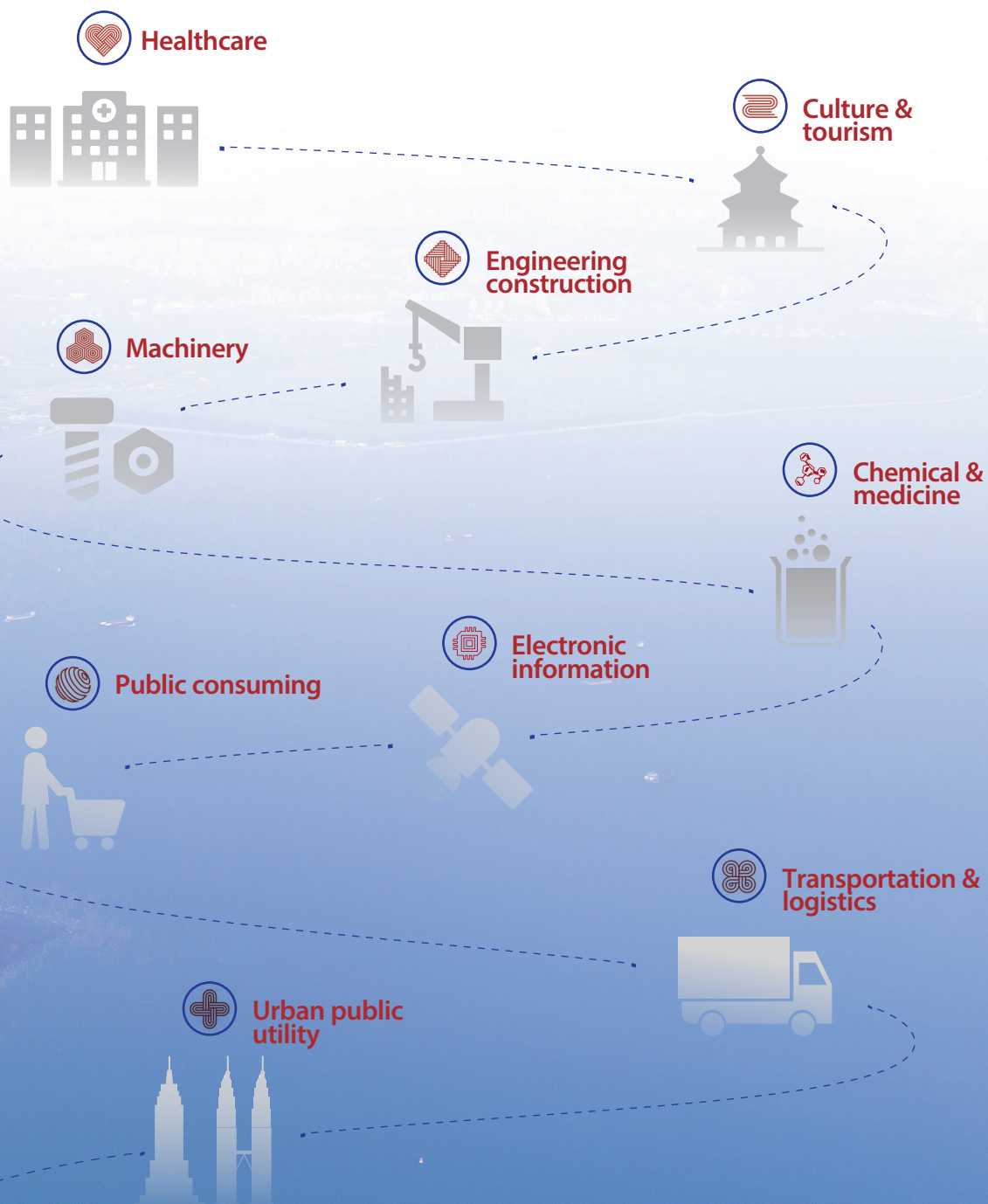
BUSINESS OVERVIEW

	30 June 2025	30 June 2024	31 December 2024	31 December 2023	31 December 2022
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Duration matching of assets and liabilities					
Financial assets	313,176,085	312,935,088	311,067,265	306,682,291	300,812,935
Financial liabilities	297,064,746	295,968,163	297,613,319	285,025,325	285,798,663
Quality of interest-earning assets					
Non-performing asset ratio ⁽⁷⁾	1.05%	1.04%	1.07%	1.04%	1.05%
Provision coverage ratio ⁽⁸⁾	227.33%	227.21%	227.78%	227.59%	239.97%
Write-off of non-performing asset ratio ⁽⁹⁾	21.24%	11.85%	40.70%	49.41%	50.14%
Overdue interest-earning assets (over 30 days) ratio ⁽¹⁰⁾	0.90%	0.90%	0.90%	0.91%	0.91%

BUSINESS OVERVIEW

Notes:

- (1) Pre-provision operating profit = profit before tax + provision for assets;
- (2) Return on average assets = profit for the year or the period/average balance of assets at the beginning and end of the period, presented on an annualized basis;
- (3) Return on average equity = profit for the year or the period attributable to holders of ordinary shares of the Company/average balance of equity attributable to holders of ordinary shares of the Company at the beginning and end of the period, presented on an annualized basis;
- (4) Net interest margin = net interest income/average balance of interest-earning assets, presented on an annualized basis;
- (5) Net interest spread = average yield of interest-earning assets – average cost rate of interest-bearing liabilities, presented on an annualized basis;
- (6) Cost to income ratio = selling and administrative expense/gross profit;
- (7) Non-performing asset ratio = net non-performing assets/net interest-earning assets;
- (8) Provision coverage ratio = provision for interest-earning assets/net non-performing assets;
- (9) Write-off of non-performing asset ratio = written-off and disposal of non-performing assets/non-performing assets at the end of the previous period;
- (10) Overdue interest-earning assets (over 30 days) ratio = overdue interest-earning assets (over 30 days)/net interest-earning assets.



MANAGEMENT DISCUSSION AND ANALYSIS

1. ECONOMIC ENVIRONMENT

1.1 Macro-economy

In the first half of 2025, China's gross domestic product (GDP) was RMB66.1 trillion on a constant price basis, representing a year-on-year increase of 5.3%. On industry level, the added value of the primary industry was RMB3.1 trillion, representing a year-on-year increase of 3.7% and a contribution to economic growth of 3.3%; the added value of the secondary industry was RMB23.9 trillion, representing a year-on-year increase of 5.3% and a contribution to economic growth of 36.5%; and the added value of the tertiary industry was RMB39.0 trillion, representing a year-on-year increase of 5.5% and a contribution to economic growth of 60.1%. Taking into consideration the price factor, the GDP deflator recorded a year-on-year decrease of 1.0%, of which the primary industry deflator decreased by 1.3%, the secondary industry deflator decreased by 2.7%, and the tertiary industry deflator increased by 0.2%.

On the demand side, in respect of investment in the first half of 2025, the investment in fixed assets (excluding rural households) nationwide amounted to RMB24.9 trillion, representing a year-on-year increase of 2.8%. In particular, private investment in fixed assets recorded a year-on-year decrease of 0.6%. In respect of consumption, the total sales of social consumer goods amounted to RMB24.6 trillion, representing a year-on-year increase of 5.0%. In particular, the sales of urban consumer goods amounted to RMB21.3 trillion, representing a year-on-year increase of 5.0%; and the sales of rural consumer goods amounted to RMB3.2 trillion, representing a year-on-year increase of 4.9%. In respect of exports, total import and export of goods amounted to RMB21.8 trillion, representing a year-on-year increase of 2.9%. In particular, export of goods amounted to RMB13.0 trillion, representing a year-on-year increase of 7.2%; and import of goods amounted to RMB8.8 trillion, representing a year-on-year decrease of 2.7%. The trade surplus was RMB4.2 trillion after offsetting the exports against the imports.

On the supply side, the industrial capacity utilization rate was 74.0% in the first half of 2025, representing a decrease of 1.0 percentage point from the end of 2024. For the three major industries, the mining industry, the manufacturing industry, and the electricity, heat, gas and water production and supply industry reported a capacity utilization rate of 73.6%, 74.2% and 72.6%, respectively. Total profits of the industrial enterprises above a designated size amounted to RMB3.5 trillion in the first half of 2025, representing a year-on-year decrease of 1.8%. For the three major industries, the total profits from the mining industry, the manufacturing industry, and the electricity, heat, gas and water production and supply industry decreased by 30.3%, increased by 4.5% and increased by 3.3% year on year, respectively.



MANAGEMENT DISCUSSION AND ANALYSIS

In respect of fiscal policy, in the first half of 2025, the national general public budget expense was RMB14.1 trillion, increased by 3.4% as compared to the corresponding period of the previous year. The increase was mainly driven by the expenses for social security and employment, education, energy conservation and environmental protection, culture, tourism, sports and media, which grew by 9.2%, 5.9%, 5.9% and 5.0%, respectively. The national general public budget revenue was RMB11.6 trillion, decreased by 0.3% as compared to the corresponding period of the previous year. In particular, tax revenue amounted to RMB9.3 trillion, decreased by 1.2% as compared to the corresponding period of the previous year. Non-tax revenue amounted to RMB2.2 trillion, increased by 3.7% as compared to the corresponding period of the previous year.

In respect of monetary policy, the balance of the broad measure of money supply (M2) increased by 8.3% year on year in the first half of 2025, while the outstanding social financing increased by 8.9% year on year. In May, the People's Bank of China lowered the 7-day reverse repo rate in open market operations by 0.1 percentage point and the reserve requirement ratio by 0.5 percentage point, which is expected to provide approximately RMB1 trillion in long-term liquidity to the financial market. Meanwhile, the credit lines of various re-financing facilities were further increased, with the credit lines for technological innovation as well as technological upgrading up to RMB800 billion, and for supporting agriculture and small businesses up to RMB3 trillion. With the introduction of a re-financing facility of RMB500 billion for consumer services and elderly care, the re-financing policy dedicated for inclusive elderly care was further expanded and upgraded.

Source: National Bureau of Statistics of China, Ministry of Commerce, General Administration of Customs, Ministry of Finance, People's Bank of China

1.2 Industry Environment

From the perspective of various industry sectors served by the Group, divergent development trends were observed across sectors. In respect of healthcare, healthcare investment remained subdued. In the first half of the year, investment in healthcare decreased by 3.0% as compared with the corresponding period of the previous year. In respect of culture & tourism, the tourism market continued to pick up. In the first half of the year, civil air passenger traffic reached 370 million, representing a year-on-year increase of 5.9%. According to data from the Ministry of Culture and Tourism, domestic outbound tourist trips during the Labor Day holiday totalled 310 million, representing a year-on-year increase of 6.4%. Domestic tourists spent a total of RMB180.27 billion on travel, representing a year-on-year increase of 8.0%. In respect of engineering construction, counter-cyclical adjustments in infrastructure investment continued. In the first half of the year, infrastructure investment grew by 8.9%. In respect of machinery, equipment investment saw notable growth. In the first half of the year, investment in general-purpose and special-purpose equipment manufacturing increased by 16.6% and 6.2% as compared with the corresponding period of the previous year, respectively. In respect of chemical & medicine, in the first half of the year, investment in chemical fibres and other industries grew by 16.4% as compared with the corresponding period of the previous year. In respect of electronic information, investment in semiconductor equipment showed signs of recovery. In the first half of the year, the growth rate of fixed asset investment in electronic equipment manufacturing was 4.6%. In respect of public consuming, investment growth was significant. Fixed asset investment in food processing, textile and apparel industries increased by 9.5%, 17.7% and 27.6% as compared with the corresponding period of the previous year, respectively. In respect of transportation & logistics, cargo transportation remained stable in general. In the first half of the year, China's freight volume grew by 3.9% as compared with the corresponding period of the previous year, while passenger traffic grew by 1.0% as compared with the corresponding period of the previous year. In respect of urban public utility, the investment demand to address shortcomings in people's livelihood slightly moderated. In the first half of the year, investment in water conservancy, environmental protection and public facility management grew by 3.5%, representing a decline of 0.7 percentage point in growth rate as compared with last year.

Source: National Bureau of Statistics of China, Ministry of Transport, Ministry of Culture and Tourism, General Administration of Customs, China Association of Automobile Manufacturers

MANAGEMENT DISCUSSION AND ANALYSIS

1.3 Industry Operation

In respect of financial leasing, policies had been steering the industry towards long-term and robust development. The National Financial Regulatory Administration has released the “Rules on Supervisory Rating of Financial Leasing Companies”, thus establishing a scientific evaluation system that covers corporate governance, capital management and other aspects, and providing a clear roadmap for steady growth of the industry. Anhui, Guangdong, Tianjin, Shanghai and other places have consecutively rolled out innovation support policies that focus on promoting business innovation, cross-border facilitation and support for key industries. Riding the policy tailwind, leading leasing firms can continuously reinforce their core capability to serve the real economy and strengthen its differentiated competitive edges through specialized operation and synchronized innovation.

In respect of equipment leasing, challenges were intensifying domestically while opportunities were arising abroad. For domestic market, it was expected that the unit volume of the aerial work platform to exceed 600,000 units in 2024, but the penetration was significantly lower than that in Western countries. Demand for neo-excavation support systems in water-conservancy projects increased due to its environmental and safety advantages. The unit volume of ringlock scaffold reached 27 million tonnes by the end of last year. However, the industry experienced challenges such as supply and demand imbalance and low price level. In conclusion, the overall scale of the engineering machinery leasing market in China is still enormous with growth potential. For overseas market, the infrastructure demand of southern countries and countries along the Belt and Road Initiative has been unleashed. From January to May 2025, the value of new contracts of China’s foreign contracted engineering works grew by 13 % as compared to that for the same period of last year, thus accelerating overseas expansion in the industry.

In respect of healthcare, China’s medical reforms have entered the deepening phase over the years, creating a complex environment for public healthcare. With the implementation of policies such as volume-based procurement of drugs and consumables, medical insurance cost control and the Sanming medical reform, the era of subsidized healthcare has ended. New differentiated strategies have to be sorted out for public healthcare. In addition, public healthcare still lagged behind in terms of policy support, talent attraction and brand recognition. The number of hospital closed due to bankruptcy has been increasing continuously since the pandemic, making the industry became more complex.

Source: National Bureau of Statistics of China, People’s Bank of China, China Construction Machinery Association

MANAGEMENT DISCUSSION AND ANALYSIS

1.4 Company's Solutions

In the first half of 2025, in response to domestic and international environment with increasing uncertainty, the Group fully leveraged its advantages in internationalization, marketization and specialization to strengthen its strategic upgrading in all aspects while adhering to its mission of "Integrating global resources and promoting industry development" and its "finance + industry" strategy, so as to align its operations and management with market fluctuations.

In the first half of 2025, financial services achieved stable performance by staying focused on the "Five Key Areas of Finance" while serving the upgrading ambition of industries and cities as the two key priorities. In serving industries, the Company adopted a customer adjustment strategy both upward and downward. As to upward adjustment, service targets were redesignated as primarily industry and regional leaders with strong risk resilience. Leveraging its strength in resource integration, the Group developed differentiated competitiveness and long-term service stickiness for supporting corporate growth and serving entrepreneurs. As to downward adjustment, tapping into the long-tail market became a focus. With a professional risk management system, innovative operational approaches and effective management measures, the Group achieved rapid business growth while maintaining a balanced risk profile. In serving cities, targeting economically developed regions with vibrant market activities, the Group maintained an overall stable business scale by integrating capital and asset services.

In terms of industrial operation, Horizon Construction Development rose up to challenges through innovation and transformation, striving to realize its goal of becoming "a top global company". In the first half of 2025, it proactively adjusted its asset allocation and business operations to mitigate domestic environmental impacts while steadfastly advancing its international expansion strategy. Its extensive service network comprised a total of 567 outlets worldwide, including 504 outlets across more than 230 cities in mainland China and Hong Kong of China, as well as 63 overseas outlets across seven countries. In the first half of 2025, as affected by the market condition of domestic equipment operation industry, the equipment rent has been declining. Coupled with the implementation of active retrenchment strategy for domestic material operations, Horizon Construction Development recorded period-on-period decline in both revenue and gross profit for its operating lease services and engineering and technical services. Despite the rapid growth in revenue from overseas operation with profits realized to a certain extent during the first half of the year, the profitability scale of Horizon Construction Development cannot completely offset the downturn of domestic market as it is still under the development stage. As a result of the above, Horizon Construction Development achieved revenue of RMB4,350 million and profit for the period attributable to holders of ordinary shares of RMB40 million, which were declined as compared to the same period of last year.

MANAGEMENT DISCUSSION AND ANALYSIS

Aspiring to become a health management healthcare group with global vision, and building upon its healthcare foundation while strategically expanding into the broader healthcare industry, Horizon Healthcare developed value-creation capability in various dimensions by switching its approach from disease-centered to health-centered, from strong reliance on medical insurance to non-medical insurance extension, and taking its affiliated hospitals as service platforms. In the face of tightening regulation on medical insurance, declining willingness of residents to pay, and intensified competition in the industry, Horizon Healthcare actively engaged in strategic upgrading, on the one hand, to strengthen the capacity building of its basic medical disciplines to enhance patient attraction and increase the number of patients to hedge against the pressure of controlled medical insurance expenses, and on the other hand, to actively expand non-medical insurance services to reduce reliance on medical insurance. In addition, Horizon Healthcare reduced the operating costs of hospitals by cutting labor costs, procurement costs for pharmaceuticals and consumables and logistics and property expenses. In the first half of 2025, Horizon Healthcare maintained overall stable operating performance.

2. ANALYSIS OF FINANCIAL RESULTS

In response to domestic and international environment with increasing uncertainty, the Group continued to reinforce its operations and enhance management efficiency. By leveraging its resource integration advantages of “finance + industry”, the Group achieved steady financial results as a whole.

Financial services returned to growth. In the first half of 2025, the financial and advisory segment achieved revenue of RMB11.090 billion, representing a year-on-year increase of 2.10%. Supported by integrated services and the inclusive finance business, the yield of financial services remained stable in general. By adopting a customer strategy both upward and downward and adhering to its prudent risk management policy, the Group maintained a stable non-performing asset ratio in financial services. Asset quality remained secure, manageable, authentic and effective. Besides, buoyed by the capital market, the fair value of financial investments related to private equity funds recovered, representing a year-on-year increase of RMB360 million in the first half of 2025. By virtue of the foregoing, in the first half of 2025, the Group’s profit for the period attributable to holders of ordinary shares of the Company grew by 3.77% as compared with the corresponding period of the previous year.

In the first half of 2025, upon the full conversion of the convertible bonds issued in July 2020, the total number of shares issued by the Company increased by approximately 430 million, and the equity attributable to holders of ordinary shares increased by RMB2.08 billion, while the gearing ratio decreased by 0.57 percentage point, demonstrating continued optimization in financial structure.

MANAGEMENT DISCUSSION AND ANALYSIS

3. ANALYSIS OF PROFIT AND LOSS

3.1 Analysis of Profit and Loss (Overview)

In the first half of 2025, the Group's total revenue decreased by 3.88% as compared with the corresponding period of the previous year. In particular, the revenue from financial services remained stable, with a year-on-year increase of 2.10%, while industrial operation faced pressure in business performance, with a year-on-year decrease of 12.64%. The profit for the period attributable to holders of ordinary shares was RMB2,163,585,000, representing an increase of 3.77% as compared with the corresponding period of the previous year. The following table sets forth the comparative figures for the six months ended 30 June 2024.

For the six months ended 30 June			
	2025	2024	
	RMB'000	RMB'000	Change %
Revenue	17,336,455	18,036,339	-3.88%
Cost of sales	(9,686,711)	(9,914,209)	-2.29%
Gross profit	7,649,744	8,122,130	-5.82%
Other income/gains ⁽¹⁾	999,844	608,672	64.27%
Selling and administrative expenses	(3,878,758)	(3,538,985)	9.60%
Other expenses and losses ⁽¹⁾	(45,340)	(41,997)	7.96%
Finance costs	(588,066)	(581,489)	1.13%
Gains and loss on investment in joint ventures/associates	172,403	83,397	106.73%
Pre-provision operating profit	4,309,827	4,651,728	-7.35%
Provision for assets	(297,902)	(644,107)	-53.75%
Profit before tax	4,011,925	4,007,621	0.11%
Income tax expense	(1,823,497)	(1,696,585)	7.48%
Profit for the period	2,188,428	2,311,036	-5.31%
Attributable to:			
Holders of ordinary shares of the Company	2,163,585	2,085,076	3.77%
Holders of perpetual securities	—	31,390	-100.00%
Non-controlling interests	24,843	194,570	-87.23%

MANAGEMENT DISCUSSION AND ANALYSIS

Notes:

- (1) There is a difference in terms of caliber between the amount of other income/gains as well as other expenses and losses and the consolidated statement of profit or loss in the financial report. The gain or loss on change in fair value of interest-earning financial assets here is included in provision for assets, the gain or loss on change in fair value of non-interest earning financial assets here is included in "other income/gains" (net gain) or in "other expenses and losses" (net loss) on a net basis. In the consolidated statement of profit or loss, the gain on change in fair value of financial assets and financial liabilities is included in "other income and gains", and the loss on changes in fair value is included in "other expenses".

In the first half of 2025, the Group recorded a slight decline in consolidated revenue. Nevertheless, by virtue of improved operational efficiency, enhanced asset value, and disposal of non-performing assets, profit before tax remained stable in general, and the net profit attributable to holders of ordinary shares showed year-on-year improvement.

The specific changes in profit and loss are explained as follows:

- (i) Revenue and gross profit both experienced a year-on-year decline. Revenue and gross profit are primarily derived from two major segments. In particular, the revenue and gross profit of financial services increased by 2.10% and 5.22% as compared with the corresponding period of the previous year, respectively, while the revenue and gross profit of industrial operation decreased by 12.64% and 36.44% as compared with the corresponding period of the previous year, respectively. Due to the declined performance of industrial operation, the overall revenue and gross profit of the Group decreased by 3.88% and 5.82%, respectively.
- (ii) Other income/gains: Other income/gains of the Group, comprising income from the holdings of off-balance-sheet assets, government grants, and equity and debt investment income, amounted to RMB999,844,000 in the first half of 2025, representing an increase of 64.27% from RMB608,672,000 in the corresponding period of the previous year, mainly attributable to the fair value gain from financial investments related to private equity funds of RMB362,922,000 as buoyed by the capital market.
- (iii) Gains and loss on investment in joint ventures/associates: Joint ventures/associates represent the Group's equity interests in investees where the Group exercises significant influence but does not have control over their business decisions. Gains and loss on investment are primarily calculated based on the profits of the investees and the shareholding of the Group in these investees. In the first half of 2025, gains on investment in joint ventures/associates amounted to RMB172,403,000, representing an increase of 106.73% from RMB83,397,000 in the corresponding period of the previous year, mainly attributable to the improved business performance of the investees.
- (iv) Provision for assets: The Group makes provision for both financial services and industrial operation, and adopts a consistent and prudent approach in making provision for assets. For financial services, provision for interest-earning assets amounted to RMB582,432,000, representing an increase of RMB212,669,000 as compared with the corresponding period of the previous year, and reversal of bad debts after write-off amounted to RMB322,309,000, representing an increase of RMB300,248,000 as compared with the corresponding period of the previous year. The overall provision for financial services decreased by RMB87,579,000 as compared with the corresponding period of the previous year as the reversal of bad debts after write-off represented the deduction of provisions. For industrial operation, the overall provision amounted to RMB37,779,000, representing a decrease of RMB258,626,000 as compared with the corresponding period of the previous year, as the provision for various accounts receivable decreased as a result of the improved cash flows of Horizon Construction Development and other business entities.
- (v) Taking into account the above factors, the profit before tax of the Group for the first half of 2025 remained stable, representing a slight increase of 0.11% as compared with the corresponding period of the previous year.
- (vi) In the first half of 2025, the effective tax rate of the Group's business entities remained generally stable as compared with the corresponding period of 2024. However, due to the continued cross-border dividend distribution to overseas companies and increase in overseas expenses not deductible for tax, the consolidated effective tax rate slightly increased from 42.3% in the first half of 2024 to 45.5% in the first half of 2025. For a detailed analysis, please refer to item 3.11 of this section.
- (vii) Taking into account the above factors, the profit for the period of the Group for the first half of 2025 was RMB2,188,428,000, representing a year-on-year decrease of 5.31%. The profit for the period attributable to holders of ordinary shares of the Company increased by 3.77% as compared with the corresponding period of the previous year due to the high proportion of non-controlling interests in industrial operation and the decline in profit for the period.

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3.2 Revenue

In the first half of 2025, the Group realized revenue of RMB17,336,455,000, representing a slight decrease from RMB18,036,339,000 in the corresponding period of the previous year. In particular, revenue (before taxes and surcharges) from the financial and advisory segment was RMB11,090,499,000, accounting for 63.67% of the total revenue (before taxes and surcharges) and representing an increase of 2.10% as compared with the corresponding period of the previous year. Revenue from the industrial operation segment decreased by 12.64% as compared with the corresponding period of the previous year.

The table below sets forth the composition and the change of Group's revenue by business segment for the periods indicated.

For the six months ended 30 June					
	2025		2024		
	RMB'000	% of total	RMB'000	% of total	Change %
Financial and advisory segment	11,090,499	63.67%	10,862,039	59.99%	2.10%
Financial services (interest income)	10,657,250	61.18%	10,699,938	59.10%	-0.40%
Advisory services (fee income)	433,249	2.49%	162,101	0.89%	167.27%
Industrial operation segment	6,328,829	36.33%	7,244,246	40.01%	-12.64%
Total	17,419,328	100.00%	18,106,285	100.00%	-3.79%
Tax and surcharges	(82,873)		(69,946)		18.48%
Revenue (after taxes and surcharges)	17,336,455		18,036,339		-3.88%

In the first half of 2025, the Group realized revenue of RMB17,336,455,000, representing a slight decrease from RMB18,036,339,000 in the corresponding period of the previous year. Facing the complicated and ever-changing domestic and international environment, the Group has placed a greater emphasis on the quality of operations, insisting on taking safe and stable operations as its top priority and prudently pushing ahead various operational initiatives. In particular, the development of financial services became steadier and more prudent with stricter pre-lease reviews, maintaining a high quality customer base as well as safe and sound assets. At the same time, due to changes in the market environment and intensified competition, the contribution from the industrial operation segment decreased for the period.

Revenue (before taxes and surcharges) from the financial and advisory segment was RMB11,090,499,000, accounting for 63.67% of the total revenue (before taxes and surcharges). In particular, interest income contribution from the inclusive finance business amounted to RMB1,451 million (first half of 2024: RMB648 million), representing 8.34% of the total revenue (first half of 2024: 3.58%). For details, please refer to the discussion and analysis in item 15 of this section.

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For revenue from the industrial operation segment, the industrial operation segment, comprising Horizon Construction Development and Horizon Healthcare, realized a total revenue of RMB6,329 million, representing a decrease of 12.64% as compared with the corresponding period of the previous year. Of which, Horizon Construction Development realized a revenue of RMB4,350 million, representing a decrease of 10.72% as compared with the corresponding period of the previous year; Horizon Healthcare realized a revenue of RMB1,797 million, representing a decrease of 15.49% as compared with the corresponding period of the previous year.

In the first half of 2025, the Group's non-interest income accounted for 38.82% of the total revenue (before taxes and surcharges), representing a decrease from 40.90% in the corresponding period of the previous year. In particular, revenue from the industrial operation segment accounted for 36.33% (first half of 2024: 40.01%) of the total revenue.

3.2.1 Financial Services (Interest Income)

The interest income (before taxes and surcharges) from the financial and advisory segment of the Group decreased by 0.40% from RMB10,699,938,000 for the first half of 2024 to RMB10,657,250,000 for the first half of 2025, accounting for 61.18% of the Group's total revenue (before taxes and surcharges).

The table below sets forth the average balance of interest-earning assets, interest income and average yield for the periods indicated.

For the six months ended 30 June						
	2025			2024		
	Average balance ⁽¹⁾	Interest income ⁽²⁾	Average yield ⁽³⁾	Average balance ⁽¹⁾	Interest income ⁽²⁾	Average yield ⁽³⁾
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
Interest-earning assets	263,633,522	10,657,250	8.08%	263,959,174	10,699,938	8.11%

Notes:

- (1) Calculated based on the average balance of interest-earning assets at the beginning and end of the indicated periods.
- (2) Interest income represents the revenue before taxes and surcharges.
- (3) Average yield represents the quotient of interest income as divided by average balance of interest-earning assets, presented on an annualized basis.
- (4) Interest-earning assets include net financial leasing receivable, entrusted loans, mortgage loans, long-term receivables, factoring receivables and respective interest accrued but not received.

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Analysis according to average balance of interest-earning assets

In the first half of 2025, the average balance of interest-earning assets of the Group was RMB263,633,522,000, which remained stable as compared to RMB263,959,174,000 in the first half of 2024. In particular, inclusive finance business achieved steady growth, and its average balance of interest-earning assets increased from RMB13,218 million in the first half of 2024 to RMB19,720 million in the first half of 2025, representing an increase of 49.19%.

Analysis according to average yield

In the first half of 2025, the average yield of the Group was 8.08%, representing a slight decrease from 8.11% in the corresponding period of the previous year, which was mainly due to the combination of the following: (i) due to the increased uncertainty in macro-economy, insufficient demand for investment and financing in the society, and sustained low interest rates, the yield of financial services of the Group decreased; (ii) in response to a complex business environment, the Group strategically opted for safer and more reliable whitelisted customers. Despite the decrease in direct yield, both customer base and asset quality improved, which strengthened the ability to sustain stable operations for overall assets; (iii) the Group's inclusive finance business exhibited a higher asset yield in general with its emphasis on the markets in lower-tier cities, diversified risks, and rapid asset turnover. However, it has not made a significant contribution to the overall financial services of the Group with its small proportion at present.

The table below sets forth the breakdown of interest income (before taxes and surcharges) by region for the periods indicated.

For the six months ended 30 June				
	2025		2024	
	RMB'000	% of total	RMB'000	% of total
Northeast China	302,045	2.83%	322,229	3.01%
Northern China	1,145,842	10.75%	1,085,425	10.14%
Eastern China	5,147,142	48.30%	4,375,076	40.89%
Southern China	622,558	5.84%	635,990	5.94%
Central China	1,762,626	16.54%	1,886,375	17.63%
Northwest China	634,114	5.95%	753,330	7.04%
Southwest China	1,042,923	9.79%	1,641,513	15.35%
Total	10,657,250	100.00%	10,699,938	100.00%

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3.2.2 Revenue from the Industrial Operation Segment

Revenue from the industrial operation segment (before taxes and surcharges) of the Group decreased by RMB915,417,000 from RMB7,244,246,000 for the first half of 2024 to RMB6,328,829,000 for the first half of 2025, accounting for 36.33% of the total revenue of the Group (before taxes and surcharges).

The table below sets forth the Group's revenue from the industrial operation segment (before taxes and surcharges) by business segment for the periods indicated.

For the six months ended 30 June					
	2025		2024		
	RMB'000	% of total	RMB'000	% of total	Change %
Revenue from the industrial operation segment	6,328,829	100.00%	7,244,246	100.00%	-12.64%
Of which:					
Revenue from equipment operation ⁽¹⁾	4,350,062	68.73%	4,872,421	67.26%	-10.72%
Revenue from hospital operation ⁽²⁾	1,796,850	28.39%	2,126,120	29.35%	-15.49%

Notes:

(1) For details of revenue from equipment operation, please refer to the discussion and analysis in item 13 of this section;

(2) For details of revenue from hospital operation, please refer to the discussion and analysis in item 14.1 of this section.

In addition to hospital operation and equipment operation, the Group steadily promoted the layout of high-end high school education at home and abroad. By adhering to the principle of “people orientation, fusion of Chinese and western education and cultivating elites”, the Group continued to deepen and improve the level of teachers, curriculum system, campus facilities and operation flow management of schools within the Group, so as to cultivate outstanding students with social contribution, scientific innovation and international competitiveness.

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3.3 Cost of Sales

In the first half of 2025, cost of sales of the Group decreased by 2.29% from RMB9,914,209,000 in the corresponding period of the previous year to RMB9,686,711,000, of which the cost of the financial and advisory segment was RMB4,711,141,000, accounting for 48.64% of the total cost and representing a decrease of 1.83% from RMB4,799,138,000 in the corresponding period of the previous year. The cost of the industrial operation segment was RMB4,975,570,000, accounting for 51.36% of the total costs and representing a decrease of 2.73% from RMB5,115,071,000 in the corresponding period of the previous year.

The table below sets forth the composition and the change of the Group's cost of sales by business segment for the periods indicated.

For the six months ended 30 June					
	2025		2024		
	RMB'000	% of total	RMB'000	% of total	Change %
Cost of the finance and advisory segment	4,711,141	48.64%	4,799,138	48.41%	-1.83%
Cost of the industrial operation segment	4,975,570	51.36%	5,115,071	51.59%	-2.73%
Cost of sales	9,686,711	100.00%	9,914,209	100.00%	-2.29%

MANAGEMENT DISCUSSION AND ANALYSIS

3.3.1 Cost of the Financial and Advisory Segment

The cost of sales of the financial and advisory segment of the Group comprised solely the relevant interest expenses of the interest-bearing bank and other financing of the Group. The following table sets forth the average balance of the interest-bearing liabilities of the Group, the interest expense of the Group and the average cost rate of the Group for the periods indicated.

For the six months ended 30 June						
	2025			2024		
	Average balance ⁽¹⁾	Interest expense	Average cost rate ⁽²⁾	Average balance ⁽¹⁾	Interest expense	Average cost rate ⁽²⁾
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
Interest-bearing liabilities	234,121,864	4,711,141	4.02%	230,638,741	4,799,138	4.16%

Notes:

- (1) Calculated as the average balance of the interest-bearing liabilities at the beginning and end of the indicated periods.
- (2) Calculated by dividing interest expense by the average balance of interest-bearing liabilities, presented on an annualized basis.

The cost of sales of the financial and advisory segment decreased by RMB87,997,000 from RMB4,799,138,000 for the first half of 2024 to RMB4,711,141,000 for the first half of 2025. The average cost rate of the Group decreased to 4.02% for the first half of 2025 as compared to that for the first half of 2024, mainly due to:

(i) the principle of 2024 monetary policy with an accommodative stance continued in the first half of 2025, and the Group took the initiative to reduce domestic financing costs. New domestic financing withdrawals caused an average cost rate to decrease by 0.08% as compared to the first half of 2024; (ii) in the first half of 2025, domestic bond market improved, and the Company completed the issuance of various products such as corporate bonds, medium-term notes, super-short financial bonds and asset securitization as and when appropriate, which caused the average cost rate to decrease by 0.03% as compared to the first half of 2024; (iii) the decrease in stock cost. Due to the decrease in total cost of new withdrawals in the second half of 2024 and the maturity of certain loans with high costs in the first half of 2025, the average cost rate decreased by 0.03% as compared to the first half of 2024.

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3.3.2 Cost of the Industrial Operation Segment

The cost of sales of the industrial operation segment of the Group is primarily derived from the cost of equipment operation and cost of hospital operation, etc. The following table sets forth the cost of the industrial operation segment of the Group by business type for the periods indicated.

For the six months ended 30 June					
	2025		2024		
	RMB'000	% of total	RMB'000	% of total	Change %
Cost of the industrial operation segment	4,975,570	100.00%	5,115,071	100.00%	-2.73%
Of which:					
Cost of equipment operation ⁽¹⁾	3,409,395	68.52%	3,313,096	64.77%	2.91%
Cost of hospital operation ⁽²⁾	1,474,260	29.63%	1,661,590	32.48%	-11.27%

Notes:

- (1) For details of cost of equipment operation, please refer to the discussion and analysis in item 13 of this section;
- (2) For details of cost of hospital operation, please refer to the discussion and analysis in item 14.1 of this section.

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3.4 Gross Profit

The gross profit of the Group for the first half of 2025 decreased by RMB472,386,000 or 5.82% to RMB7,649,744,000 from RMB8,122,130,000 in the corresponding period of the previous year. For the first half of 2025 and the first half of 2024, the gross profit margin of the Group was 44.13% and 45.03%, respectively.

3.4.1 Gross Profit of the Financial and Advisory Segment

The gross profit margin of the financial and advisory segment was affected by the change of net interest income and net interest margin. The following table sets forth the interest income, interest expense, net interest income, net interest spread and net interest margin of the Group for the periods indicated.

For the six months ended 30 June			
	2025	2024	
	RMB'000	RMB'000	Change %
Interest income ⁽¹⁾	10,657,250	10,699,938	-0.40%
Interest expense ⁽²⁾	4,711,141	4,799,138	-1.83%
Net interest income	5,946,109	5,900,800	0.77%
Average yield of interest-earning assets	8.08%	8.11%	-0.03%
Average cost rate of interest-bearing liabilities	4.02%	4.16%	-0.14%
Net interest spread ⁽³⁾	4.06%	3.95%	0.11%
Net interest margin ⁽⁴⁾	4.51%	4.47%	0.04%

Notes:

- (1) Interest income refers to the interest income of financial services of the Group.
- (2) Interest expense refers to the borrowing cost of financial services of the Group.
- (3) Calculated as the difference between the average yield and the average cost rate. The average yield is calculated by dividing interest income by the average balance of interest-earning assets, presented on an annualized basis. The average cost rate is calculated by dividing interest expense by the average balance of the interest-bearing liabilities, presented on an annualized basis.
- (4) Calculated by dividing net interest income by the average balance of interest-earning assets, presented on an annualized basis.

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Net interest spread of the Group for the first half of 2025 increased by 11 basis points to 4.06% as compared with the corresponding period of the previous year, which was primarily because the decrease in average cost rate of interest-bearing liabilities outpaced the average yield of interest-earning assets for the same period. In the first half of 2025, the average cost rate of interest-bearing liabilities of the Group's financial services decreased by 14 basis points, surpassing the decline of 3 basis points in the average yield of interest-earning assets. Looking back, the net interest spread of the Group remained relatively stable at around 4% over the past three years, demonstrating the comprehensive control capabilities of the Group in managing both assets and liabilities.

In the first half of 2025, under the Group's strategy of prudent operation and risk control, the net interest income of financial services increased by 0.77%, while the average balance of interest-earning assets remained stable, and thus the net interest margin improved.

3.4.2 Gross Profit of the Industrial Operation Segment

For the six months ended 30 June					
	2025		2024		
	RMB'000	% of total	RMB'000	% of total	Change %
Gross profit of the industrial operation segment	1,353,259	100.00%	2,129,175	100.00%	-36.44%
Of which:					
Gross profit of equipment operation ⁽¹⁾	940,667	69.51%	1,559,325	73.24%	-39.67%
Gross profit margin of equipment operation	21.62%		32.00%		-10.38%
Gross profit of hospital operation ⁽²⁾	322,590	23.84%	464,530	21.82%	-30.56%
Gross profit margin of hospital operation	17.95%		21.85%		-3.90%

Notes:

(1) For details of gross profit of equipment operation, please refer to the discussion and analysis in item 13 of this section;

(2) For details of gross profit of hospital operation, please refer to the discussion and analysis in item 14.1 of this section.

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3.5 Other Income/Gains

The following table sets forth a breakdown of other income/gains of the Group for the periods indicated:

For the six months ended 30 June			
	2025	2024	
	RMB'000	RMB'000	Change %
Income from the holdings of off-balance-sheet assets ⁽¹⁾	42,321	45,521	-7.03%
Bank interest income	96,574	71,618	34.85%
Gains from structured financial products	18,978	17,691	7.27%
Government grants ⁽²⁾	122,628	104,929	16.87%
Equity and debt investment income ⁽³⁾	555,748	281,872	97.16%
Of which: financial investments related to private equity funds	239,949	(122,973)	N/A
Other income ⁽⁴⁾	163,595	87,041	87.95%
Total	999,844	608,672	64.27%

Notes:

- (1) For the holdings of off-balance-sheet assets of the Group, the income of the year was recognized according to the expected yield and expected loss rate of such holdings. For the changes in respect of the off-balance-sheet assets of the Group, please refer to the discussion and analysis in item 4.3 of this section.
- (2) The Group's government grants for the period mainly consisted of special funds for corporate development and financial refunds of Horizon Construction Development of approximately RMB80 million.
- (3) The Group's equity and debt investment income was mainly gain on change in fair value of and transfer of equity and debt investment. In particular, the gain from change in fair value of infrastructure investment projects amounted to RMB190 million.
- (4) The Group's other income for the period mainly consisted of foreign exchange gains of RMB40 million and gains from disposal of fixed assets of RMB80 million.

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3.6 Selling and Administrative Expenses

Selling and administrative expenses of the Group for the first half of 2025 were RMB3,878,758,000, representing an increase of RMB339,773,000 or 9.60% from the corresponding period of the previous year. The increase in selling and administrative expenses was mainly due to the increase in business development activities in response to the increasing uncertainty in the economic environment. Selling and administrative expenses in relation to financial services recorded a year-on-year increase of RMB235,518,000, mainly due to the increase in labor and travelling costs as the Group put greater efforts on market expansion. Selling and administrative expenses in relation to industrial operation recorded a year-on-year increase of RMB104,255,000, mainly due to the increase of RMB63,680,000 in the equipment operation segment. Among which, the research and development expenses on digital system upgrade increased by RMB35,532,000.

Coupled with a 5.82% decline in gross profit margin, the cost to income ratio of the Group for the first half of 2025 significantly increased to 50.70% from 43.57% for the corresponding period of the previous year. The cost to income ratio of finance business was 41.62%, which remained steady as compared to 39.91% for the corresponding period of 2024. The cost to income ratio of industrial operation increased, mainly due to the decrease in profits generated from equipment operation segment and the increase in cost to income ratio to 80.62% for the period from 44.55% for the first half of 2024.

3.7 Other Expenses and Losses

Other expenses and losses of the Group for the first half of 2025 amounted to RMB45,340,000, representing an increase of 7.96% as compared to RMB41,997,000 in the corresponding period of the previous year, which was mainly due to the increase in incidental expenses.

3.8 Finance Costs

Finance costs of the Group for the first half of 2025 amounted to RMB588,066,000, representing an increase of 1.13% as compared to RMB581,489,000 in the corresponding period of the previous year. The finance costs were mainly financing-related costs for the Group's industrial operation segment and infrastructure investment projects.

3.9 Pre-provision Operating Profit

Pre-provision operating profit of the Group for the first half of 2025 amounted to RMB4,309,827,000, representing a decrease of RMB341,901,000 or 7.35% as compared with the corresponding period of the previous year. As a result of the changes in market condition and intensification of competition, the pre-provision operating profit of the industrial operation segment has decreased. Among which, the pre-provision operating loss of Horizon Construction Development amounted to RMB132,520,000, representing a decrease of RMB702,130,000 as compared to the corresponding period of the previous year.

The Group will continue to proactively adopt prudent and stable development strategies. It is expected that with the gradual stabilization of the external market environment in the future, the gradual expansion of the size of industrial operation, and the improvement in internal operating efficiency, the pre-provision operating profit of the Group will maintain steady growth.

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3.10 Provision for Assets

The following table sets forth a breakdown of the provision for assets of the Group for the periods indicated:

For the six months ended 30 June					
	2025		2024		
	RMB'000	% of total	RMB'000	% of total	Change %
Provision for interest-earning assets ⁽¹⁾	582,432	195.50%	369,763	57.41%	57.51%
Reversal of interest-earning assets after write-off ⁽¹⁾	(322,309)	-108.19%	(22,061)	-3.43%	1360.99%
Provision for accounts receivable ⁽²⁾	(92,915)	-31.19%	205,685	31.93%	N/A
Provision for other receivables ⁽²⁾	(31,055)	-10.42%	28,785	4.47%	N/A
Provision for investment in joint ventures/associates	179,065	60.11%	157,734	24.49%	13.52%
Provision for credit commitments ⁽³⁾	(35,069)	-11.77%	(76,568)	-11.89%	-54.20%
Other provisions	17,753	5.96%	(19,231)	-2.98%	N/A
Total	297,902	100.00%	644,107	100.00%	-53.75%

Notes:

- (1) In view of the stable sizes of interest-earning assets and non-performing assets, the Group continued to adopt a prudent approach in making provision for assets during the first half of 2025. Provision for interest-earning assets amounted to RMB582,432,000, representing a year-on-year increase of RMB212,669,000. In addition, reversal of bad debts after write-off amounted to RMB322,309,000, representing an increase of RMB300,248,000 as compared with the corresponding period of the previous year. The overall provision for financial services decreased by RMB87,579,000 as compared with the corresponding period of the previous year as the reversal of bad debts after write-off represented the deduction of provisions.
- (2) Provision for accounts receivable and other receivables is mainly the expected credit loss of the relevant receivables made by the Group for equipment operation and hospital operation. In particular, the equipment operation segment began implementing a customer classification management system during the period, which supplemented and optimized the blacklisted customer management system accordingly. During the period, certain customers with normal payment collection within one year, better qualifications and classified as high grade were removed from the blacklist to better maintain customer relationships and conduct normal business cooperation, resulting in decrease in provision as compared with the corresponding period of the previous year.
- (3) Provision for credit commitments is mainly the expected credit loss of the Group's interest-earning assets that have been contracted but not yet placed.

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3.11 Income Tax Expense

Income tax expense of the Group for the first half of 2025 was RMB1,823,497,000, representing an increase of RMB126,912,000 or 7.48% from the corresponding period of the previous year. Effective income tax rate of the Group for the first half of 2025 was 45.5%, which slightly increased as compared with the corresponding period of the previous year.

The following table sets forth a breakdown of the income tax rate of the Group for the periods indicated:

For the six months ended 30 June			
	2025	2024	Change %
Domestic statutory tax rate	25.0%	25.0%	–
Cross-border business withholding tax ⁽¹⁾	4.4%	8.9%	-4.50%
Of which: income tax actually paid on cross-border dividends	3.9%	7.9%	-4.00%
Others	16.1%	8.4%	7.70%
Total	45.5%	42.3%	3.20%

Note:

- (1) Cross-border business withholding tax is mainly the relevant withholding income tax burden arising from dividend distribution to overseas companies by domestic companies of the Group based on regulatory requirements and the Group's overseas capital needs.

3.12 Profit for the Period Attributable to Holders of Ordinary Shares of the Company

Based on the above discussion and analysis, profit for the period attributable to holders of ordinary shares of the Company was RMB2,163,585,000, which increased by RMB78,509,000 or 3.77% from the corresponding period of the previous year.

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3.13 Basic Earnings per Share

Basic earnings per share for the current period amounted to RMB0.51, representing an increase of RMB0.02 or 3.15% from the corresponding period of the previous year.

For the six months ended 30 June			
	2025	2024	Change %
Profit for the period attributable to holders of ordinary shares of the Company (RMB'000)	2,163,585	2,085,076	3.77%
Weighted average number of ordinary shares outstanding during the period (share)	4,239,083,563	4,213,904,994	0.60%
Basic earnings per share (RMB)	0.51	0.49	3.15%

As a result of the increase in the number of ordinary shares of the Company, the increase in the Group's basic earnings per share for the first half of 2025 as compared with the corresponding period of the previous year was slightly lower than the increase in profit for the period attributable to holders of ordinary shares of the Company.

It is expected that the Group will maintain the safe and steady development of the traditional financial services and achieve robust growth in the industrial operation and new financial services by following economic development trends and enriching its services, which will lead to a steady increase in the Group's return on average equity.

4. ANALYSIS OF FINANCIAL POSITION

4.1 Assets (Overview)

As at 30 June 2025, the total assets of the Group increased by RMB3,409,616,000 or 0.95% from the end of the previous year to RMB363,799,616,000. Net interest-earning assets increased by RMB5,984,381,000 or 2.30% from the end of the previous year to RMB266,625,712,000.

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The following table sets forth the analysis of the assets as of the dates indicated.

	30 June 2025		31 December 2024		
	RMB'000	% of total	RMB'000	% of total	Change %
Loans and accounts receivable	267,111,445	73.42%	260,648,717	72.32%	2.48%
Of which: interest-earning assets	258,000,036	70.92%	251,601,912	69.81%	2.54%
Cash and cash equivalents	18,293,920	5.03%	19,786,521	5.49%	-7.54%
Restricted deposits	10,658,545	2.93%	10,708,516	2.97%	-0.47%
Holding of asset-backed securities/notes	—	—	140,240	0.04%	-100.00%
Assets with continuing involvement	—	—	140,240	0.04%	-100.00%
Prepayment and other accounts receivable	4,781,277	1.31%	5,154,740	1.43%	-7.25%
Deferred tax assets	6,119,510	1.68%	6,051,263	1.68%	1.13%
Property, plant and equipment	25,906,465	7.12%	26,547,204	7.37%	-2.41%
Investment in joint ventures/associates	10,064,903	2.77%	8,603,000	2.39%	16.99%
Financial assets at fair value through profit or loss	15,098,586	4.15%	15,759,270	4.37%	-4.19%
Of which: interest-earning assets	2,272,866	0.62%	2,683,979	0.74%	-15.32%
Financial assets at fair value through other comprehensive income	204,226	0.06%	453,246	0.13%	-54.94%
Derivative financial instruments	549,644	0.15%	1,756,740	0.49%	-68.71%
Inventories	434,693	0.12%	476,752	0.13%	-8.82%
Contract assets	697,502	0.19%	753,848	0.21%	-7.47%
Goodwill	368,736	0.10%	194,737	0.05%	89.35%
Right-of-use assets	2,282,576	0.63%	2,403,192	0.67%	-5.02%
Investment property	134,006	0.04%	100,177	0.03%	33.77%
Other assets	1,093,582	0.30%	711,597	0.19%	53.68%
Total assets	363,799,616	100.00%	360,390,000	100.00%	0.95%

MANAGEMENT DISCUSSION AND ANALYSIS

The following table sets forth the analysis of the assets by business nature as of the dates indicated.

	30 June 2025		31 December 2024		Change %
	RMB'000	% of total	RMB'000	% of total	
1) Financial services					
Interest-earning assets	260,272,902	71.54%	254,285,891	70.56%	2.35%
Of which: inclusive finance	21,830,745	6.00%	17,003,156	4.72%	28.39%
2) Industrial operation					
Equipment operation segment	36,581,356	10.06%	36,434,181	10.11%	0.40%
Hospital operation segment	6,545,220	1.80%	6,550,250	1.82%	-0.08%
3) Other public assets of the Group (excluding industrial operation)					
Cash and cash equivalents	15,923,716	4.38%	17,894,593	4.97%	-11.01%
Restricted deposits	10,358,526	2.85%	10,698,598	2.97%	-3.18%
Infrastructure investment projects	7,495,013	2.06%	7,662,040	2.13%	-2.18%
Deferred tax assets	5,627,252	1.55%	5,581,245	1.55%	0.82%
Property, plant and equipment and right-of-use assets	1,666,192	0.46%	1,771,814	0.49%	-5.96%
Investment in investees, associates and joint ventures ⁽¹⁾	14,414,211	3.96%	11,852,510	3.29%	21.61%
Derivative financial instruments such as interest rate and foreign exchange swaps	549,644	0.15%	1,756,740	0.49%	-68.71%
Other assets ⁽²⁾	4,365,584	1.19%	5,902,138	1.62%	-26.03%
Total assets	363,799,616	100.00%	360,390,000	100.00%	0.95%

Note 1: Investment in investees, associates and joint ventures primarily include equity investment in funds and provincial asset management companies, among others, made by the Group to enhance its comprehensive financial service capabilities.

Note 2: Other assets mainly include goodwill and other miscellaneous assets.

MANAGEMENT DISCUSSION AND ANALYSIS

4.2 Interest-earning Assets

The main component of the Group's assets was interest-earning assets, which accounted for 71.54% of the Group's total assets as at 30 June 2025. In the first half of 2025, the Group dynamically adjusted the development strategies of each industry sector in accordance with the environment and industry patterns. While cultivating the market in depth, it also strengthened risk management and control in a prudent manner, and strengthened the risk identification of sub-sectors and customer qualifications. Under the premise of asset safety, the Group steadily promoted the expansion of financial services to maintain its interest-earning assets at a basically stable size.

The following table sets forth the analysis of interest-earning assets as of the dates indicated.

	30 June 2025		31 December 2024		Change %
	RMB'000	% of total	RMB'000	% of total	
Net interest-earning assets					
Included in loans and accounts receivable	264,334,390	99.14%	257,923,977	98.96%	2.49%
Included in financial assets at fair value through profit or loss	2,291,322	0.86%	2,717,354	1.04%	-15.68%
Total net interest-earning assets	266,625,712	100.00%	260,641,331	100.00%	2.30%
Provision for loans and accounts receivables	(6,334,354)		(6,322,065)		0.19%
Provision for financial assets at fair value through profit or loss	(18,456)		(33,375)		-44.70%
Less: total provision for interest-earning assets	(6,352,810)		(6,355,440)		-0.04%
Net interest-earning assets	260,272,902		254,285,891		2.35%

MANAGEMENT DISCUSSION AND ANALYSIS

4.2.1 Loans and Accounts Receivable

The following table sets forth the analysis of loans and accounts receivable as of the dates indicated.

	30 June 2025		31 December 2024		Change %
	RMB'000	% of total	RMB'000	% of total	
Net interest-earning assets included in loans and accounts receivable	258,000,036	96.59%	251,601,912	96.53%	2.54%
Others ⁽¹⁾	9,111,409	3.41%	9,046,805	3.47%	0.71%
Net loans and accounts receivable	267,111,445	100.00%	260,648,717	100.00%	2.48%

Note:

(1) Others included notes receivables and accounts receivables related to industrial operation.

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4.2.2 Net Interest-earning Assets by Industry

The following table sets forth net interest-earning assets of the Group by industry as of the dates indicated⁽¹⁾.

	30 June 2025		31 December 2024		
	RMB'000	% of total	RMB'000	% of total	Change %
Healthcare	15,045,510	5.64%	17,135,261	6.57%	-12.20%
Culture & tourism	33,518,528	12.57%	30,883,568	11.85%	8.53%
Engineering construction	39,128,044	14.68%	37,625,877	14.44%	3.99%
Machinery	19,697,605	7.39%	16,316,344	6.26%	20.72%
Chemical & medicine	16,871,656	6.33%	14,784,848	5.67%	14.11%
Electronic information	11,339,987	4.25%	9,996,224	3.84%	13.44%
Public consuming	28,809,480	10.81%	26,035,387	9.99%	10.66%
Transportation & logistics	20,334,064	7.63%	19,788,025	7.59%	2.76%
Urban public utility	81,880,838	30.70%	88,075,797	33.79%	-7.03%
Total	266,625,712	100.00%	260,641,331	100.00%	2.30%

Notes:

- (1) Interest-earning assets for culture & tourism, machinery, chemical & medicine, public consuming and other industries among the target industries of the Group maintained faster growth in the first half of 2025, which was attributable to (i) the Group's business expansion and in-depth exploration of their respective industries, expanding the customer base in the above industries and increasing the introduction of high-quality customers in the above industries; (ii) the Group's adaptation to the changes in the macro-economy and the trend of the industrial environment and adjustments to the layout of key industries; and (iii) the Group's continuous maintenance of quality industries and customers and exploration of their needs for financial services.
- (2) As at 30 June 2025, the interest-earning assets of urban public utility were further divided into sub-sectors, including public transportation infrastructure, water, electricity, gas and other operational services, urban environmental governance, energy-saving and carbon-reduction projects, smart city upgrading and transformation, emerging industry facilities and operation services, and other industries.
- (3) As at 30 June 2025, the net interest-earning assets of the Group's inclusive finance business amounted to RMB22,192 million, which maintained stable growth as compared to RMB17,248 million as at 31 December 2024. For the details of the inclusive finance business, please refer to the discussion and analysis in item 15 of this section.

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4.2.3 Net Interest-earning Assets by Region

The table below sets forth net interest-earning assets of the Group by region as of the dates indicated.

	30 June 2025		31 December 2024	
	RMB'000	% of total	RMB'000	% of total
Northeast China	6,002,385	2.25%	6,111,443	2.34%
Northern China	27,264,279	10.23%	28,093,522	10.78%
Eastern China	131,794,632	49.43%	120,034,593	46.05%
Southern China	15,748,842	5.91%	15,132,328	5.81%
Central China	40,863,949	15.33%	41,100,816	15.77%
Northwest China	14,448,479	5.42%	16,387,159	6.29%
Southwest China	30,503,146	11.43%	33,781,470	12.96%
Total	266,625,712	100.00%	260,641,331	100.00%

The table below sets forth net interest-earning assets of the urban public utility industry by region as of the dates indicated.

	30 June 2025		31 December 2024	
	RMB'000	% of total	RMB'000	% of total
Northeast China	334,391	0.41%	579,734	0.66%
Northern China	7,292,978	8.91%	7,712,993	8.76%
Eastern China	41,768,914	51.01%	41,482,363	47.10%
Southern China	3,223,068	3.94%	3,667,008	4.16%
Central China	11,761,555	14.36%	13,095,154	14.87%
Northwest China	4,129,828	5.04%	5,556,056	6.31%
Southwest China	13,370,104	16.33%	15,982,489	18.14%
Total	81,880,838	100.00%	88,075,797	100.00%

MANAGEMENT DISCUSSION AND ANALYSIS

4.2.4 Aging Analysis of Net Interest-earning Assets

The following table sets forth an aging analysis of net interest-earning assets as of the dates indicated, categorized by the time elapsed since the effective date of the relevant leases, entrusted loans, mortgage loans, credit assignment and factoring contracts.

	30 June 2025		31 December 2024		
	RMB'000	% of total	RMB'000	% of total	Change %
Net interest-earning assets					
Within 1 year	176,167,075	66.07%	169,539,104	65.05%	3.91%
1 to 2 years	58,485,377	21.94%	55,240,004	21.19%	5.88%
2 to 3 years	19,299,779	7.24%	23,088,664	8.86%	-16.41%
3 years and beyond	12,673,481	4.75%	12,773,559	4.90%	-0.78%
Total	266,625,712	100.00%	260,641,331	100.00%	2.30%

Net interests-earning assets within one year represented net interest-earning assets that become effective within one year from the reporting date indicated, and were still valid as at the end of the year or the end of the period. As at 30 June 2025, net interest-earning assets within one year as set out in the table above represented 66.07% of net interest-earning assets of the Group, which increased as compared to the end of the previous year, indicating that the Group still maintained steady flows of interest-earning assets.

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4.2.5 Maturity Profile of Net Interest-earning Assets

The following table sets forth the maturity profile of the net interest-earning assets as of the dates indicated.

	30 June 2025		31 December 2024		Change %
	RMB'000	% of total	RMB'000	% of total	
Maturity date					
Within 1 year	149,363,002	56.02%	151,621,015	58.17%	-1.49%
1 to 2 years	81,498,729	30.57%	76,577,311	29.38%	6.43%
2 to 3 years	29,309,754	10.99%	27,410,804	10.52%	6.93%
3 years and beyond	6,454,227	2.42%	5,032,201	1.93%	28.26%
Total	266,625,712	100.00%	260,641,331	100.00%	2.30%

Net interest-earning assets due within one year represent net interest-earning assets which the Group will receive within one year of the reporting date indicated. As at 30 June 2025, the proportion of net interest-earning assets due within 1 year decreased and the proportion of those due in more than 1 year increased among net interest-earning assets due within the respective periods as set forth in the table above, which was mainly due to the fact that the Group moderately increased asset duration of projects of high quality customers during the year to obtain sustained and stable cash inflows.

MANAGEMENT DISCUSSION AND ANALYSIS

4.2.6 Asset Quality of Net Interest-earning Assets

4.2.6.1 Five-category Classification of Net Interest-earning Assets

The Group implements a five-category classification of interest-earning assets that accurately reveal the asset risk profile and confirm the quality of assets primarily by obtaining information on the qualification of stock and assets. On such basis, we have deployed management resources and efforts in a focused manner to effectively implement measures on category management, and have strengthened risk anticipation and the relevance of risk prevention to improve the ability to control asset risks.

Classification criteria

In determining the classification of the interest-earning assets portfolio, the Group applies a series of criteria that is derived from its own internal regulations regarding the management of lease assets. These criteria are designed to assess the possibility of repayment by the borrower and the collectability of principal and interest on our interest-earning assets. The interest-earning assets classification criteria focus on a number of factors, if applicable. The asset classifications of the Group include:

Pass. There is no reason to doubt that the loan principal and interest will not be paid by the debtor in full and/or on a timely basis. There is no reason whatsoever to suspect that the interest-earning assets will be impaired.

Special mention. Even though the debtor has been able to pay its payments in a timely manner, there are still factors that could adversely affect its ability to pay, which are related to changes in the economic, policy and industrial environment, the structure of the debtor's property rights and the debtor's management mechanisms, organizational framework and management personnel adjustments, operating capabilities, material investments and credit size and conditions, as well as the effects of changes in the value of core assets on the debtor's ability to repay; while taking into consideration the effects of subjective factors, including any change in the debtor's willingness to repay, on the quality of assets, such as if payments have been overdue for 30 days or more, then the interest-earning assets for this contract shall be classified as special mention or lower.

Substandard. The debtor's ability to pay is in question as it is unable to make its payments in full with its operating revenues, and we are likely to incur losses notwithstanding the enforcement of any guarantees underlying the contract. The Group takes into account other factors, for example, if lease payments have been overdue for over three months, then the interest-earning assets for this contract shall be classified as substandard or lower.

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Doubtful. The debtor's ability to pay is in question as it is unable to make payments in full and/or on a timely basis with its operating revenues and we are likely to incur significant losses notwithstanding the enforcement of any guarantees underlying the contract. The Group takes into account other factors, for example, if payments have been overdue for over six months, the interest-earning assets for this contract shall be classified as doubtful or lower.

Loss. After taking all possible steps or going through all necessary legal procedures, payments remain overdue or only a very limited portion has been recovered.

Asset management measures

In the first half of 2025, in response to complex and severe market conditions and external challenges, the Group consistently adhered to a prudent and steady development philosophy, employed innovation to break through bottlenecks, and actively facilitated the iterative upgrading of its management model. Leveraging digital transformation, the Group carried out an intelligent renovation of its post-lease management system, and established a dynamic monitoring and intelligent early-warning platform, to achieve targeted and regular risk prevention and control. During the reporting period, the asset quality of the Group was not undermined. With a forward-looking risk assessment mechanism, the Group strengthened full-cycle dynamic management, and effectively mitigated potential risks through diverse means of disposal, so as to further improve its asset quality and consolidate its operational safety.

Strengthening the end-to-end risk control system to enhance the effectiveness of customer risk management and control

In the first half of 2025, the Group concentrated on upgrading customer monitoring and management. By adopting a combined monitoring strategy of "routine plus targeted" initiatives, the Group refined risk prevention and control. In terms of industry trends, policy changes, and unusual fluctuations in customer operations, the Group conducted a comprehensive wall-to-wall risk screening of its existing customers, which accurately identified risks and strictly prevented their deterioration and spread. Simultaneously, the Group improved the mechanism for transferring assets at risk, optimized the process of collaboration between the customer monitoring team and the asset disposal team, clarified the standards for transferring and responding to assets at risk, and established a closed-loop end-to-end management chain of "inspection – identification – transfer – disposal," effectively improving the efficiency of risk disposal. At the same time, the Group reinforced its core capabilities in customer monitoring and asset disposal, thereby laying a solid foundation for its steady asset quality.

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Facilitating digital transformation and building a dynamic monitoring and intelligent early-warning platform

In the course of digital transformation, the Group deeply integrated cutting-edge technologies such as big data and artificial intelligence, and devoted its full efforts to building a dynamic monitoring and intelligent early-warning platform. This platform consolidated multi-dimensional data from both inside and outside the Group, covering key information such as asset transactions, customer credit, market dynamics, and public opinions. Through data analysis and modelling, the platform established a comprehensive and precise risk assessment system which employs intelligent algorithms to generate accurate customer risk profiles. At the same time, the platform performed real-time data analysis; once abnormal fluctuations in potential risk indicators are detected, the platform will immediately trigger an early-warning mechanism, which significantly enhance the timeliness and effectiveness of the Group's risk prevention and control and provide solid digital assurance for the management of asset safety.

Optimizing the assessment and incentive system to enhance disposal efficiency to safeguard the assets of the Company

Placing paramount importance on staff development and management, the Group is committed to renovating its training system and upgrading its incentive mechanism. Differentiated incentive schemes are tailored for different types of assets, and targeted disposal objectives are set based on job characteristics and rank differences, so as to motivate the team to unleash the potential of asset disposal. By quantifying performance indicators and refining the dimensions used to evaluate contributions, the Group exercises effective control over both process and outcomes of disposal activities, which enhances disposal efficiency and substantially safeguards the assets of the Company.

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The following table sets forth the five-category classification of interest-earning assets as of the dates indicated.

	30 June 2025		31 December 2024		31 December 2023		31 December 2022	
	RMB'000	% of total	RMB'000	% of total	RMB'000	% of total	RMB'000	% of total
Pass	249,125,958	93.44%	243,298,013	93.35%	250,225,686	92.99%	248,827,143	91.95%
Special mention	14,705,262	5.51%	14,553,198	5.58%	16,066,847	5.97%	18,942,410	7.00%
Substandard	1,450,409	0.55%	1,091,725	0.42%	1,484,565	0.55%	1,410,969	0.52%
Doubtful	1,344,083	0.50%	1,698,395	0.65%	1,307,641	0.49%	1,420,368	0.53%
Loss	–	–	–	–	–	–	–	–
Net interest-earning assets	266,625,712	100.00%	260,641,331	100.00%	269,084,739	100.00%	270,600,890	100.00%
Non-performing assets	2,794,492		2,790,120		2,792,206		2,831,337	
Non-performing asset ratio	1.05%		1.07%		1.04%		1.05%	

The Group has established a prudent asset quality control policy and adhered to a stringent and conservative asset classification policy. As at 30 June 2025, the Group's assets under special mention accounted for 5.51% of its net interest-earning assets, representing a decrease of 0.07 percentage point from 5.58% at the end of 2024. During the reporting period, the quality of assets continued to be further optimized.

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The assets under special mention in the urban public utility industry accounted for 26.56% of the total assets under special mention. The proportion of assets under special mention in the segment was 4.77%, which was slightly lower than the proportion of the overall assets under special mention of the Company, maintaining stable performance as a whole. The segment is closely linked to people's livelihoods and enjoys strong policy support from the government, with relatively stable cash flows. However, as the growth of investment in urban infrastructure construction has slowed down in recent years, coupled with adjustments to the pace of allocating fiscal funds, some customers encountered periodic challenges in respect of project capital turnover and debt structure optimization although they continued to maintain normal repayments. The Group prudently adjusted more of the assets of the segment to assets under special mention.

The assets under special mention in the cultural & tourism industry accounted for 18.14% of the total assets under special mention. The proportion of assets under special mention in the segment was 7.96%, which was higher than the proportion of the overall assets under special mention of the Company but lower than the proportion of the assets under special mention in the segment for the previous year. As a national strategic pillar industry, the segment demonstrates resilient market demand and possesses great potential in long-term growth. However, due to the global economic slowdown and geopolitical uncertainties, some customers in the segment were subject to periodic operational adjustments. Meanwhile, the economy is facing the pressure of consumption downgrading, and the average consumer spending on trips has reduced, so some customers may face financial strain. The Group prudently adjusted more of the assets of the segment to assets under special mention.

The assets under special mention in the healthcare industry accounted for 14.19% of the total assets under special mention. The proportion of assets under special mention in the segment was 13.87%, which was higher than the proportion of the overall assets under special mention of the Company. Driven by accelerated population aging, upgraded healthcare consumption, and continuous policy support, the segment has witnessed emerging innovative technologies, leading to sustained ecosystem expansion and promising development prospects. However, the deepening reforms in the medical and healthcare system and adjustments in regulatory policies for the industry have resulted in declining revenues from medical services of certain hospitals in recent years. Meanwhile, some enterprises are facing cash flow pressures due to increased research and development investments, compounded by the accelerated iteration of innovative drugs and medical devices. Accordingly, in order to pay further attention to the subsequent operation and development of the segment, the Group prudently adjusted more of the assets of the segment to assets under special mention.

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The assets under special mention in the engineering construction industry accounted for 10.99% of the total assets under special mention. The proportion of assets under special mention in the segment was 4.13%, which was lower than the proportion of the overall assets under special mention of the Company. As a key pillar of the national economy, the segment benefits from the advancement of new-type urbanization and the launch of major infrastructure projects, with strong industrial synergies and sustainable market demand. However, due to tightened debt controls by local governments and intensified competition in the construction market, some customers in the segment are facing periodic challenges, including extended project payment cycles and increased pressure on upfront funding. Furthermore, volatility in raw material prices and rising labor costs have led to reduced working capital efficiency and compressed profit margins for some customers. Accordingly, the Group prudently adjusted more of the assets of the segment to assets under special mention.

The following table sets forth the analysis of the Group's assets under special mention by industry as of the dates indicated.

	30 June 2025		31 December 2024		31 December 2023	
	RMB'000	% of total	RMB'000	% of total	RMB'000	% of total
Healthcare	2,087,050	14.19%	1,947,346	13.38%	1,919,083	11.94%
Culture & tourism	2,667,749	18.14%	2,469,198	16.97%	2,553,524	15.89%
Engineering construction	1,615,770	10.99%	1,709,770	11.75%	2,725,642	16.96%
Machinery	961,364	6.54%	596,070	4.10%	554,452	3.45%
Chemical & medicine	843,474	5.74%	389,683	2.68%	370,822	2.31%
Electronic information	818,868	5.57%	659,570	4.53%	372,936	2.32%
Public consuming	886,103	6.03%	574,950	3.95%	501,377	3.12%
Transportation & logistics	917,999	6.24%	760,853	5.23%	1,103,719	6.87%
Urban public utility	3,906,885	26.56%	5,445,758	37.41%	5,965,292	37.14%
Total	14,705,262	100.00%	14,553,198	100.00%	16,066,847	100.00%

Through prudent asset classification and prudent monitoring and management of assets under special mention, the migration from assets under special mention to non-performing assets of the Group was at a low level.

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The following table sets forth the migration of the Group's assets under special mention as of the dates indicated.

	30 June 2025	30 June 2024	31 December 2024	31 December 2023	31 December 2022
	% of total	% of total	% of total	% of total	% of total
Pass	0.43%	0.00%	0.01%	0.00%	0.07%
Special mention	56.63%	65.85%	31.09%	46.28%	51.64%
Substandard	7.10%	5.99%	6.75%	5.37%	4.98%
Doubtful	1.94%	1.04%	7.99%	1.42%	2.35%
Loss	1.82%	0.79%	3.09%	5.58%	3.69%
Recovery	32.08%	26.33%	51.07%	41.35%	37.27%
Total	100.00%	100.00%	100.00%	100.00%	100.00%

As at 30 June 2025, the size of non-performing assets was RMB2,794 million, which remained stable as compared with the end of last year, and the non-performing asset ratio was 1.05%, which slightly decreased as compared with the end of last year. The overall asset quality remained safe and under control. For the non-performing assets of the inclusive finance business of the Group, please refer to the discussion and analysis in item 15 of this section.

The non-performing assets of the urban public utility industry accounted for 58.81% of the total non-performing assets. The proportion of non-performing assets in the segment was 2.01%. The overall size of the segment declined as compared with last year, while the size of non-performing assets slightly increased as compared with last year. The business environment of the segment has come under pressure due to adjustments in government policies and changes in financial regulatory requirements. With prolonged approval processes for certain projects at the preliminary stage, the capital turnover cycle has extended, leading to short-term cash flow pressures. Meanwhile, due to profound macroeconomic restructuring and gradual optimization of fiscal support mechanisms in certain regions, enterprises are experiencing weakened external credit enhancement. Coupled with marginal changes in the financing environment, the debt repayment arrangements for some customers have been subject to provisional adjustments, resulting in overdue loans. But the overall asset quality is stable at present. The Group prudently reclassified the assets of the segment into substandard and doubtful assets.

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The non-performing assets of the healthcare industry accounted for 8.93% of the total non-performing assets. The proportion of non-performing assets in the segment was 1.66%. The non-performing asset ratio of the segment has slightly decreased as compared to the previous year. Despite that the overall asset quality of the segment did not significantly deteriorate, the non-performing asset ratio of the segment presented an upward trend. Customers in the segment have stable operations in general, but the ongoing implementation of the medical insurance payment reform and the centralized drug procurement policy has necessitated adjustments to product prices for certain enterprises. This has created a need for further optimization of profit structures in short term. Meanwhile, extended reimbursement cycles for medical insurance have slowed the pace of capital recovery, resulting in tightened cash flows. The Group prudently reclassified the assets of the segment into substandard and doubtful assets.

The non-performing assets of the electronic information industry accounted for 7.52% of the total non-performing assets. The proportion of non-performing assets in the segment was 1.85%. The non-performing assets ratio in the segment showed a growing trend. Against the backdrop of accelerating technological innovation cycles in the segment, certain enterprises failed to align their pace of research and development and product iteration with market upgrading needs, resulting in the need to further improve their product competitiveness and the pressure on capital turnover efficiency. Meanwhile, with the evolving market competition landscape and emerging new market participants, a few companies exhibited temporary misallocation of resources in cost control and brand building, which triggered the risk of loan defaults. The Group prudently reclassified the assets of the segment into substandard and doubtful assets.

The non-performing assets of the chemical & medicine industry accounted for 7.11% of the total non-performing assets. The proportion of non-performing assets in the segment was 1.18%, which was higher than the proportion of non-performing assets as compared with last year. The chemical products market is undergoing dynamic supply-demand realignment amid global trade tensions and significant volatility in raw material prices. Some enterprises failed to promptly optimize their procurement and sales strategies, resulting in less efficient inventory turnover, temporary debt payment delays, and cash flow constraints. The Group prudently reclassified the assets of the segment into substandard and doubtful assets.

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The following table sets forth the analysis on the Group's non-performing assets by industry as of the dates indicated.

	30 June 2025		31 December 2024		31 December 2023	
	RMB'000	% of total	RMB'000	% of total	RMB'000	% of total
Healthcare	249,580	8.93%	416,386	14.92%	328,650	11.77%
Culture & tourism	95,735	3.43%	331,883	11.89%	425,997	15.26%
Engineering construction	118,031	4.22%	162,488	5.82%	388,711	13.92%
Machinery	97,380	3.48%	81,444	2.92%	177,741	6.37%
Chemical & medicine	198,775	7.11%	7,065	0.25%	18,265	0.65%
Electronic information	210,129	7.52%	59,038	2.12%	–	0.00%
Public consuming	103,035	3.69%	32,545	1.17%	62,366	2.23%
Transportation & logistics	78,421	2.81%	339,798	12.18%	262,764	9.41%
Urban public utility	1,643,406	58.81%	1,359,473	48.73%	1,127,712	40.39%
Total	2,794,492	100.00%	2,790,120	100.00%	2,792,206	100.00%

The following table sets forth the analysis on the Group's substandard assets by industry as of the dates indicated.

	30 June 2025		31 December 2024		31 December 2023	
	RMB'000	% of total	RMB'000	% of total	RMB'000	% of total
Healthcare	83,986	5.79%	206,125	18.88%	269,428	18.15%
Culture & tourism	50,066	3.45%	213,625	19.57%	38,686	2.61%
Engineering construction	94,509	6.52%	139,891	12.81%	84,368	5.68%
Machinery	39,297	2.71%	76,319	6.99%	103,793	6.99%
Chemical & medicine	123,160	8.49%	4,008	0.37%	6,440	0.43%
Electronic information	109,231	7.53%	13,855	1.27%	–	0.00%
Public consuming	71,556	4.93%	–	0.00%	20,463	1.38%
Transportation & logistics	30,230	2.08%	112,431	10.30%	83,230	5.61%
Urban public utility	848,374	58.50%	325,471	29.81%	878,157	59.15%
Total	1,450,409	100.00%	1,091,725	100.00%	1,484,565	100.00%

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The following table sets forth the analysis on the Group's doubtful assets by industry as of the dates indicated.

	30 June 2025		31 December 2024		31 December 2023	
	RMB'000	% of total	RMB'000	% of total	RMB'000	% of total
Healthcare	165,594	12.32%	210,261	12.38%	59,222	4.53%
Culture & tourism	45,669	3.40%	118,258	6.96%	387,311	29.62%
Engineering construction	23,522	1.75%	22,597	1.33%	304,343	23.27%
Machinery	58,083	4.32%	5,125	0.30%	73,948	5.66%
Chemical & medicine	75,615	5.63%	3,057	0.18%	11,825	0.90%
Electronic information	100,898	7.51%	45,183	2.66%	–	0.00%
Public consuming	31,479	2.34%	32,545	1.92%	41,903	3.20%
Transportation & logistics	48,191	3.59%	227,367	13.39%	179,534	13.73%
Urban public utility	795,032	59.14%	1,034,002	60.88%	249,555	19.09%
Total	1,344,083	100.00%	1,698,395	100.00%	1,307,641	100.00%

The following table sets forth the analysis on the Group's loss assets by industry as of the dates indicated.

	30 June 2025		31 December 2024		31 December 2023	
	RMB'000	% of total	RMB'000	% of total	RMB'000	% of total
Healthcare	–	–	–	–	–	–
Culture & tourism	–	–	–	–	–	–
Engineering construction	–	–	–	–	–	–
Machinery	–	–	–	–	–	–
Chemical & medicine	–	–	–	–	–	–
Electronic information	–	–	–	–	–	–
Public consuming	–	–	–	–	–	–
Transportation & logistics	–	–	–	–	–	–
Urban public utility	–	–	–	–	–	–
Total	–	–	–	–	–	–

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The following table sets forth the movement of non-performing assets of the Group as of the dates indicated.

	30 June 2025	31 December 2024	31 December 2023
	RMB'000	RMB'000	RMB'000
At the beginning of the period/ year	2,790,120	2,792,206	2,831,337
Downgrades ⁽¹⁾	1,872,999	3,147,845	2,831,194
Upgrades	(188,859)	(1,393)	(116,055)
Recoveries	(1,087,266)	(2,012,188)	(1,355,168)
Write-off/disposal	(592,502)	(1,136,350)	(1,399,102)
At the end of the period/year	2,794,492	2,790,120	2,792,206
Non-performing asset ratio	1.05%	1.07%	1.04%
Non-performing loan formation ratio ⁽²⁾	0.23%	0.43%	0.51%

Notes:

- (1) Represents downgrades of interest-earning assets classified as pass or special mention at the end of prior year and interest-earning assets newly classified in the period to non-performing categories;
- (2) Non-performing loan formation ratio = (the balance of non-performing loan at the end of period – the balance of non-performing loan at the beginning of period + write-off/disposal of non-performing loan for the period)/(net pass interest-earning assets at the beginning of period + net interest-earning assets under special mention at the beginning of period). As a new write-off policy has been adopted, the bad debt write-off of inclusive finance business amounted to RMB331,364,000 in the first half of 2025 (2024: RMB412,679,000), with non-performing loan formation ratio of 1.92% (2024: 1.90%), which was higher than the overall level of the Group. For details of inclusive finance business, please refer to the discussion and analysis under section 15 of this section.

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4.2.6.2 Interest-earning Assets Provisions

The following table sets forth the analysis of the provisions under our assessment methodology as of the dates indicated.

	30 June 2025		31 December 2024		31 December 2023		31 December 2022	
	RMB'000	% of total	RMB'000	% of total	RMB'000	% of total	RMB'000	% of total
Interest-earning assets provisions:								
Provision for non-performing assets	1,742,212	27.42%	1,866,617	29.37%	1,683,143	26.49%	1,460,084	21.49%
Provision for pass and special mention assets	4,610,598	72.58%	4,488,823	70.63%	4,671,589	73.51%	5,334,328	78.51%
Total	6,352,810	100.00%	6,355,440	100.00%	6,354,732	100.00%	6,794,412	100.00%
Non-performing assets	2,794,492		2,790,120		2,792,206		2,831,337	
Provision coverage ratio	227.33%		227.78%		227.59%		239.97%	
Credit cost ratio ⁽¹⁾	0.10%		0.30%		0.13%		0.51%	

Note:

- (1) Credit cost ratio = provision for interest-earning assets for the period/average balance of interest-earning assets. In the first half of 2025, the credit cost ratio of the Group's inclusive finance business was 2.14% (2024: 2.41%), which was higher than the overall level of the Group. This was mainly due to the Group prudently made relative high provision to ensure safe and stable asset quality as its inclusive finance business focused on lower-tier customers in long-tail market. For details of inclusive finance business, please refer to the discussion and analysis under section 15 of this section.

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4.2.6.3 Write-offs of Interest-earning Assets

The following table sets forth the write-offs of interest-earning assets as of the dates indicated.

	30 June 2025	31 December 2024	31 December 2023	31 December 2022
	RMB'000	RMB'000	RMB'000	RMB'000
Write-off/disposal of non-performing assets	592,502	1,136,350	1,399,102	1,379,653
Non-performing assets as at the end of last year	2,790,120	2,792,206	2,831,337	2,751,412
Write-off ratio ⁽¹⁾	21.24%	40.70%	49.41%	50.14%

Note:

- (1) The write-off ratio is calculated as the amount of write-off/disposal of non-performing assets over the net non-performing assets as of the beginning of the relevant year.

In the first half of 2025, according to the requirements of the accounting standards, the Group wrote off bad debts of RMB592,502,000 (among which, the written-off bad debts of the inclusive finance business amounted to RMB331,364,000), which were mainly distributed in the transportation & logistics, public consuming, machinery and other industries, accounting for RMB144,200,000, RMB130,057,000 and RMB127,917,000, respectively. Despite the Group's effort in collection through judicial means, actionable assets were unable to cover risk exposure of projects at the moment. Although at the moment the Group was required to write off the bad debts of the relevant non-performing assets pursuant to the requirements of the accounting standards, the Group did not terminate the disposal of assets, but continued to collect the payment through disposal of equipment/pledge, and exerting pressure on guarantors. From 2011 to the first half of 2025, the written-off bad debts amounted to RMB9,025,674,000, and RMB2,483,642,000 had been recovered. Among which, the accumulated written-off bad debts of the inclusive finance business amounted to RMB762,221,000, with reversal amount of RMB52,843,000.

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4.2.6.4 Interest-earning Assets (Overdue for More than 30 Days)

The following table sets forth the interest-earning assets (overdue for more than 30 days) as of the dates indicated.

	30 June 2025	31 December 2024	31 December 2023	31 December 2022
Overdue ratio (over 30 days)	0.90%	0.90%	0.91%	0.91%

The Group adhered to the prudent strategies of risk control and asset management. The Group's overdue ratio (over 30 days) was 0.90% as at 30 June 2025, which remained stable as compared to the end of 2024.

The following table sets forth the interest-earning assets (overdue more than 30 days) by industry as of the dates indicated.

	30 June 2025		31 December 2024	
	RMB'000	% of total	RMB'000	% of total
Healthcare	132,069	5.51%	377,908	16.08%
Culture & tourism	83,605	3.49%	179,191	7.62%
Engineering construction	69,277	2.89%	18,368	0.78%
Machinery	119,149	4.97%	72,071	3.07%
Chemical & medicine	204,064	8.52%	49,549	2.11%
Electronic information	120,096	5.01%	300,445	12.78%
Public consuming	103,720	4.33%	116,191	4.94%
Transportation & logistics	97,041	4.05%	315,077	13.40%
Urban public utility	1,466,466	61.23%	921,934	39.22%
Total	2,395,487	100.00%	2,350,734	100.00%

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The following table sets forth the interest-earning assets (overdue for more than 30 days) by classification as of the dates indicated.

	30 June 2025		31 December 2024	
	RMB'000	% of total	RMB'000	% of total
Pass	–	–	–	–
Special mention	204,857	8.55%	1,401,100	59.61%
Substandard	1,004,612	41.94%	131,942	5.61%
Doubtful	1,186,018	49.51%	817,692	34.78%
Loss	–	–	–	–
Total	2,395,487	100.00%	2,350,734	100.00%

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4.3 Asset-backed Securities/Notes-related Assets Items, etc.

In the first half of 2025, the Group did not sell interest-earning assets by issuing asset-backed securities/notes.

The following table sets forth the accumulated principal balances of interest-earning assets of off-balance sheet asset securitization that were not yet due as of the dates indicated.

	30 June 2025		31 December 2024		
	RMB million	% of total	RMB million	% of total	Change %
Healthcare	–	–	–	–	–
Culture & tourism	–	–	12	4.62%	–
Engineering construction	–	–	18	6.92%	–
Machinery	–	–	–	–	–
Chemical & medicine	–	–	9	3.46%	–
Electronic information	–	–	26	10.00%	–
Public consuming	–	–	15	5.77%	–
Transportation & logistics	–	–	19	7.31%	–
Urban public utility	–	–	161	61.92%	–
Total	–	–	260	100.00%	–

As at 30 June 2025, the Group did not have any balance of off-balance sheet asset-backed securities/notes.

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4.4 Liabilities (Overview)

As at 30 June 2025, total liabilities of the Group amounted to RMB304,321,722,000, representing an increase of RMB1,408,863,000 or 0.47% as compared to the end of last year, among which, the interest-bearing bank and other borrowings were the main component of the Group's total liabilities, accounting for 87.20% of the total, which decreased by 0.26 percentage point as compared to 87.46% as at the end of last year.

The following table sets forth the liability analysis as of the dates indicated.

	30 June 2025		31 December 2024		Change %
	RMB'000	% of total	RMB'000	% of total	
Interest-bearing bank and other borrowings	265,358,970	87.20%	264,918,183	87.46%	0.17%
Other payables and accruals	26,776,536	8.80%	26,089,001	8.61%	2.64%
Liabilities for continuing involvement	—	—	140,240	0.05%	-100.00%
Trade and bills payables	8,014,656	2.63%	7,865,619	2.60%	1.89%
Tax payables	1,031,128	0.34%	1,278,347	0.42%	-19.34%
Derivative financial instruments	654,767	0.22%	301,591	0.10%	117.10%
Deferred tax liabilities	664,951	0.22%	826,532	0.27%	-19.55%
Deferred revenue	879,994	0.29%	498,877	0.16%	76.39%
Lease liabilities	940,720	0.30%	994,469	0.33%	-5.40%
Total liabilities	304,321,722	100.00%	302,912,859	100.00%	0.47%

4.5 Interest-bearing Bank and Other Borrowings

Being faced with the complicated and ever-changing financial environment domestically and overseas, the Group adhered to the established strategy of "finance + industry", continued to consolidate reliable financing resources, optimized the debt structure, reduced financing costs, and thus made good progress in both direct financing and indirect financing, supporting the effective advancement of the Company's overall strategy.

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With respect to the direct financing market, the Group further expanded its issuance offerings, gave play to the unique characteristics of its assets, and optimized its product structure. Since 2025, the Group has issued multiple asset securitization products with the theme of inclusive finance including “small-and-micro enterprise high-quality development”, which formed positive synergies on assets side, and fully implemented the national economic development strategy to facilitate high-quality development of small, medium and micro-sized enterprises. The Group also issued US\$500 million three-and-half-year senior unsecured bonds, which were again oversubscribed in the international market, demonstrating its ability to acquire global resources.

With respect to the indirect financing market, the Group continued to strengthen its strategic cooperation relationship with various financial institutions in the financial and industrial segments, as well as in the domestic and offshore markets, in accordance with the strategic needs of the Company and in line with the policy directions of green, inclusive and technological innovation. In the first half of the year, the Company withdrew “green” club syndicated loans of US\$100 million, and contracted for “sustainable development” syndicated loans of US\$820 million, which would be used to support renewable energy, sewage treatment and energy efficiency upgrading. At the same time, by virtue of the Company’s robust operations and long-term close collaboration with banking partners, the cost of bank loans newly secured in the first half of the year saw a notable decline.

In conclusion, the Group had increasingly diverse financing methods with a continuously improving financing structure, and was able to secure its needs for resources in a sustainable and stable manner through flexible deployment across various channels, products and markets. Looking forward to the future, the Group is confident that with the robust operation momentum and profound financial market cooperation foundation, and can further improve its competitiveness on liability side.

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As at 30 June 2025, the total sum of the Group's interest-bearing bank and other borrowings amounted to RMB265,358,970,000, representing an increase of 0.17% as compared with RMB264,918,183,000 as at the end of last year. The Group's borrowings were mainly denominated in RMB and US\$.

The following table sets forth the distribution between current and non-current interest-bearing bank and other borrowings as of the dates indicated.

	30 June 2025		31 December 2024		Change %
	RMB'000	% of total	RMB'000	% of total	
Current	154,423,747	58.19%	145,565,880	54.95%	6.09%
Non-current	110,935,223	41.81%	119,352,303	45.05%	-7.05%
Total	265,358,970	100.00%	264,918,183	100.00%	0.17%

As at 30 June 2025, the Group's current interest-bearing bank and other borrowings (including short-term loans and portions that are due within one year in long-term loans) as a percentage of the Group's total interest-bearing bank and other borrowings was 58.19%, which increased as compared to the end of the previous year, mainly because the Group extended the term as appropriate and increased corresponding financing based on the Company's operational needs, while adhering to a prudent financing strategy, ensuring liquidity security and taking cost into account, in view of the gradual reduction in the remaining duration of its existing long-term loans.

The following table sets forth the distribution between secured and unsecured interest-bearing bank and other borrowings as of the dates indicated.

	30 June 2025		31 December 2024		Change %
	RMB'000	% of total	RMB'000	% of total	
Secured	65,141,227	24.55%	58,287,351	22.00%	11.76%
Unsecured	200,217,743	75.45%	206,630,832	78.00%	-3.10%
Total	265,358,970	100.00%	264,918,183	100.00%	0.17%

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The Group carefully managed its funding risk in the first half of 2025. As at 30 June 2025, the proportion of the Group's interest-bearing bank and other borrowings that were unsecured accounted for 75.45% of the Group's total interest-bearing bank and other borrowings, which decreased as compared to the end of the previous year, mainly because the Group continued to diversify its financing offerings and obtain better financing resources.

The following table sets forth the distribution of interest-bearing bank and other borrowings between bank loans and other loans as of the dates indicated.

	30 June 2025		31 December 2024		
	RMB'000	% of total	RMB'000	% of total	Change %
Bank loans	159,872,011	60.25%	156,929,511	59.24%	1.88%
Other loans	105,486,959	39.75%	107,988,672	40.76%	-2.32%
Total	265,358,970	100.00%	264,918,183	100.00%	0.17%

As at 30 June 2025, the Group's bank loans as a percentage to the Group's total bank and other borrowings increased as compared to the end of last year, mainly because the Group continuously deepened its cooperation with banks, demonstrating its long-term and prudent financing strategies.

The following table sets forth the distribution of interest-bearing bank and other borrowings between domestic and overseas as of the dates indicated.

	30 June 2025		31 December 2024		
	RMB'000	% of total	RMB'000	% of total	Change %
Domestic	217,101,256	81.81%	217,694,330	82.17%	-0.27%
Overseas	48,257,714	18.19%	47,223,853	17.83%	2.19%
Total	265,358,970	100.00%	264,918,183	100.00%	0.17%

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As at 30 June 2025, the proportion of the Group's domestic borrowings and other borrowings as a percentage to the Group's total borrowings was 81.81%, which decreased as compared with that at the end of last year as the Group moderately balanced between domestic and overseas financing channels to satisfy the funding needs.

The following table sets forth the distribution of interest-bearing bank and other borrowings based on the currencies as of the dates indicated.

	30 June 2025		31 December 2024		Change %
	RMB'000	% of total	RMB'000	% of total	
RMB	216,294,220	81.51%	209,135,497	78.94%	3.42%
US\$	23,195,798	8.74%	22,038,543	8.32%	5.25%
Borrowings in other currencies	25,868,952	9.75%	33,744,143	12.74%	-23.34%
Total	265,358,970	100.00%	264,918,183	100.00%	0.17%

As at 30 June 2025, the Group's activities in RMB accounted for 81.51% of its total interest-bearing bank and other borrowings, representing a slight increase from the end of last year as the Group continued to promote and consolidate RMB financing.

The following table sets forth the distribution of interest-bearing bank and other borrowings based on direct and indirect financing as of the dates indicated.

	30 June 2025		31 December 2024		Change %
	RMB'000	% of total	RMB'000	% of total	
Direct financing	81,184,744	30.59%	79,665,266	30.07%	1.91%
Indirect financing	184,174,226	69.41%	185,252,917	69.93%	-0.58%
Total	265,358,970	100.00%	264,918,183	100.00%	0.17%

As at 30 June 2025, the Group's direct borrowings accounted for 30.59% of the total, which increased as compared to the end of last year. Building on its continuous efforts to deepen engagement in the credit market, the Company secured additional financing resources with reasonable means upon comprehensive consideration of cost, duration, market environment and other factors, so as to further consolidate the resource base required for future development.

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4.6 Shareholders' Equity

As at 30 June 2025, the total equity of the Group was RMB59,477,894,000, representing an increase of RMB2,000,753,000 or 3.48% from the end of last year. During the year, the Company maintained safe and sound operation, striving to increase returns for shareholders, and ensuring the steady increase in the equity attributable to ordinary shareholders of the Company.

The following table sets forth the analysis of equity as of the dates indicated.

	30 June 2025		31 December 2024		
	RMB'000	% of total	RMB'000	% of total	Change %
Share capital	15,373,818	25.85%	13,098,930	22.79%	17.37%
Equity component of convertible bonds	272	–	144,785	0.25%	-99.81%
Reserve	35,625,165	59.90%	35,746,601	62.19%	-0.34%
Equity attributable to ordinary shareholders of the Company ⁽¹⁾	50,999,255	85.75%	48,990,316	85.23%	4.10%
Perpetual securities ⁽²⁾	–	–	–	–	–
Non-controlling interests	8,478,639	14.25%	8,486,825	14.77%	-0.10%
Total equity	59,477,894	100.00%	57,477,141	100.00%	3.48%

Notes:

- (1) The following table sets forth the change in the equity attributable to the ordinary shareholders of the Company in the first half of 2025.

	Equity attributable to the ordinary shareholders of the Company
31 December 2024	48,990,316
Profit for the period	2,163,585
Other comprehensive income	(1,157,987)
Dividend distribution	(1,175,451)
Conversion of convertible bonds	2,077,812
Other changes in equity	100,980
30 June 2025	50,999,255

The final dividend of HK\$0.30 per share for the year ended 31 December 2024 was approved at the annual general meeting on 14 April 2025 and paid on 6 May 2025. The interim dividend of HK\$0.25 per share for the six months ended 30 June 2025 was declared by the Board on 1 August 2025.

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(2) Issuance of perpetual securities.

As at 30 June 2025, the Group did not have outstanding perpetual securities. The Group may formulate future issuance plans based on market conditions and the Group's financing needs.

On 20 June 2025, the Board has updated the medium term note and perpetual securities programme. The Company may offer and issue notes and/or perpetual securities in series, with the aggregate nominal amount of notes and perpetual securities which may be outstanding at any time of up to US\$4,000,000,000 (or its equivalent in other currencies). Application has been made to the Stock Exchange for the listing of the programme for 12 months after 20 June 2025 whereby notes and/or perpetual securities may be issued by way of debt issues to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules")) only. For other details of the aforesaid offering and issuance of notes and/or perpetual securities in series, please refer to the relevant announcement and offering circular of the Company dated 20 June 2025.

4.7 Outstanding Guaranteed Convertible Bonds

As at 30 June 2025, the Group's outstanding convertible bonds include:

1. The bonds in the principal amount of US\$300,000,000 due 2025 issued by Universe Trek Limited, a wholly-owned subsidiary of the Company, on 8 July 2020 and guaranteed by the Company, convertible into fully paid ordinary shares in the issued and paid-up capital of the Company in accordance with relevant conditions, and bearing interest from and including the issue date at the rate of 2.5% per annum payable semi-annually. Based on the net proceeds from the issuance of such convertible bonds (after deducting the fees, commission and expenses) amounting to approximately US\$296.6 million, the net price of each conversion share of such convertible bonds amounted to approximately HK\$8.24 (at the predetermined exchange rate of US\$1.00 to HK\$7.7503). The convertible bonds were offered and sold to no less than six independent placees (who were independent individuals, corporates and/or institutional investors). The initial conversion price of the convertible bonds was HK\$8.33 per conversion share; the conversion price was adjusted to HK\$7.92 per conversion share on 31 July 2020 due to the payment of dividend; the conversion price was further adjusted to HK\$7.58 per conversion share on 30 June 2021 due to the payment of dividend; the conversion price was further adjusted to HK\$7.11 per conversion share on 30 June 2022 due to the payment of dividend; the conversion price was further adjusted to HK\$6.59 per conversion share on 30 June 2023 due to the payment of dividend; the conversion price was further adjusted to HK\$6.48 per conversion share on 22 January 2024 due to the payment of special dividend; the conversion price was further adjusted to HK\$5.96 per conversion share on 28 June 2024 due to the payment of dividend; the conversion price was further adjusted to HK\$5.72 per conversion share on 5 July 2024 due to the payment of special dividend; the conversion price was further adjusted to HK\$5.45 per conversion share on 16 October 2024 due to the payment of dividend; the conversion price was further adjusted to HK\$5.19 per conversion share on 6 May 2025 due to the payment of dividend. As at the end of 2021, the Company had used all net proceeds for working capital and general corporate purposes, consistent with the use of proceeds disclosed in the announcement of the Company dated 18 June 2020. Approximately US\$169.5 million was used for domestic

MANAGEMENT DISCUSSION AND ANALYSIS

business operations and approximately US\$127.1 million was used for working capital and other general corporate purposes. As at 30 June 2025, an aggregate principal amount of US\$300,000,000, representing 100% of the initial aggregate principal amount of the bonds had been redeemed and cancelled, among which, (i) as a result of the exercise of the conversion rights by the bondholders, an aggregate principal amount of US\$290,000,000, representing approximately 96.67% of the initial aggregate principal amount of the bonds, was converted at the conversion price of HK\$5.19 per share and cancelled in accordance with the conditions from May to June 2025, resulting in a total number of 433,061,070 shares being issued and credited as fully paid; and (ii) an aggregate principal amount of US\$10,000,000, representing approximately 3.33% of the initial aggregate principal amount of the bonds, was redeemed and cancelled by the Company in 2023 at the then prevailing conversion price of HK\$6.59 per share pursuant to exercise of put option by relevant bondholders in accordance with the conditions. As at 30 June 2025, there was no outstanding principal amount of such convertible bonds.

2. The bonds in the principal amount of US\$250,000,000 due 2026 issued by Universe Trek Limited, a wholly-owned subsidiary of the Company, on 15 June 2021 and guaranteed by the Company, convertible into fully paid ordinary shares in the issued and paid-up capital of the Company in accordance with relevant conditions, and bearing zero coupon. Based on the net proceeds from the issuance of such convertible bonds (after deducting the fees, commission and expenses) amounting to approximately US\$246 million, the net price of each conversion share of such convertible bonds amounted to approximately HK\$10.01 (at the predetermined exchange rate of US\$1.00 to HK\$7.7614). The convertible bonds were offered and sold to no less than six independent placees (who were independent individuals, corporates and/or institutional investors). The initial conversion price of the convertible bonds was HK\$10.20 per conversion share; the conversion price was adjusted to HK\$9.76 per conversion share on 30 June 2021 due to the payment of dividend; the conversion price was further adjusted to HK\$9.16 per conversion share on 30 June 2022 due to the payment of dividend; the conversion price was further adjusted to HK\$8.50 per conversion share on 30 June 2023 due to the payment of dividend; the conversion price was further adjusted to HK\$8.35 per conversion share on 22 January 2024 due to the payment of special dividend; the conversion price was further adjusted to HK\$7.69 per conversion share on 28 June 2024 due to the payment of dividend; the conversion price was further adjusted to HK\$7.38 per conversion share on 5 July 2024 due to the payment of special dividend; the conversion price was further adjusted to HK\$7.04 per conversion share on 16 October 2024 due to the payment of dividend; the conversion price was further adjusted to HK\$6.70 per conversion share on 6 May 2025 due to the payment of dividend. As at the end of 2021, the Company had used all net proceeds for working capital and general corporate purposes, consistent with the use of proceeds disclosed in the announcement of the Company dated 27 May 2021, approximately US\$95 million was used for repayment of bank loans and approximately US\$151 million was used for repayment of the US\$ floating rate notes issued in 2018. On 15 June 2024, the Company received a notice of exercise of the put option amounting to US\$249,100,000, representing 99.64% of the initial aggregate principal amount of the bonds, and redeemed and cancelled the relevant convertible bonds for a consideration equivalent to 106.15% of their principal amount according to the terms on 17 June 2024. As at 30 June 2025, the outstanding principal amount of such convertible bonds was US\$900,000.

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The above convertible bonds were issued at 100.00% of the principal amount of the bonds as the issue price, and were issued in registered form and in denominations US\$200,000 each and integral multiples of US\$1,000 in excess thereof. The proceeds from the bond issue can provide the Company with additional funding at lower cost to repay its existing debts and optimize its financing structure, to further strengthen the working capital for the Company, as well as potentially enhance the equity base of the Company.

For the principal terms and other details of the abovementioned convertible bonds, please refer to the relevant announcements of the Company dated 17 June, 18 June, 19 June, 8 July, 21 July, 24 November, 4 December and 7 December 2020, 27 May, 15 June, 16 June, 24 June, 20 July, 5 August, 6 August and 29 October 2021, 24 June and 28 October 2022, 20 June 2023, 22 January, 17 June, 7 July and 3 October 2024, and 25 April, 6 June, 13 June, 20 June, 24 June, 2 July and 3 July 2025.

(I) Adjustment of Conversion Price of the Convertible Bonds

	Effective date of conversion price adjustment	Original conversion price	Adjusted conversion price	Disclosure date	Explanation of conversion price adjustment
Convertible bonds issued in June 2021	6 May 2025	HK\$7.04	HK\$6.70	25 April 2025	Adjust the conversion price based on the 2024 final dividend payment
Convertible bonds issued in July 2020	6 May 2025	HK\$5.45	HK\$5.19	25 April 2025	Adjust the conversion price based on the 2024 final dividend payment

Impact of the Convertible Bonds on Earnings per Share and Share Dilution

As at 30 June 2025, the convertible bonds issued in July 2020 were fully converted. If the conversion rights attaching to the convertible bonds issued in June 2021 were fully exercised in accordance with relevant conditions, the Company would have issued 1,042,576 shares, representing approximately 0.02% of the issued share capital of the Company as at 30 June 2025 and approximately 0.02% of the issued share capital of the Company as enlarged by the issue of such conversion shares.

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The table below sets forth the dilution impact of the full conversion of the above convertible bonds on the shareholding of the substantial shareholders of the Company (having referred to the Company's shareholding structure as at 30 June 2025 and assuming no further shares would be issued by the Company):

Name of shareholder	As of 30 June 2025		Immediately following the full conversion of all convertible bonds	
	Number of shares	Approximate percentage of total issued shares ⁽ⁱ⁾	Number of shares	Approximate percentage of total issued shares ⁽ⁱⁱ⁾
Sinochem Group Co., Ltd.	919,914,440	19.31%	919,914,440	19.31%
KONG Fanxing ⁽ⁱ⁾	913,054,800	19.17%	913,054,800	19.17%
The holders of the Convertible Bonds issued on 15 June 2021	–	–	1,042,576	0.02%
Other shareholders	2,928,545,800	61.50%	2,928,545,800	61.49%
Total	4,761,515,040	100.00%	4,762,557,616	100.00%

Notes:

(i) As at 30 June 2025, these interests include (i) 1,670,000 shares held by Mr. KONG Fanxing; (ii) 42,436,903 vested restricted shares; and (iii) 868,947,897 shares whose voting rights Idea Prosperous Limited were entrusted to exercise, and Idea Prosperous Limited is a wholly-owned company of Mr. KONG Fanxing.

(ii) There may be a difference between the total and the sum of the sub-items due to rounding down to two decimal places.

Please refer to Note 8 to the financial statements for the impact on earnings per share as if the convertible bonds had been fully converted on 30 June 2025.

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(II) The Company's Liabilities, Credit Changes and Cash Arrangements for Debt Repayment in the Future

As at 30 June 2025, the Company's liabilities and credit status did not change significantly, and the credit ratings assigned to the Company by various credit rating agencies remained unchanged. The Company has sufficient cash flow. At the same time, the banks have granted sufficient credit lines to the Company. Even if investors hold the convertible bonds to maturity and require payment of the principal, the Company is fully capable of paying in cash.

(III) Analysis of the Implied Internal Rate of Returns

As at 30 June 2025, no conversion into shares had occurred for the convertible bonds issued on 15 June 2021. Based on the implied internal rate of returns of the abovementioned convertible bonds and other related parameters, the share price at which it would be equally financially advantageous for the bondholders to convert or redeem the revised conversion shares for the end of year 2025 was as below:

	As at 31 December 2025
Share price of the convertible bonds issued on 15 June 2021 (HK\$)	7.33

4.8 Events after the Reporting Period

On 2 July 2025, all outstanding bonds in relation to the convertible bonds issued on 8 July 2020 were fully converted into ordinary shares of the Company in accordance with the terms and conditions of the bonds and there are no outstanding bonds in issue. The bonds ceased to be listed on the Stock Exchange from the close of business on 8 July 2025 (i.e. the scheduled maturity date of the bonds under the conditions). For details, please refer to the announcements of the Company dated 2 July 2025 and 3 July 2025.

On 9 July 2025, the Company received a notice of exercise of the conversion rights amounting to US\$500,000 in relation to the convertible bonds issued on 15 June 2021, and conversion and issuance of new shares in accordance with the terms of the bonds.

MANAGEMENT DISCUSSION AND ANALYSIS

5. CAPITAL MANAGEMENT

The primary objective of the Group's capital management activities is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. In the first half of 2025, no change was made to the objectives, policies or processes for managing capital.

5.1 Gearing Ratio

The Group monitors its capital by gearing ratio. The following table sets forth the gearing ratios as of the dates indicated:

	30 June 2025	31 December 2024
	RMB'000	RMB'000
Total assets (A)	363,799,616	360,390,000
Total liabilities (B)	304,321,722	302,912,859
Total equity	59,477,894	57,477,141
Gearing ratio (C=B/A)	83.65%	84.05%

In the first half of 2025, the Group made full use of capital leverage for our operations to keep the Group's gearing ratio relatively high while at the same time closely managed the Group's gearing ratio to avoid potential liquidity risk. As at 30 June 2025, the Group's gearing ratio was 83.65%.

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5.2 Ratio of Assets at Risk to Equity

According to Article 27 of the Interim Measures for the Supervision and Management of Financial Leasing Companies issued by the China Banking Regulatory Commission in June 2020, the total risky assets of a financial leasing company must not exceed 8 times of the net assets.

As at 30 June 2025, the ratios of total assets at risk to net assets of International Far Eastern Financial Leasing Co., Ltd., Far Eastern Horizon (Tianjin) Financial Leasing Co., Ltd., Far Eastern Horizon Financial Leasing Co., Ltd., Far East Horizon Financial Leasing (Guangdong) Co., Ltd. and Far East Horizon Inclusive Financial Leasing (Tianjin) Co., Limited were 3.92, 4.10, 4.00, 4.39 and 2.79, respectively, which were in compliance with the ratio of assets at risk to equity requirements of the measures. The Group will ensure that all domestic finance leasing operations entities will continue to meet the above regulatory requirements through allocation of internal resources.

The following table sets forth the ratio of assets at risk to equity as of the dates indicated:

International Far Eastern Financial Leasing Co., Ltd. (遠東國際融資租賃有限公司)

	30 June 2025	31 December 2024
	RMB'000	RMB'000
Total assets	199,758,066	199,237,792
Less: Cash	13,114,739	12,670,493
Total assets at risk	186,643,327	186,567,299
Equity	47,655,893	45,682,934
Ratio of assets at risk to equity	3.92	4.08

Far Eastern Horizon (Tianjin) Financial Leasing Co., Ltd. (遠東宏信(天津)融資租賃有限公司)

	30 June 2025	31 December 2024
	RMB'000	RMB'000
Total assets	70,598,986	74,044,784
Less: Cash	5,443,513	5,706,625
Total assets at risk	65,155,473	68,338,159
Equity	15,873,634	19,895,447
Ratio of assets at risk to equity	4.10	3.43

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Far Eastern Horizon Financial Leasing Co., Ltd. (遠東宏信融資租賃有限公司)

	30 June 2025	31 December 2024
	RMB'000	RMB'000
Total assets	11,310,120	6,087,496
Less: Cash	2,054	27,052
Total assets at risk	11,308,066	6,060,444
Equity	2,824,926	3,767,516
Ratio of assets at risk to equity	4.00	1.61

Far East Horizon Financial Leasing (Guangdong) Co., Ltd. (遠東宏信融資租賃(廣東)有限公司)

	30 June 2025	31 December 2024
	RMB'000	RMB'000
Total assets	19,090,476	18,593,996
Less: Cash	394,094	283,166
Total assets at risk	18,696,382	18,310,830
Equity	4,259,729	3,907,199
Ratio of assets at risk to equity	4.39	4.69

Far East Horizon Inclusive Financial Leasing (Tianjin) Co., Limited (遠東宏信普惠融資租賃(天津)有限公司)

	30 June 2025	31 December 2024
	RMB'000	RMB'000
Total assets	10,427,908	9,644,589
Less: Cash	2,072,178	1,809,888
Total assets at risk	8,355,730	7,834,701
Equity	2,994,551	2,657,574
Ratio of assets at risk to equity	2.79	2.95

6. CAPITAL EXPENDITURES

The Group's capital expenditure was RMB3,070,033,000 as at 30 June 2025. Among which, investment in joint ventures/ associates was RMB2,057,583,000 and capital expenditure in the equipment operation segment was RMB824,817,000, which was primarily used for various business development initiatives of the Group and asset optimization and renewal of Horizon Construction Development.

MANAGEMENT DISCUSSION AND ANALYSIS

7. RISK MANAGEMENT

7.1 Credit Risk

Confronted by a bewildering and complex external environment, the Company upholds a comprehensive, prudent, proactive and forward-looking approach in risk management to safeguard high-quality business development with high standards of safety. Staying focused on risks, the Company continuously refines its governance structure which is rationally divided, clearly delineated in terms of authority and responsibility, balanced in risk oversight, functionally independent, and yet highly synergistic. The Company remains unwavering in its founding mission of serving the real economy with its financial services, by closely monitoring shifting circumstances, and ceaselessly optimizing and adjusting the allocation of capital and the composition of assets as when and where appropriate. The Company persistently strengthens the credit review of the Group's customers, ensuring that risks receive comprehensive visibility, crystal-clear insight, accurate comprehension, deep foresight, precise prevention, and rock-solid defense. Upholding the philosophy that compliance reduces risk and creates value, the Company actively adapts to the new landscape of financial regulation, employs multiple measures to enforce strict management, refines and improves operational oversight, and firmly guards the red lines of compliance and the bottom lines of operational conduct. The Company continuously enhances the empowerment of financial technology in management and operations, so that the precision and effectiveness of the digital, intelligent, and mobile risk-control middle platform are further elevated. By exploring the application of advanced and cutting-edge financial technologies, the Company ensures that risk management remains appropriately forward-looking. At the same time, the Company is resolutely guarding against the security challenges posed by advanced technologies.

In the first half of 2025, the Company achieved effective risk prevention and control, with a steady improvement in asset quality, and maintained robust business development, with steady progress made in operations.

I. Adopting a comprehensive, prudent, proactive and forward-looking approach to safeguard high-quality development with the highest standards of safety

The Company regarded asset safety as the lifeline of its survival and development as always. It upheld a safety-first risk management philosophy, treated risk prevention and control as its top priority, and ensured that its development rested upon a foundation of asset safety and that every business initiative was pursued only within the scope of risk control. By assuming risk in a measured manner, the Company secured reasonable returns and achieved long-term value and sustainable corporate growth with uncompromising asset quality.

The Company upheld the principle of "full-process, all-round, multi-dimension and uninterrupted" in pursuit of comprehensive, prudent, proactive and forward-looking risk management. As a result, its risk indicators were at a relatively low level among its industry peers, safeguarding high-quality development with high standards of safety.

MANAGEMENT DISCUSSION AND ANALYSIS

Comprehensive: The Company continued to improve the framework of comprehensive risk management by continuously strengthening the management of all employees, all segments, all products and all processes. Through a management matrix that reaches horizontally to every edge and vertically to every depth, the Company carried out continuous review and management enhancement, ensuring total coverage without gaps, blanks, or dead angles and achieving zero omissions of major risks. Aligned with a customer-oriented business philosophy, the Company further enriched the substance of risk management by incorporating the entire customer life cycle into its scope of risk management.

Prudent: The Company embraced a philosophy of steady business development and a prudent stance in risk appetite, and insisted on conducting business only on the premise of compliance. Employing bottom-line thinking and extreme-scenario analysis, the Company prepared fallback plans and reinforced four lines of defense covering before, during and after credit approval, as well as audit and internal control review. The Company fostered the professionalism of objectivity, independence and accountability, and conducted its business operations only when it could identify and manage risks. In the first half of the year, in response to the changes in business development, the Company adjusted its risk management policies and regulations, optimized management and control parameters for the public-sector portfolio, and refined rating and transaction-related rules for the market-oriented portfolio to align business development with risk management needs. When granting credit to the Group's customers, the Company carried out thorough credit review and management to ensure that overall risk remains under control. The risk control team was optimized and upgraded, thereby further strengthening overall risk control capability.

Proactive: The Company proactively adapted to external regulatory requirements, strengthened the transmission of regulatory policies for internal adaptation, actively monitored compliance incidents both inside and outside the Company, and conducted proactive internal training and education. Through dynamic and effective management of risk budget targets and risk control strategies, the Company proactively guided the direction of risk management and control throughout the year, constrained execution, and reduced operational deviations. The Company implemented differentiated risk strategies based on proactive customer stratification. The Company granted credit to customers with sound credit status in advance to improve the efficiency of granting credit. Risk management and control were introduced at an earlier stage of credit granting. The Company strengthened the proactive and preventive management of risks at the first and second lines of defense for credit approval. Adhering to the principles of early identification, early warning, and early disposal, the Company further refined its early-warning and monitoring mechanism for risk indicators. The results of risk monitoring results were embedded in the credit granting process to guide evaluation, analysis, and risk judgment. The Company continued to make concerted efforts in joint prevention and control, and mobilized all employees to proactively and actively participate in risk management.

MANAGEMENT DISCUSSION AND ANALYSIS

Forward-looking: The Company continued to highlight the forward-looking and guiding role of research in risk management. It strengthened its research at the macro and meso levels to anticipate the direction and trend of systemic and structural development in industries, regions and customer groups, make swift responses to external changes and risk shocks, formulate effective management and control strategies, improve management tools, and carry out systemic risk prevention, such that it could make proactive efforts to get prepared in advance to achieve earlier warning. The Company has introduced the “Sky-Eye System”, which provides credit-approval officers with full access to macroeconomic and industry-research reports. During the project approval process, this system enables more precise anticipation and understanding of industry trends, regional strategies, and peer information, thereby enhancing officers’ ability to foresee and pre-judge risks.

II. Maintaining clearly defined authority and responsibilities with effective checks and balances to refine a risk-focused governance structure

The Company continued to strengthen the top-level design of risk management, and further refined a governance structure that is rationally divided, clearly delineated in terms of authority and responsibility, balanced in risk oversight, functionally independent, and yet highly synergistic. In strict accordance with the principle of “extending horizontally to every edge and vertically to every depth,” the Company consolidated and continuously reinforced a “matrix-style” risk management organizational structure.

As the highest decision-making level of risk management, the Board determined the strategic direction of the Company’s operation and management to ensure that risk management was in line with the strategic objectives, and safeguarded the independence and professionalism of external directors. The Audit and Risk Management Committee organized and carried out professional audits of the submitted proposals, with members from the front, middle and back office departments related to the proposals, including the management and the grassroots, and maintained regular and dynamic updates. The Risk Management Department was responsible for the implementation of the risk policies and the daily risk management operations. The Audit Department was accountable to and reported to the Board, and was independent of business and risk control, and conducted independent audit supervision and reporting on the effectiveness of business operations and the risk management system.

The Company continued to reinforce the four lines of defense: business onboarding, risk identification and prevention, asset monitoring and disposal, and internal control. The risk control department was independent of the business departments and reported to the Company’s leaders in charge of risk management and business operations respectively, thereby achieving effective functional segregation. Mutual checks and balances between business and functional management jointly fostered the achievement of risk management objectives.

The Company continued to refine the risk governance system applicable to the Group and to its parent-subsidiary structure, ensuring unified management and mutual risk governance. It clearly defined the risk management objectives for each category within each subsidiary, optimized risk reporting mechanisms and reporting pathways, and strengthened both thorough management and process management, while placing particular emphasis on reinforcing risk management for key subsidiaries and key business segments.

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III. Acting as when and where appropriate to maintain moderate diversification and prudent balance in the asset portfolio

The Company remains unwavering in its founding mission of serving the real economy with its financial services, by closely monitoring shifting circumstances, and ceaselessly optimizing and adjusting the allocation of capital and the composition of assets in industries, regions and customer groups as when and where appropriate, thereby strengthening the alignment of its operations with national industrial policies and regional development strategies.

Focus on advantageous sectors and distinctive industries. In response to national policy directives aiming at expanding domestic demand, boosting consumption, fostering new quality productive forces, and building a modern industrial system, the Company pursued “Five Key Areas of Finance”: technology finance, green finance, inclusive finance, pension finance, and digital finance. It actively supported large-scale equipment upgrades and consumer-goods trade-in programs, pursued the implementation of major national strategies and the construction of security capacity in key areas, and supported major water-conservancy projects as well as infrastructure such as railways, highways, airports and ports. It provided active support for the projects in the safety and security sectors such as energy, food, and the supply chain industry chain, and encouraged investment in new-type infrastructure, new energy, new materials, next-generation information technology, bio-medicine, integrated circuits, high-end equipment, and other advanced manufacturing, as well as artificial intelligence, thereby empowering new quality productive forces and a modern industrial system. The Company facilitated the high-end, intelligent and green transformation of manufacturing. It encouraged participation in fundamental consumption and in cultural and tourism consumption while supporting medical care, education, public transportation, water, electricity and gas and other domestic demand-oriented and livelihood-oriented fundamental industries. It also supported the urbanization of new urban agglomerations and Yangtze River economic belts, as well as infrastructure construction for rural revitalization, and actively explored investment opportunities in the low-altitude economy. The Company gave priority to industries with low cyclicity, stable growth, and sound asset quality. For emerging and future industries that still lie in an exploratory phase but have clear development paths and relatively high commercial viability, the Company employed equity, equity-plus-debt, and fund products to effectively manage risks.

Focus on key regions and core cities. The Company devoted its full strength to serving the nation’s coordinated regional development strategies: the coordinated development of the Beijing-Tianjin-Hebei region, the construction of the Guangdong-Hong Kong-Macao Greater Bay Area, the integrated development of the Yangtze River Delta, the Chengdu-Chongqing economic circle, the rise of central China, the comprehensive revitalization of northeast China, and the large-scale development of western China. The Company built and continuously iterated the urban energy level model, and carried out hierarchical and classified management of regional economic capacity and vitality in terms of development prospects and economic benefits. The Company conducted customer development and cooperation in prioritized regions and cities at high energy levels. The Company insisted on focusing on national key core economic belts and core cities, and then extended influences to quality second – and third-tier cities, thus forming a large asset allocation strategy along rivers and coasts. Taking full account of the resource endowments and economic characteristics of each region, the Company pursued business cooperation on a “city-specific” policy basis, while gradually exploring effective cooperation pathways in key node cities along the Belt and Road Initiative.

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Focus on viable and resilient customers. Guided by a customer-oriented philosophy, the Company continued to identify, manage, maintain and upgrade the quality of viable customers. It concentrated on customers that will remain viable in future, i.e., those who have been engaged in their core businesses for a long term, persistently focus on market demand, are relatively well governed, capable of transcending industry cycles, endowed with core competitive advantages and brand strength, characterized by robust operating cash flows, and possess reasonable debt levels and debt structures. The Company deepened customer cultivation, with a focus on national-level industrial clusters and regional pillar or distinctive industries, and carried out customer development according to region-specific strategies tailored to local realities. It maintained a list of customers to tap into viable customers in a targeted manner. For high-quality customers, the Company extended proactive credit approval, ensuring precise and efficient marketing under the premise of controlled risk. By serving both enterprises and entrepreneurs across their full life cycles, the Company continuously consolidated and enhanced customer stickiness, expanded product coverage, and steadily reinforced high-quality development.

The Company implemented quota management in three dimensions: industry, region and customer. Its control strategies were dynamically optimized and adjusted as they were implemented. The assessment mechanism for risk appetite continued to improve to increase the traction and binding management of risk appetite. The Company optimized the flow of its funds, and improved the efficiency of resource allocation and capital utilization to maintain moderate diversification of its asset structure in industries, regions and customer groups, thereby forming a more reasonable and balanced asset layout.

IV. Conducting professional analysis and precise control to continuously reinforce credit review for group customers

The proportion of group customers in the portfolio significantly increased. By achieving full visibility and clarity during client onboarding, deep understanding and insight during review, and tight defense and steadfast safeguarding during prevention, the Company applied professional and precise risk controls that strongly protected its asset safety.

Onboarding – viewing the group as a whole and clearly identifying customer issues

The Company not only collected consolidated statements of a group, but also obtained the statements of the group company and financial statements of subsidiaries as supplementary information for key targets included in the assessment. The Company also collected non-financial information such as the group's shareholding structure, governance structure and organizational structure. Taking into account the requirements of completeness and significance, information on assets and operations, key investments and targets for financing cash flows, as well as information on affiliated targets with large amounts of capital exchanges and frequent transactions with the core targets could also be included in the overall analysis.

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Regional information verification was intensified through continuously improving information verification methods and on the basis of strengthening industry analysis and upstream and downstream cross-verification. The Company cooperated with customers' local capital providers, customers' upstream and downstream, as well as local governmental agencies, to comprehensively understand customers' creditworthiness, and clearly identify customers' operational and financial issues, thus continuously improving the 360 risk view. The Company insisted on a negative list and cross-verification due to the high risk of information asymmetry and weak risk resistance of some enterprises.

Review – understanding industries and customers, and reaching the essence of affiliated parties and risks

During review, quality control reviewers must understand both industries and customers, examine customers' operational and financial health from an industry perspective, and reach the essence of affiliated parties and risks to render professional judgments.

Group customers often span numerous industries. For this reason, the Company assigned industry-specific quality control reviewers to lead credit review for such customers. Complex cases were routed to the primary industry reviewer; other industry reviewers were consulted for joint review. For even more complicated cross-industry projects, a major-project review process was triggered, in which industry experts from relevant fields conducted a joint diagnosis through multiple stages and from all angles, ensuring precise understanding of industry trends and risks.

Group customers have high-level requirements for consolidation of financial statements, and high complexity of overall assessment. Quality control reviewers may, by analysing the financial statements of the parent company, subsidiaries, and other affiliates, quantitatively assess the group's overall financial condition and operating results. They understand the business model, profit characteristics, and financial performance, and comprehensively evaluate debt-servicing capacity. They also form accurate qualitative assessments of management quality, operating strategy, and market competitiveness. By integrating quantitative and qualitative analysis and drawing on extensive expert experience, reviewers ensure that they truly understand both industries and customers.

The Company accurately identified the related relations of group customers and reasonably defined the scope of the targets under assessment; assessed a group's overall risk capacity, reasonably allocated credit limits, and prevented excessive credit limits and over-concentration of risks. The Company recognized the related relations between a group and its subsidiaries and the strength of their relations through information on shareholding relationship, decision-making chains, personnel appointments and dismissals, and financial coordination. The targets with strong related relations are included in the scope of the targets under assessment for overall analysis.

The Company was capable of identifying the underlying risks – such as ambiguous control rights, weak corporate governance, information inaccuracy, affiliated benefit transfers or fund misappropriation, multiple credit extensions and concentration risks, cross-industry homogeneous risk overlaps, unrelated diversification and management risks, investment failures and debt accumulation risks, mutual guarantee risks, short-term borrowing for long-term investments, and liquidity risks – even under constrained time and limited information, by meticulously dissecting complexities and cutting through the obscurities.

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Prevention – accurately targeting risks and stoutly defending the lines of defense

The Company possessed an accurate grasp of every type of risk and a rational understanding of both the probability of occurrence and the potential impact. No unknown risk was overlooked, and no material risk was omitted.

For known risks, the Company scientifically selected appropriate risk-mitigation tools. Through careful choice of credit subjects, control of credit limits, arrangement of repayment maturities and schedules, and implementation of collateral and guarantees, the Company effectively hedged various risks. For major projects, escape routes were designed and a “dual-insurance” model was activated.

The Company managed credit limits in a tiered and thorough manner at the group level to ensure that the overall exposure remains under control. It gave full consideration to the reasonableness, practicality, and effectiveness of collateral and guarantees. The Company continuously improved post-credit monitoring and review mechanisms for group customers, strengthening the continuity, specificity, and effectiveness of follow-up analysis.

Each of the above stages performed its distinct role, interlocking precisely and operating seamlessly. In the first half of 2025, the Company recorded no major risk events involving group customers.

V. Multi-pronged and strict management: resolutely safeguarding the red lines of compliance and the bottom lines of operational conduct

Guided by the philosophy that compliance reduces risk and creates value, the Company proactively adapts to the new landscape of financial regulation. Employing a multi-pronged and rigorously tightened approach, it continuously optimizes operational management and steadfastly guards the red lines of compliance and the bottom lines of operational conduct.

Rigorous management with clearly stated “two lines”. Adopting bottom-line thinking, the Company tightened operational management, tightened the definition of red lines and bottom lines, tightened the supervision of every operational step, and tightened accountability along every line, increasing the severity of penalties. It tracked external regulatory changes in real time, internalized external rules, and adjusted and explicitly stated the red lines of compliance and the bottom lines of operational conduct. The Company timely and systematically sorted out employees’ job compliance and performance requirements, common non-compliance risks, and prohibitive requirements, and strengthened the publicity and guidance through the special courses on compliance and internal control, ensuring that “there is a law to be followed, the law must be followed, law enforcement must be strict, and violations of the law must be investigated”. The Company conducted compliance training and communication among all employees. The Company organized employees to carry out self-assessment and peer assessment, guided employees to carry out problem analysis and rectification, maintained good professional conduct, and internalized the concept of compliance and externalized it in practice

MANAGEMENT DISCUSSION AND ANALYSIS

Strengthened defenses and imposed clear responsibilities. The Company continued to strengthen the due diligence before credit granting, evaluation during credit granting and asset inspection after credit granting as three lines of defense, and improved the operational quality of the front-line due diligence before credit granting. The Company continued to consolidate the standard system of position responsibilities, job contents and operation process throughout credit granting, and strengthened the roles of self-inspection and mutual inspection on correction. For key personnel, including both new and existing employees as well as specialized roles, the Company reinforced operational and managerial accountability while strengthening oversight of their duties. The Company strengthened supervision and checks, and reinforced the entire process checks and balances and supervision and management of incompatible positions, and put an end to the supervision dead ends. The Company fortified the entire process walkthrough test and key-link and key-process supervision and inspection.

Line-wide accountability with a “three musts” principle. The Company strictly held operators, managers and leaders accountable for any risk incident across the entire line, prohibited “promoting employees despite known misconduct, and summed up internal and external cases of violation to carry out opposite education with bad examples to prevent check erroneous ideas at the outset. The Company adhered to a problem-oriented approach to operation and management. The Company managed problems according to the “three-step” methodology of identifying, analyzing, and solving problems. It adhered to the “three musts” principle of in the process of problem solving. When investigating and handling problems, the Company adhered to the principle that the Company must analyze the cause of a problem clearly, take practical preventive measures, and educate the responsible persons and employees, to ensure that the problem was ultimately resolved and the management and operation were optimized and improved, and staff competence was elevated.

Long-term management and continuous improvement. The Company strengthened the implementation of management and control measures such as the suspension and restoration of business qualifications, the penalty cards for operational quality, and the targeted publication of operational reminders and risk warnings, and reinforced the long-term operation and management measures such as the linkage between operational quality and performance, so as to closely integrate the results of operational penalties and the hiring mechanisms and enhance the pertinence and effectiveness of linking personnel and matters. The Company launched management enhancement activities on a regular basis, and inspected and made up for the shortcomings in a systematic manner. The Company strengthened the tracing of the root causes of risks, and fortified the communication mechanism for complicated cross-post operation problems. The Company also continued to conduct all-staff training and communication on the positive and negative cases, focused on the old and new problems during operation, and applied the problem reflection and improvement measures to future management and operation.

The Company advanced the business continuity management system, refined its management systems, optimized operational mechanisms, conducted business impact analyses, refined emergency plans, and carried out business continuity drills to enhance its ability to maintain continuous operations.

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VI. Digital, intelligent, mobile, forward-looking and safe development: technology empowering risk control scenarios of various products across the Group

By continuously optimizing and iterating its business systems, the Company reinforced the application of financial technology and its empowerment role in management, fostering an effective integration of group-wide operations with cutting-edge technologies. The precision and effectiveness of the digital, intelligent, and mobile risk control middle platform were further elevated. Through the exploration of advanced and forward-looking financial technologies, the Company ensured that risk management remains appropriately proactive. Besides, the Company is steadfastly addressing the security challenges posed by these advanced technologies.

Digital development. The Company continued to refine its database, integrating data from various sources in a unified manner to consolidate the digital foundation required for future business and risk control needs across the Group. Ongoing data governance initiatives enhanced data quality. Building upon standardized product lines, the Company mapped out and implemented ecosystem-based and scenario-based evolutions. Unified management of data interfaces broke down data silos, enabling greater possibilities, flexibility and redundancy for cross-border business ecosystem synergies.

Intelligent development. By accessing broader data resources, the Company provided more accurate inputs for AI-driven data analysis and model ratings. It strengthened biometric technologies such as image and voice recognition, continuously refined machine learning based on user behaviour, and optimized algorithms to improve real-time dynamic alerts and AI-assisted decision-making. The Company fully integrated intelligent risk 360° views, risk control scenarios, and risk management tools. Furthermore, it enhanced its online management system to cover multi-customer profiles, all business entities, full product offerings, and end-to-end lifecycles, enabling intelligent, model-driven, automated, cloud-shared, and fully closed-loop risk control mid-office operations with tiered management and cross-functional collaboration.

Mobile development. The Company developed cross-platform, portable, and mobile-ready applications for smartphones, tablets, desktops and other devices, ensuring seamless business operations and risk management. In addition to daily online interactions, an intuitive offline-operation version was created to improve efficiency, enabling anytime, anywhere, and around-the-clock usage across diverse business scenarios.

Forward-looking development. The Company continuously explored multi-scenario applications of advanced technologies such as big data, blockchain, and DeepSeek AI. Through automated multi-dimensional data analysis, supplemented by its expertise in quality control, the Company further strengthened its risk control ability of “predicting the future based on the past”, enhancing predictive judgment.

Safe development. While the development of artificial intelligence empowers security defenses, it also introduces higher and more complex cybersecurity and data security demands. The Company continued to conduct effective identification, scientific evaluation, real-time monitoring, and proactive defense against information technology risks, maintaining them at reasonable levels. Strict data security responsibilities were enforced, ensuring full lifecycle protection of customer data and comprehensive information security. In the first half of 2025, the Company recorded no major network or information security incidents.

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7.2 Interest Rate Risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's interest-bearing bank and other borrowings and lease receivables and other loans.

A principal part of the Group's management of interest rate risk is to monitor the sensitivity of projected net interest income under varying interest rate scenarios (simulation modelling). The Group aims to continuously monitor the impact of prospective interest rate movements which could reduce future net interest income, while actively using interest rate swaps and other financial instruments to hedge interest rate risk exposure. The distribution of interest rate sensitive assets and liabilities of the Group is as follows:

	As of 30 June 2025	As of 31 December 2024
	RMB'000	RMB'000
Variable interest-earning assets	447,240	381,459
Variable interest-bearing liabilities	(114,690,400)	(113,020,111)
Monetary funds and others	28,952,524	30,495,037
Derivative financial instruments	49,058,893	53,594,294
Net exposure	(36,231,743)	(28,549,321)

The table below demonstrates the sensitivity to a reasonably possible change in interest rate, to the Group's profit before tax with all other variables held constant. The sensitivity of the profit before tax is the effect of the assumed changes in interest rates (such as the RMB loan market quoted interest rates) on profit before tax, based on the financial assets and financial liabilities held at the end of each reporting period subject to re-pricing within the coming year.

	Increase/(decrease) in profit before tax of the Group	
	As of 30 June 2025	As of 31 December 2024
	RMB'000	RMB'000
Change in basis points		
+100 basis points	(48,649)	(40,610)
– 100 basis points	54,002	51,226

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7.3 Foreign Exchange Risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange relates primarily to the operating activities of the Group (when receipt or payment is settled using a currency that is different from the functional currency).

The Group conducts its businesses mainly in RMB, with certain transactions denominated in US\$, and to a lesser extent, other currencies. The Group's treasury operations exposure mainly arises from its transactions in currencies other than RMB. The Group adopted prudent foreign exchange risk management which hedges risk exposures one by one under comprehensive risk exposure management. The Group proactively hedged against foreign exchange exposure based on the currency and terms through using the operation of financial instruments such as foreign exchange forwards and currency swaps. According to relevant statistics, as at 30 June 2025, the Group's actual exposure to foreign exchange risk approximately amounted to approximately US\$6,391 million, hedges against foreign exchange exposure amounted to approximately US\$6,274 million with the hedge ratio (percentage of the aforesaid two items) of approximately 98.16% (approximately 96.09% as at 31 December 2024). The Group's actual exposure to foreign exchange risk is limited.

The table below demonstrates the effect of reasonable potential changes in exchanges rates of RMB arising from actual exposure to foreign exchange risk, with all other variables held constant, on the Group's equity interest.

		Increase/(decrease) in equity interest of the Group	
	Change in RMB exchange rate	As of 30 June 2025	As of 31 December 2024
		RMB'000	RMB'000
Effect on the profit before tax	+1%	8,423	18,632

The effect above was based on the assumption that the Group's foreign exchange exposures as at the end of each reporting period are kept unchanged and the average percentage of foreign exchange exposure with hedges remained as above so as to calculate the effect of exchange rate change on equity interest.

MANAGEMENT DISCUSSION AND ANALYSIS

7.4 Liquidity Risk

Liquidity risk refers to the risks that the Group will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or other financial assets.

The Group manages its liquidity risk through daily monitoring with the following objectives: maintaining the stability of the leasing business, projecting cash flows and evaluating the level of current assets, and maintaining an efficient internal fund transfer mechanism to ensure liquidity of the Group. The following table sets forth the Group's liquidity-related indicators as of the dates indicated.

	30 June 2025	31 December 2024
Liquidity coverage ratio ⁽¹⁾	269.56%	255.03%
Proportion of short-term liabilities ⁽²⁾	58.38%	55.34%
Liabilities/total credit lines ⁽³⁾	56.90%	57.17%

Notes:

- (1) Liquidity coverage ratio = (position + collection of lease payments within one month)/rigid payment outflows within one month;
- (2) Proportion of short-term liabilities = (interest-bearing liabilities due within one year + bills payable due within one year)/(interest-bearing liabilities + bills payable + convertible bonds);
- (3) Total liabilities/credit lines = (interest-bearing liabilities + bills payable + convertible bonds)/total credit lines.

MANAGEMENT DISCUSSION AND ANALYSIS

The table below summarizes the maturity profile of the Group's financial assets and liabilities based on the contractual undiscounted cash flows.

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Undated	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 30 June 2025							
Total financial assets	18,490,064	48,287,728	116,148,308	130,311,584	3,316,930	3,464,390	320,019,004
Total financial liabilities	801,667	52,096,816	125,318,251	128,700,000	6,309,669	–	313,226,403
Net liquidity gap	17,688,397	(3,809,088)	(9,169,943)	1,611,584	(2,992,739)	3,464,390	6,792,601
As at 31 December 2024							
Total financial assets	23,152,173	53,443,927	129,036,978	128,106,337	3,302,447	2,927,678	339,969,540
Total financial liabilities	2,839,175	52,016,681	103,466,846	139,285,264	6,858,033	–	304,465,999
Net liquidity gap	20,312,998	1,427,246	25,570,132	(11,178,927)	(3,555,586)	2,927,678	35,503,541

7.5 Operational Risk

The Group continuously enhanced the internal control mechanism of various industrial groups and continued to improve the management over HSE major risks. The Group further strengthened the headquarters' effectiveness of implementation of policies and professional guidance and management, ensuring that the overall operational process risks were under control.

8. CHARGE ON GROUP ASSETS

The Group had lease receivables of RMB55,973,124,000, long-term receivables of RMB192,307,000, financial assets at fair value through profit or loss of RMB7,495,013,000, cash of RMB10,642,058,000, and property, plant and equipment of RMB8,229,766,000 as at 30 June 2025 in order to secure or pay the bank borrowings.

MANAGEMENT DISCUSSION AND ANALYSIS

9. MATERIAL INVESTMENTS, ACQUISITIONS AND DISPOSALS

In the first half of 2025, the number of hospitals controlled by the Group was 26 with the actual number of beds available amounting to approximately 10,000, respectively. A nationwide hospital operation network covering Eastern China, Southern China, Northern China, Southwest China, and Northeast China had been formed. The Group continued to adjust its business structure, optimize asset efficiency, and accelerate strategic upgrading and transformation. Under the operation of “One system, One network, One hospital” and for the future operation vision, the Group will include the above hospitals in the unified operation and management model, and under the main theme of discipline development and construction, efforts will be made to increase the core competitiveness of the hospitals and achieve higher income. For further details, please refer to the discussion and analysis in item 14 of this section.

In the first half of 2025, the Group operates one non-compulsory school. The Company insists on a high-quality positioning of school operations, and takes the responsibility of cultivating elites for the society. Its high schools have formed a good brand in the local area and are widely recognized by parents. The high school attained excellent results regarding further studies, with an admission rate of over 95% for the top 100 universities in the world, and have helped outstanding students to enter top schools such as Oxford, Cambridge and Ivy League for successive years.

In the first half of 2025, the Group did not conduct any material investment as defined under Rule 32(4A) of Appendix D2 of the Listing Rules or any material disposal or acquisitions as defined under Rule 32 (5) of Appendix D2 of the Listing Rules.

10. HUMAN RESOURCES

As of 30 June 2025, the Group had 18,432 full-time employees (including 4,275 employees for finance business, among which 1,990 employees for inclusive finance business; and 14,157 employees for industrial operation), a decrease of 739 full-time employees as compared to 19,171 (including 3,694 employees for finance business, among which 1,458 employees for inclusive finance business; and 15,477 employees for industrial operation) as at the end of 2024.

The Group believes it has a high quality work force with specialized industry expertise. As at 30 June 2025, approximately 65.4% of the Group’s employees had bachelor’s degrees or above, and approximately 8.4% had master’s degrees or above.

MANAGEMENT DISCUSSION AND ANALYSIS

10.1 Incentive Schemes

The Group has established effective employee incentive schemes to correlate the remuneration of our employees with their overall performance and contribution to the Company rather than operating results, and have established a merit based remuneration awards system. Employees are promoted not only in terms of position and seniority, but also in terms of professional classification. Our senior employees are reviewed every quarter on the basis of, among other criteria, their performance as business leaders to achieve stipulated performance targets (such as budget targets) and their risk management capabilities on the operational matters under their charge.

With a view of promoting the Group to establish and complete the medium-long term stimulation and restriction system for fully arousing the enthusiasm of the management, attracting and retaining the excellent management talents, and effectively integrating the interests of Shareholders, the Company and the management to guarantee the long-term, stable and healthy development, the Board of the Company considered and passed the program of setting up the equity incentive plans (including the share option scheme and restricted share award scheme) in 2014, 2019 and 2024.

The Company adopted a share option scheme (the “2014 Share Option Scheme”) on 7 July 2014. Since the total share options under the 2014 Share Option Scheme had been fully granted, on 5 June 2019, the Company adopted a new share option scheme (the “2019 Share Option Scheme”) to incentivize and reward the selected participants thereunder. The Company also adopted a restricted share award scheme (the “2014 Restricted Share Award Scheme”) on 11 June 2014 and made certain amendments to such scheme on 2 June 2016 and 20 March 2019. For details of the 2014 Share Option Scheme and the 2019 Share Option Scheme, please refer to the 2019 annual report of the Company. For details of the 2014 Restricted Share Award Scheme, please refer to the announcements of the Company dated 11 June 2014, 2 June 2016 and 20 March 2019.

As all restricted shares and all share options under the 2014 Restricted Share Award Scheme and the 2019 Share Option Scheme have been fully granted, the Company has adopted a new restricted share award scheme (the “2024 Restricted Share Award Scheme”) on 13 March 2024, and a new share option scheme (the “2024 Share Option Scheme”) on 5 June 2024. For details of the 2024 Restricted Share Award Scheme, please refer to the announcement of the Company dated 13 March 2024. For details of the 2024 Share Option Scheme, please refer to the announcements of the Company dated 13 March 2024 and 5 June 2024, as well as the circular dated 2 May 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

10.1.1 2014 Share Option Scheme

During the reporting period, no options were granted under the 2014 Share Option Scheme. A summary of the movements of the outstanding share options under the 2014 Share Option Scheme during the reporting period is as follows:

Grantee	Date of grant	Vesting period (Note 1)	Exercise period (Note 2)	Exercise price per share HK\$ (Notes 3 to 7)	Outstanding as at 1 January 2025	Number of share options				Outstanding as at 30 June 2025
						Granted (Note 9)	Exercised (Note 8)	Lapsed	Cancelled	
KONG Fanxing CEO and executive Director	11 July 2014	11 July 2016 - 11 July 2018	11 July 2016 - 11 July 2024	5.86	-	-	-	-	-	-
KONG Fanxing CEO and executive Director	3 July 2015	3 July 2017 - 3 July 2019	3 July 2017 - 3 July 2025	7.17	1,856,913	-	-	-	-	1,856,913
KONG Fanxing CEO and executive Director	15 June 2016	15 June 2018 - 15 June 2020	15 June 2018 - 15 June 2026	5.714	3,292,400	-	-	-	-	3,292,400
KONG Fanxing CEO and executive Director	20 June 2017	20 June 2019 - 20 June 2021	20 June 2019 - 20 June 2027	6.82	3,292,400	-	-	-	-	3,292,400
KONG Fanxing CEO and executive Director	18 July 2018	18 July 2020 - 18 July 2022	18 July 2020 - 18 July 2028	7.36	3,410,926	-	-	-	-	3,410,926
WANG Mingzhe CFO and executive Director	11 July 2014	11 July 2016 - 11 July 2018	11 July 2016 - 11 July 2024	5.86	-	-	-	-	-	-
WANG Mingzhe CFO and executive Director	3 July 2015	3 July 2017 - 3 July 2019	3 July 2017 - 3 July 2025	7.17	594,212	-	-	-	-	594,212
WANG Mingzhe CFO and executive Director	15 June 2016	15 June 2018 - 15 June 2020	15 June 2018 - 15 June 2026	5.714	1,053,568	-	-	-	-	1,053,568
WANG Mingzhe CFO and executive Director	20 June 2017	20 June 2019 - 20 June 2021	20 June 2019 - 20 June 2027	6.82	1,037,106	-	-	-	-	1,037,106
WANG Mingzhe CFO and executive Director	18 July 2018	18 July 2020 - 18 July 2022	18 July 2020 - 18 July 2028	7.36	1,074,442	-	-	-	-	1,074,442
CAO Jian Vice President and executive Director	11 July 2014	11 July 2016 - 11 July 2018	11 July 2016 - 11 July 2024	5.86	-	-	-	-	-	-
CAO Jian Vice President and executive Director	3 July 2015	3 July 2017 - 3 July 2019	3 July 2017 - 3 July 2025	7.17	594,212	-	-	-	-	594,212

MANAGEMENT DISCUSSION AND ANALYSIS

Grantee	Date of grant	Vesting period (Note 1)	Exercise period (Note 2)	Exercise price per share HK\$ (Notes 3 to 7)	Outstanding as at 1 January 2025	Number of share options				Outstanding as at 30 June 2025
						Granted (Note 9)	Exercised (Note 8)	Lapsed	Cancelled	
CAO Jian Vice President and executive Director	15 June 2016	15 June 2018 - 15 June 2020	15 June 2018 - 15 June 2026	5.714	240,568	-	-	-	-	240,568
CAO Jian Vice President and executive Director	20 June 2017	20 June 2019 - 20 June 2021	20 June 2019 - 20 June 2027	6.82	897,106	-	-	-	-	897,106
CAO Jian Vice President and executive Director	18 July 2018	18 July 2020 - 18 July 2022	18 July 2020 - 18 July 2028	7.36	1,074,442	-	-	-	-	1,074,442
SUBTOTAL FOR DIRECTORS					18,418,295	-	-	-	-	18,418,295
Employees	11 July 2014	11 July 2016 - 11 July 2018	11 July 2016 - 11 July 2024	5.86	-	-	-	-	-	-
Employees	3 July 2015	3 July 2017 - 3 July 2019	3 July 2017 - 3 July 2025	7.17	3,662,306	-	-	-	38,110	3,624,196
Employees	15 June 2016	15 June 2018 - 15 June 2020	15 June 2018 - 15 June 2026	5.714	4,384,507	-	1,929,918	-	1,310	2,453,279
Employees	20 June 2017	20 June 2019 - 20 June 2021	20 June 2019 - 20 June 2027	6.82	8,137,521	-	16,000	-	110,112	8,011,409
Employees	18 July 2018	18 July 2020 - 18 July 2022	18 July 2020 - 18 July 2028	7.36	8,827,053	-	-	-	168,841	8,658,212
TOTAL					43,429,682	-	1,945,918	-	318,373	41,165,391

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Note 1: Subject to the rules of the 2014 Share Option Scheme, the options granted will be vested to the grantees at the second, third and fourth anniversary of the date of grant at an average amount.

Note 2: According to the 2014 Share Option Scheme, the options shall be exercised within the Option Period. "Option Period" shall mean, in respect of any particular option, a period (which may not be later than 10 years from the offer date of that option) to be determined and notified by the Board or the administration committee to the grantee thereof and, in the absence of such determination, from the offer date to the earlier of (i) the date on which such option lapses; and (ii) 10 years from the offer date of that option. There is no minimum period for which any vested option must be held before it can be exercised and no performance target which need to be achieved by a grantee before the vested options can be exercised.

Note 3: The exercise price is not less than the higher of (i) the closing price of HK\$5.86 per share on the Stock Exchange as stated in the Stock Exchange's daily quotations sheet on 11 July 2014 (i.e. the grant date); and (ii) the average closing price of HK\$5.81 per share on the Stock Exchange as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding 11 July 2014. The Share does not carry nominal value. The closing price of shares immediately before the date on which the options were granted is HK\$5.87 per share.

Note 4: The exercise price is not less than the higher of (i) the closing price of HK\$6.88 per share on the Stock Exchange as stated in the Stock Exchange's daily quotations sheet on 3 July 2015 (i.e. the grant date); and (ii) the average closing price of HK\$7.17 per share on the Stock Exchange as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding 3 July 2015. The Share does not carry nominal value. The closing price of shares immediately before the date on which the options were granted is HK\$6.80 per share.

Note 5: The exercise price is not less than the higher of (i) the closing price of HK\$5.60 per share on the Stock Exchange as stated in the Stock Exchange's daily quotations sheet on 15 June 2016 (i.e. the grant date); and (ii) the average closing price of HK\$5.714 per share on the Stock Exchange as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding 15 June 2016. The Share does not carry nominal value. The closing price of shares immediately before the date on which the options were granted is HK\$5.58 per share.

Note 6: The exercise price is not less than the higher of (i) the closing price of HK\$6.82 per share on the Stock Exchange as stated in the Stock Exchange's daily quotations sheet on 20 June 2017 (i.e. the grant date); and (ii) the average closing price of HK\$6.714 per share on the Stock Exchange as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding 20 June 2017. The Share does not carry nominal value. The closing price of shares immediately before the date on which the options were granted is HK\$6.80 per share.

Note 7: The exercise price is not less than the higher of (i) the closing price of HK\$7.36 per share on the Stock Exchange as stated in the Stock Exchange's daily quotations sheet on 18 July 2018 (i.e. the grant date); and (ii) the average closing price of HK\$7.032 per share on the Stock Exchange as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding 18 July 2018. The Share does not carry nominal value. The closing price of shares immediately before the date on which the options were granted is HK\$7.18 per share.

Note 8: No option is exercised by Directors during the reporting period. In respect of options exercised by employees during the reporting period, the weighted average closing price of shares immediately before the date on which the options were exercised is HK\$6.2787.

Note 9: No option is available for grant under the 2014 Share Option Scheme as at the beginning and the end of the reporting period. During the reporting period, the Company did not grant any share options under all share option schemes (including the 2014 Share Option Scheme, the 2019 Share Option Scheme and the 2024 Share Option Scheme). Therefore, the disclosure of the number of shares that may be issued in respect of the share options granted under all the share option schemes of the Company during the reporting period divided by the weighted average number of shares in issue for the reporting period as required under Rule 17.07(3) of the Listing Rules is not applicable.

MANAGEMENT DISCUSSION AND ANALYSIS

10.1.2 2019 Share Option Scheme

During the reporting period, no options were granted under the 2019 Share Option Scheme. A summary of the movements of the outstanding share options under the 2019 Share Option Scheme during the reporting period is as follows:

Grantee	Date of grant	Vesting period (Note 1)	Exercise period (Note 2)	Exercise price per share HK\$ (Notes 3-7)	Outstanding as at 1 January 2025	Number of share options				Outstanding as at 30 June 2025
						Granted (Note 9)	Exercised (Notes 8)	Lapsed	Cancelled	
KONG Fanxing CEO and executive Director	19 July 2019	19 July 2020 - 19 July 2022	19 July 2020 - 19 July 2029	7.618	3,163,358	-	-	-	-	3,163,358
KONG Fanxing CEO and executive Director	23 July 2020	23 July 2021 - 23 July 2023	23 July 2021 - 23 July 2030	6.70	3,748,579	-	-	-	-	3,748,579
KONG Fanxing CEO and executive Director	26 July 2021	26 July 2022 - 26 July 2024	26 July 2022 - 26 July 2031	8.40	4,164,656	-	-	-	-	4,164,656
KONG Fanxing CEO and executive Director	27 July 2022	27 July 2023 - 27 July 2025	27 July 2023 - 27 July 2032	6.378	4,315,460	-	-	-	-	4,315,460
KONG Fanxing CEO and executive Director	10 August 2023	10 August 2024 - 10 August 2026	10 August 2024 - 10 August 2033	5.58	4,317,610	-	-	-	-	4,317,610
WANG Mingzhe CFO and executive Director	19 July 2019	19 July 2020 - 19 July 2022	19 July 2020 - 19 July 2029	7.618	996,458	-	-	-	-	996,458
WANG Mingzhe CFO and executive Director	23 July 2020	23 July 2021 - 23 July 2023	23 July 2021 - 23 July 2030	6.70	1,614,388	-	-	-	-	1,614,388
WANG Mingzhe CFO and executive Director	26 July 2021	26 July 2022 - 26 July 2024	26 July 2022 - 26 July 2031	8.40	2,357,201	-	-	-	-	2,357,201
WANG Mingzhe CFO and executive Director	27 July 2022	27 July 2023 - 27 July 2025	27 July 2023 - 27 July 2032	6.378	2,258,366	-	-	-	-	2,258,366
WANG Mingzhe CFO and executive Director	10 August 2023	10 August 2024 - 10 August 2026	10 August 2024 - 10 August 2033	5.58	2,247,493	-	-	-	-	2,247,493
CAO Jian Senior Vice President and executive Director	19 July 2019	19 July 2020 - 19 July 2022	19 July 2020 - 19 July 2029	7.618	996,458	-	-	-	-	996,458
CAO Jian Senior Vice President and executive Director	23 July 2020	23 July 2021 - 23 July 2023	23 July 2021 - 23 July 2030	6.70	1,614,388	-	-	-	-	1,614,388

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Grantee	Date of grant	Vesting period (Note 1)	Exercise period (Note 2)	Exercise price per share HK\$ (Notes 3-7)	Outstanding as at 1 January 2025	Number of share options				Outstanding as at 30 June 2025
						Granted (Note 9)	Exercised (Notes 8)	Lapsed	Cancelled	
CAO Jian Senior Vice President and executive Director	26 July 2021	26 July 2022 – 26 July 2024	26 July 2022 – 26 July 2031	8.40	2,357,201	–	–	–	–	2,357,201
CAO Jian Senior Vice President and executive Director	27 July 2022	27 July 2023 – 27 July 2025	27 July 2023 – 27 July 2032	6.378	2,258,366	–	–	–	–	2,258,366
CAO Jian Senior Vice President and executive Director	10 August 2023	10 August 2024 – 10 August 2026	10 August 2024 – 10 August 2033	5.58	2,247,493	–	–	–	–	2,247,493
SUBTOTAL FOR DIRECTORS					38,657,475	–	–	–	–	38,657,475
Employees	19 July 2019	19 July 2020 – 19 July 2022	19 July 2020 – 19 July 2029	7.618	8,675,426	–	–	–	227,761	8,447,665
Employees	23 July 2020	23 July 2021 – 23 July 2023	23 July 2021 – 23 July 2030	6.70	11,942,211	–	–	–	614,766	11,327,445
Employees	26 July 2021	26 July 2022 – 26 July 2024	26 July 2022 – 26 July 2031	8.40	19,358,152	–	–	–	884,678	18,473,474
Employees	27 July 2022	27 July 2023 – 27 July 2025	27 July 2023 – 27 July 2032	6.378	22,444,673	–	1,914,441	–	834,156	19,696,076
Employees	10 August 2023	10 August 2024 – 10 August 2026	10 August 2024 – 10 August 2033	5.58	23,608,228	–	4,517,945	–	748,251	18,342,032
Total					124,686,165	–	6,432,386	–	3,309,612	114,944,167

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- Note 1:** Subject to the rules of the 2019 Share Option Scheme, the options granted will be vested to the grantees at the first, second and third anniversary of the date of grant at an average amount.
- Note 2:** According to the 2019 Share Option Scheme, the options shall be exercised within the Option Period. "Option Period" shall mean, in respect of any particular option, a period (which may not be later than 10 years from the offer date of that option) to be determined and notified by the Board or the administration committee to the grantee thereof and, in the absence of such determination, from the offer date to the earlier of (i) the date on which such option lapses; and (ii) 10 years from the offer date of that option. There is no minimum period for which any vested option must be held before it can be exercised and no performance target which need to be achieved by a grantee before the vested options can be exercised.
- Note 3:** The exercise price is not less than the higher of (i) the closing price of HK\$7.40 per share on the Stock Exchange as stated in the Stock Exchange's daily quotations sheet on 19 July 2019 (i.e. the grant date); and (ii) the average closing price of HK\$7.618 per share on the Stock Exchange as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding 19 July 2019. The Share does not carry nominal value. The closing price of shares immediately before the date on which the options were granted is HK\$7.38 per share.
- Note 4:** The exercise price is not less than the higher of (i) the closing price of HK\$6.48 per share on the Stock Exchange as stated in the Stock Exchange's daily quotations sheet on 23 July 2020 (i.e. the grant date); and (ii) the average closing price of HK\$6.700 per share on the Stock Exchange as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding 23 July 2020. The Share does not carry nominal value. The closing price of shares immediately before the date on which the options were granted is HK\$6.55 per share.
- Note 5:** The exercise price is not less than the higher of (i) the closing price of HK\$8.40 per share on the Stock Exchange as stated in the Stock Exchange's daily quotations sheet on 26 July 2021 (i.e. the grant date); and (ii) the average closing price of HK\$8.202 per share on the Stock Exchange as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding 26 July 2021. The Share does not carry nominal value. The closing price of shares immediately before the date on which the options were granted is HK\$8.32 per share.
- Note 6:** The exercise price is not less than the higher of (i) the closing price of HK\$6.340 per share on the Stock Exchange as stated in the Stock Exchange's daily quotations sheet on 27 July 2022 (i.e. the grant date); and (ii) the average closing price of HK\$6.378 per share on the Stock Exchange as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding 27 July 2022. The Share does not carry nominal value. The closing price of shares immediately before the date on which the options were granted is HK\$6.42 per share.
- Note 7:** The exercise price is not less than the higher of (i) the closing price of HK\$5.390 per share on the Stock Exchange as stated in the Stock Exchange's daily quotations sheet on 10 August 2023 (i.e. the grant date); and (ii) the average closing price of HK\$5.58 per share on the Stock Exchange as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding 10 August 2023. The Share does not carry nominal value. The closing price of shares immediately before the date on which the options were granted is HK\$5.55 per share.
- Note 8:** No option is exercised by Directors during the reporting period. In respect of options exercised by employees during the reporting period, the weighted average closing price of shares immediately before the date on which the options were exercised is HK\$6.2258.
- Note 9:** No option is available for grant under the 2019 Share Option Scheme at the beginning and the end of the financial year. During the reporting period, the Company did not grant any share options under all share option schemes (including the 2014 Share Option Scheme, the 2019 Share Option Scheme and the 2024 Share Option Scheme). Therefore, the disclosure of the number of shares that may be issued in respect of the share options granted under all the share option schemes of the Company during the reporting period divided by the weighted average number of shares in issue for the reporting period as required under Rule 17.07(3) of the Listing Rules is not applicable.

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10.1.3 2024 Share Option Scheme

The 2024 Share Option Scheme has been approved and adopted by the shareholders at the annual general meeting convened by the Company on 5 June 2024. The number of shares to be issued in respect of which share options may be granted under the 2024 Share Option Scheme shall not exceed 4% of the Company's total issued shares as at the date of approval and adoption of the 2024 Share Option Scheme at the general meeting (5 June 2024), i.e. 172,770,846 shares. The maximum number of shares which are issued and to be issued upon exercise of share options (including exercised and unexercised share options) by any participant within any 12-month period must not exceed 1% of the issued shares from time to time. In the event that any further share options will be granted to such participant, which will result in the total number of shares issued and to be issued under all share options and awards granted or to be granted to him/her (excluding the lapsed options and awards under the terms of the scheme) within the 12-month period up to and inclusive of the date of such further grant in excess of 1% of the issued shares, such grant shall be subject to certain regulations as stipulated under the Listing Rules and the 2024 Share Option Scheme. On 11 June 2025, the Board has approved the grant of share options exercisable into 34,521,086 Shares in 2025.

During the reporting period, no options were granted under the 2024 Share Option Scheme. A summary of the movements of the outstanding share options under the 2024 Share Option Scheme during the reporting period is as follows:

Grantee	Date of grant	Vesting period (Note 1)	Exercise period (Note 2)	Exercise price per share HK\$ (Note 3)	Outstanding as at 1 January 2025	Number of share options				Outstanding as at 30 June 2025
						Granted (Notes 4-5)	Exercised (Note 6)	Lapsed	Cancelled	
KONG Fanxing CEO and executive Director	12 August 2024	12 August 2025 – 12 August 2027	12 August 2025 – 12 August 2034	5.39	4,319,900	-	-	-	-	4,319,900
WANG Mingzhe CFO and executive Director	12 August 2024	12 August 2025 – 12 August 2027	12 August 2025 – 12 August 2034	5.39	2,258,770	-	-	-	-	2,258,770
CAO Jian Senior Vice President and executive Director	12 August 2024	12 August 2025 – 12 August 2027	12 August 2025 – 12 August 2034	5.39	2,258,770	-	-	-	-	2,258,770
SUBTOTAL FOR DIRECTORS					8,837,440	-	-	-	-	8,837,440
Employees	12 August 2024	12 August 2025 – 12 August 2027	12 August 2025 – 12 August 2034	5.39	25,683,646	-	-	-	442,508	25,241,138
Total					34,521,086	-	-	-	442,508	34,078,578

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Note 1: Subject to the rules of the 2024 Share Option Scheme, the options granted will be vested to the grantees at the first, second and third anniversary of the date of grant at an average amount.

Note 2: According to the 2024 Share Option Scheme, the options shall be exercised within the Option Period. "Option Period" shall mean, in respect of any particular option, a period (which may not be later than 10 years from the offer date of that option) to be determined and notified by the Board or the administration committee to the grantee thereof and, in the absence of such determination, from the offer date to the earlier of (i) the date on which such option lapses; and (ii) 10 years from the offer date of that option. There is no minimum period for which any vested option must be held before it can be exercised and no performance target which need to be achieved by a grantee before the vested options can be exercised.

Note 3: The exercise price is not less than the higher of (i) the closing price of HK\$5.39 per share on the Stock Exchange as stated in the Stock Exchange's daily quotations sheet on 12 August 2024 (i.e. the grant date); and (ii) the average closing price of HK\$5.34 per share on the Stock Exchange as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding 12 August 2024. The Share does not carry nominal value. The closing price of shares immediately before the date on which the options were granted is HK\$5.46 per share.

Note 4: Pursuant to the rules of the 2024 Share Option Scheme, the Board or the Administration Committee may, from time to time, in their respective absolute discretion, select the grantees and determine the number of options to be granted in accordance with the rules of the 2024 Share Option Scheme after taking into account a number of factors which they consider appropriate for the grant of options under the 2024 Share Option Scheme. The terms on which options are granted may be determined by the Board or the Administration Committee in their respective absolute discretion. The Board or the Administration Committee may, in its sole discretion, when offering options, impose any conditions, restrictions or limitations in relation thereto in addition to the 2024 Share Option Scheme Rules as it may deem appropriate (as set out in the letter containing the grant of the offer of the options), including the performance, operating or financial targets to be achieved by the Company, the Company's subsidiary(ies) and/or the grantee, certain conditions or obligations or performance targets to be met or satisfactorily performed by the grantee who is granted the options (including, as the case may be, his/her expertise, skills or experience, contribution to the Group, performance and synergies at work, achievement of performance targets or annual appraisal results, key performance indicators of respective department(s) that the grantee belongs), and the vesting time for the grantee to exercise all or part of his/her options, provided that relevant terms and conditions must not contradict any other terms under the 2024 Share Option Scheme. The Board or the Administration Committee will conduct assessment by comparing the actual performance, operating or financial results of the Company, the Company's subsidiary(ies) and the actual performance of the grantee with the pre-determined targets or individual performance indicators to determine whether or to what extent the performance targets have been met. Such pre-determined targets or individual performance indicators may be set by the Board or the Administration Committee on a case by case basis with reference to factors including the specific position and role of the relevant grantee, and the overall business plan, strategy and the expected financial performance of the Group in the relevant period. The performance target will be deemed to be met when the actual level achieved reaches or exceeds the level of the pre-determined targets or individual performance indicators.

Note 5: 138,249,760 options are available for grant under the 2024 Share Option Scheme as at the beginning and the end of the reporting period. During the reporting period, the Company did not grant any share options under all share option schemes (including the 2014 Share Option Scheme, the 2019 Share Option Scheme and the 2024 Share Option Scheme). Therefore, the disclosure of the number of shares that may be issued in respect of the share options granted under all the share option schemes of the Company during the reporting period divided by the weighted average number of shares in issue for the reporting period as required under Rule 17.07(3) of the Listing Rules is not applicable.

Note 6: No options were exercised under the 2024 Share Option Scheme during the reporting period. Therefore, the disclosure of the weighted average closing price of shares immediately before the dates on which the options were exercised as required under Rule 17.07(1)(d) of the Listing Rules is not applicable.

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10.1.4 2014 Restricted Share Award Scheme

During the reporting period, the Company did not grant or vest any Shares under the 2014 Restricted Share Award Scheme. As at 30 June 2025, there were no more Shares to be granted under the 2014 Restricted Share Award Scheme. The grantee under the Award Scheme is not required to pay any amount for accepting the restricted share award granted.

The changes in the unvested restricted shares under the 2014 Restricted Share Award Scheme during the reporting period are summarized as follows:

Grantee	Date of grant	Vesting period (Note 1)	Not yet vested as at 1 January 2025	Changes in the number of restricted shares during the reporting period				Not yet vested as at 30 June 2025
				Granted (Notes 2, 4, 5)	Vested (Note 3)	Lapsed	Cancelled	
KONG Fanxing CEO and executive Director	19 July 2019	19 July 2020 – 19 July 2022	-	-	-	-	-	-
KONG Fanxing CEO and executive Director	23 July 2020	23 July 2021 – 23 July 2023	-	-	-	-	-	-
KONG Fanxing CEO and executive Director	26 July 2021	26 July 2022 – 26 July 2024	-	-	-	-	-	-
KONG Fanxing CEO and executive Director	27 July 2022	27 July 2023 – 27 July 2025	2,651,471	-	-	-	-	2,651,471
KONG Fanxing CEO and executive Director	10 August 2023	10 August 2024 – 10 August 2026	5,355,103	-	-	-	-	5,355,103
WANG Mingzhe CFO and executive Director	19 July 2019	19 July 2020 – 19 July 2022	-	-	-	-	-	-
WANG Mingzhe CFO and executive Director	23 July 2020	23 July 2021 – 23 July 2023	-	-	-	-	-	-
WANG Mingzhe CFO and executive Director	26 July 2021	26 July 2022 – 26 July 2024	-	-	-	-	-	-
WANG Mingzhe CFO and executive Director	27 July 2022	27 July 2023 – 27 July 2025	1,091,426	-	-	-	-	1,091,426
WANG Mingzhe CFO and executive Director	10 August 2023	10 August 2024 – 10 August 2026	2,168,531	-	-	-	-	2,168,531
CAO Jian Senior Vice President and executive Director	19 July 2019	19 July 2020 – 19 July 2022	-	-	-	-	-	-

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Grantee	Date of grant	Vesting period (Note 1)	Not yet vested as at 1 January 2025	Changes in the number of restricted shares during the reporting period				Not yet vested as at 30 June 2025
				Granted (Notes 2, 4, 5)	Vested (Note 3)	Lapsed	Cancelled	
CAO Jian Senior Vice President and executive Director	23 July 2020	23 July 2021 – 23 July 2023	–	–	–	–	–	–
CAO Jian Senior Vice President and executive Director	26 July 2021	26 July 2022 – 26 July 2024	–	–	–	–	–	–
CAO Jian Senior Vice President and executive Director	27 July 2022	27 July 2023 – 27 July 2025	1,091,426	–	–	–	–	1,091,426
CAO Jian Senior Vice President and executive Director	10 August 2023	10 August 2024 – 10 August 2026	2,168,531	–	–	–	–	2,168,531
SUBTOTAL FOR DIRECTORS			14,526,488	–	–	–	–	14,526,488
Employees	19 July 2019	19 July 2020 – 19 July 2022	–	–	–	–	–	–
Employees	23 July 2020	23 July 2021 – 23 July 2023	–	–	–	–	–	–
Employees	26 July 2021	26 July 2022 – 26 July 2024	–	–	–	–	–	–
Employees	27 July 2022	27 July 2023 – 27 July 2025	11,090,592	–	–	–	671,650	10,418,942
Employees	10 August 2023	10 August 2024 – 10 August 2026	23,158,259	–	–	–	1,067,588	22,090,671
SUBTOTAL FOR EMPLOYEES			34,248,851	–	–	–	1,739,238	32,509,613
TOTAL			48,775,339	–	–	–	1,739,238	47,036,101
Five highest paid employees	19 July 2019	19 July 2020 – 19 July 2022	–	–	–	–	–	–
Five highest paid employees	23 July 2020	23 July 2021 – 23 July 2023	–	–	–	–	–	–
Five highest paid employees	26 July 2021	26 July 2022 – 26 July 2024	–	–	–	–	–	–
Five highest paid employees	27 July 2022	27 July 2023 – 27 July 2025	6,145,714	–	–	–	–	6,145,714
Five highest paid employees	10 August 2023	10 August 2024 – 10 August 2026	12,199,321	–	–	–	–	12,199,321
TOTAL (FIVE HIGHEST PAID EMPLOYEES)			18,345,035	–	–	–	–	18,345,035

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Note 1: Subject to the rules of the Award Scheme, the restricted shares will be vested to the grantees at the first, second and third anniversary of the date of grant at an average amount. The rules of the Award Scheme do not stipulate the exercise period of the restricted shares granted.

Note 2: According to the rules of the Award Scheme, the Board shall consider certain matters when determining the grant of such restricted shares to the grantees, including but not limited to: i. the current and expected contribution of the grantees to the Group's profits; ii. the general financial status of the Group; iii. the overall business objectives and future development plans of the Group; and iv. any other matters deemed relevant by the Board or the administration committee.

Note 3: No share has been vested under the Award Scheme during the reporting period. Therefore, the weighted average closing price of shares immediately before the date(s) on which the shares were vested during the reporting period is not applicable.

Note 4: As at 1 January 2025 and 30 June 2025, the number of shares available for grant under the Award Scheme was 0.

Note 5: The 2014 Restricted Share Award Scheme does not involve the issuance of new shares. Therefore, the disclosure of the number of shares that may be issued in respect of the restricted shares granted under the 2014 Restricted Share Award Scheme during the reporting period divided by the weighted average number of shares in issue for the reporting period as required under Rule 17.07(3) of the Listing Rules is not applicable.

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10.1.5 2024 Restricted Share Award Scheme

The 2024 Restricted Share Award Scheme has been considered, approved and adopted by the Board on 13 March 2024. The scheme limit of restricted shares granted under the 2024 Restricted Share Award Scheme shall be 6% of the total number of shares of the Company in issue on 13 March 2024, the date on which of the 2024 Restricted Share Award Scheme has been approved and adopted by the Board, i.e., 258,908,151 shares. The trustee is prohibited from purchasing any shares pursuant to the 2024 Restricted Share Award Scheme if such purchase would result in number of shares under the 2024 Restricted Share Award Scheme exceeding the scheme limit. The Company is also prohibited from paying the trustee any fund for share purchase. Each grantee under the scheme does not need to pay any amount upon acceptance of any restricted share award granted. On 11 June 2025, the Board has approved to grant 51,781,630 restricted shares in 2025.

During the reporting period, the Company did not grant or vest any Shares under the 2024 Restricted Share Award Scheme. The changes in the unvested restricted shares under the 2014 Restricted Share Award Scheme during the reporting period are summarized as follows:

Grantee	Date of grant	Vesting period (Note 1)	Not yet vested as at 1 January 2025	Changes in the number of restricted shares during the reporting period				Not yet vested as at 30 June 2025
				Granted (Notes 2, 4, 5)	Vested (Note 3)	Lapsed	Cancelled	
KONG Fanxing CEO and executive Director	12 August 2024	12 August 2025 – 12 August 2027	8,131,784	-	-	-	-	8,131,784
WANG Mingzhe CFO and executive Director	12 August 2024	12 August 2025 – 12 August 2027	3,264,604	-	-	-	-	3,264,604
CAO Jian Senior Vice President and executive Director	12 August 2024	12 August 2025 – 12 August 2027	3,264,604	-	-	-	-	3,264,604
SUBTOTAL FOR DIRECTORS			14,660,992	-	-	-	-	14,660,992
Employees	12 August 2024	12 August 2025 – 12 August 2027	37,120,638	-	-	-	639,556	36,481,082
SUBTOTAL FOR EMPLOYEES			37,120,638	-	-	-	639,556	36,481,082
TOTAL			51,781,630	-	-	-	639,556	51,142,074
Five highest paid employees	12 August 2024	12 August 2025 – 12 August 2027	18,486,700	-	-	-	-	18,486,700
TOTAL (FIVE HIGHEST PAID EMPLOYEES)			18,486,700	-	-	-	-	18,486,700

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Note 1: Subject to the rules of the 2024 Restricted Share Award Scheme, the restricted shares will be vested to the grantees at the first, second and third anniversary of the date of grant at an average amount. The rules of the 2024 Restricted Share Award Scheme do not stipulate the exercise period of the restricted shares granted.

Note 2: Pursuant to the rules of the 2024 Restricted Share Award Scheme, the Board or the Administration Committees may, from time to time, at their respective sole discretion select grantee(s) pursuant to the rules of the 2024 Restricted Share Award Scheme and grant restricted shares to such selected grantee(s). In determining the number of restricted shares to be granted to any selected grantee, the Board or the Administration Committee shall take into account certain matters, including but not limited to: (a) the current and expected contribution of the selected grantees to the Group's profit; (b) expertise, skills or experience, the performance and synergies in the workplace, and the achievement of performance indicators of the selected grantees; (c) the general financial position, overall business objectives and future development plans of the Group; and (d) any other matter that the Board or the Administration Committee considers relevant. The closing price of shares immediately before the date on which the restricted shares were granted is HK\$5.46 per share.

Note 3: No share has been vested under the 2024 Restricted Share Award Scheme during the reporting period. Therefore, the weighted average closing price of shares immediately before the date(s) on which the shares were vested during the reporting period is not applicable.

Note 4: 207,126,521 shares are available for grant under the 2024 Restricted Share Award Scheme as at the beginning and the end of the reporting period.

Note 5: The 2024 Restricted Share Award Scheme does not involve the issuance of new shares. Therefore, the disclosure of the number of shares that may be issued in respect of the restricted shares granted under the 2024 Restricted Share Award Scheme during the reporting period divided by the weighted average number of shares in issue for the reporting period as required under Rule 17.07(3) of the Listing Rules is not applicable.

10.2 Employee Benefits

In accordance with applicable PRC regulations, the Group has made contributions to social security insurance funds (including pension plans, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance) and housing funds for our employees. The Group also provides supplemental commercial medical insurance, property insurance and safety insurance in addition to those required under the PRC regulations. As of 30 June 2025, the Group complied with all statutory social insurance and housing fund obligations applicable to the Group under the PRC laws in all material aspects.

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11. CIRCUMSTANCES INCLUDING CONTRACTUAL OBLIGATIONS, CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

11.1 Contingent Liabilities

The table below sets forth the total outstanding claims as of each of the dates indicated.

	As of 30 June 2025	As of 31 December 2024
	RMB'000	RMB'000
Legal proceedings:		
Claimed amounts	—	236

11.2 Capital Commitments and Credit Commitments

The Group had the following capital commitments and irrevocable credit commitments as of each of the dates indicated:

	As of 30 June 2025	As of 31 December 2024
	RMB'000	RMB'000
Contracted, but not provided for:		
Capital expenditure for acquisition of property, plant and equipment	388,807	215,716
Irrevocable credit commitment ⁽¹⁾	4,658,829	14,010,442

Note:

(1) The Group's irrevocable credit commitments represent leases that have been signed but the term of the lease has not started.

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12. FUTURE OUTLOOK

At present, the international economic and trade order is undergoing profound change. The external environment has become more complex and challenging. The momentum of global economic growth has weakened. The Chinese economy is facing various difficulties and challenges such as insufficient domestic demand, persistently low inflation, and growing array of risks and hidden threats.

Facing the ever-changing external environment, the Group will remain true to its founding purpose and adhere to its “finance + industry” strategy. Through the organic integration of financial services and industrial operations, the Group will continue to serve industrial upgrade and urban renewal. In this new era, taking “model innovation” as its development driver, the Group will innovate service modes and improve operational efficiency, thereby creating new incremental value for shareholders, customers, creditors, governments and employees.

In respect of financial services, the Group will keep a twin focus – serving industries and serving cities. For serving industries, it will push simultaneously upward to address high-end needs and downward to broaden access: top-tier customers will receive comprehensive one-stop product offerings, while the customers in the inclusive business will benefit from convenient and efficient systems. For serving cities, the Group will establish pilot joint task forces in several high-potential cities under the “3+X” framework; by leveraging financial leasing, asset management, and offshore investment banking, it will explore ways to integrate marketing opportunities and consolidate project delivery.

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In respect of industrial operation, Horizon Construction Development will stay market-driven and agile, and reallocate resources as conditions change. Domestically it will keep market orientation at the center and counter risk through lean operations, intensifying customer outreach, crafting sector-specific solutions, optimizing asset allocation, diversifying business lines, and reinforcing its large-asset management system so as to mine deeper value from every asset and secure sustained value creation. Abroad it will run on two wheels – deepening existing markets while expanding into new ones. In countries already entered, Horizon Construction Development will refine operations, raise efficiency, and deploy resources more effectively, unwaveringly pursuing scale and profit to cement and extend its advantages. At the same time, Horizon Construction Development will take the initiative to implement its “3+3+3” overseas development strategy by systematically identifying high-potential markets worldwide. Prioritizing regions such as Africa, South America and Asia, it will conduct in-depth assessments to target at countries with strong potential, and prudently yet decisively advance market entry, thereby expanding its international footprint and driving continuous growth in both overall revenue scale and profit quality to deliver richer long-term returns for shareholders.

Horizon Healthcare will actively respond to the national strategies of “Healthy China” and “Actively Responding to Aging Population”, and continue to focus on its layout in third-, fourth-, and fifth-tier cities and counties with relatively weak medical resources. With the mission of “good medical care not far away”, it will completely demolished the two barriers. Adhering to the principle of “centering on patient and healthcare”, it will accelerate upgrades from the process of treatment to health management, meet medical needs at different levels and classification through flexible methods, and establish platform-based and ecological operation. With the goal of improving the medical and health levels of counties and reducing the growth rate of medical insurance expenditures, it will fully meet the needs of counties for medical healthcare services, and build the healthcare management medical group with global vision. It aims to achieve long-term and sustainable development and step towards its vision of “building a long-living Horizon Healthcare brand that the government is pleased to see, the industry recognizes and in which people have confidence”.

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13. EQUIPMENT OPERATION SEGMENT REPORT

Horizon Construction Development is a leading comprehensive equipment operation service provider in China established by the Group, with diversified equipment and strong service capabilities. In 2025, committed to providing one-stop comprehensive solutions of “product + service” for its customers in the construction and industrial sectors, Horizon Construction Development ranked the 11th place in IRN World’s Top 100 Rental Companies, which is awarded by KHL Group, one of the world’s largest international building information providers, On 25 May 2023, Horizon Construction Development was officially listed on the Main Board of the Stock Exchange (stock code: 9930).

As at 30 June 2025, the Group’s direct shareholding in Horizon Construction Development was 41.69%, and the Group controlled 5.52% of the voting rights of Horizon Construction Development through Farsighted Wit Limited. Horizon Construction Development is a subsidiary of the Company and its results are consolidated in the financial statements of the Company. The key financial data are shown in the table below:

	For the six months ended 30 June		
	2025	2024	
	RMB million	RMB million	Change %
Total revenue	4,350.06	4,872.42	-10.72%
Gross profit	940.67	1,559.32	-39.67%
Total profit	50.28	406.89	-87.64%
Profit for the period attributable to ordinary shareholders of the Company	35.49	268.23	-86.77%
Return on average assets	0.2%	1.6%	-1.4%
Return on average equity	0.6%	4.9%	-4.3%

	30 June 2025	31 December 2024	
	RMB million	RMB million	Change %
Total assets	36,581.36	36,434.18	0.40%
Total liabilities	25,253.61	24,975.83	1.11%
Total equity	11,327.75	11,458.35	-1.14%
Gearing ratio	69.0%	68.6%	0.4%

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14. HOSPITAL OPERATION SEGMENT REPORT

14.1 Profit Statement Analysis of Hospital Operation Segment

For the six months ended 30 June			
	2025	2024	
	RMB million	RMB million	Change %
Total revenue	1,796.85	2,126.12	-15.49%
Revenue from hospital operation ⁽¹⁾	1,796.14	2,123.21	-15.40%
Other relevant revenue from hospital operation	0.71	2.91	-75.60%
Total cost	(1,477.34)	(1,665.01)	-11.27%
Cost from hospital operation ⁽²⁾	(1,474.26)	(1,661.59)	-11.27%
Other cost	(3.08)	(3.42)	-9.94%
Gross profit	319.51	461.11	-30.71%
Gross profit from hospital operation	322.59	464.53	-30.56%
Others	(3.08)	(3.42)	-9.94%
Labor cost ⁽³⁾	(66.47)	(67.80)	-1.96%
Other administrative and selling expenses ⁽³⁾	(120.21)	(122.07)	-1.52%
Finance costs	(15.89)	(15.13)	5.02%
Provision for assets	(46.42)	(58.68)	-20.89%
Other profit	84.62	14.46	485.20%
Profit before tax	155.14	211.89	-26.78%
Income tax expense	(45.44)	(58.88)	-22.83%
Profit for the period	109.70	153.01	-28.31%

MANAGEMENT DISCUSSION AND ANALYSIS

Note:

In the first half of 2025, the number of hospitals controlled by the Group was 26 with the actual number of beds available amounting to approximately 10,000. A nationwide hospital operation network covering Eastern China, Southern China, Northern China, Southwest China, and Northeast China has been formed. The Group will adhere to the differentiated layout, and fully promote the “Hundred Counties Plan” to “take root” in various regions in China with a positive and steady momentum. In the first half of 2025, the Group continued to optimize its asset structure, adhered to the differentiated layout, further innovated the “medical + hospital” model with a positive and steady momentum, and help counties achieve “two improvements and one reduction” (i.e. improving the medical care and health levels of counties, and reducing the growth rate of medical insurance expenditures) through operational upgrades and management enhancements, aiming at “building a long-living Horizon Healthcare brand that the government is pleased to see, the industry recognizes and in which people have confidence”.

By keeping up with the trend of the times, maintaining an innovative mindset, and optimizing and enhancing its management model, Horizon Healthcare continued to strengthen the service link between high-quality medical resources in first- and second-tier cities and patients in disease origin, and promoted the construction of a hospital-centered healthcare ecosystem so that people in the region can enjoy diverse and multi-level medical and healthcare services nearby. The introduction of cutting-edge medical concepts and resources further enabled Horizon Healthcare to enhance its medical services and expand its international perspective.

- (1) The revenue from hospital operation of the Group mainly comprises of revenues from outpatient, inpatient and other revenues. Horizon Healthcare extends the scope of healthcare services based on its advantages in medical services, continues to innovate service models, and creates a new platform for health services. Adhering to its “five major concepts of hospital operation”, Horizon Healthcare differentiates its layout, takes root in counties and operates locally while focusing on the healthcare needs of millions of residents in counties, and providing full-cycle, one-stop comprehensive services from medical care to health. The Group fully utilized its advantages as a group, and the member hospitals exerted their functions as a supplementary medical service provider in the local medical market. Facing the changes in healthcare demands of citizens and the complex hospital service environment, the Group placed an emphasis on the improvement in revenue quality and the revenue structure adjustment, resulting in decrease in revenue.
- (2) The costs of hospital operation shown in the Group’s consolidated financial statements of the first half of 2025 decreased to RMB1,474 million from approximately RMB1,662 million of the first half of 2024. The costs of hospital operation of the Group primarily included labor costs, pharmaceutical supplies, inspection costs and other costs, decreased comparing to the same period last year as result of revenue structure adjustment and cost reduction and efficiency initiatives.

The Group focused on process management and control, empowering the improvement of discipline connotation. Through measures such as enhancing professional technology, introducing expert resources and building flagship hospitals, the Group set benchmarks and led development. The Group also promoted centralized procurement empowerment, dug deep into digital work effects, established a quality management system, constructed a patient safety management model, optimized the quality management operation mechanism, adhered to the bottom line of legal compliance, and continued to consolidate the baseline of hospital compliance and healthy development, constructing a medical quality management system with the Group’s characteristics to advance the high-quality development of hospitals.

- (3) The Group continued to strengthen the construction of medical teams, improve the professional quality of medical staff, enhance the integrated management level, optimize management structure and support development of clinical business. With the adjustments to business structure, labor expenses have slightly declined. Meanwhile, the Group actively promoted cooperation and exchange, expanded business presence, facilitated the development of member hospitals, and innovated and empowered new models for hospitals. In general, other administrative and selling expenses have slightly decreased.
- (4) This analysis of hospital operation segment profit statement has not taken into account the impact of shareholders’ borrowings, goodwill and impairment of fixed assets.

MANAGEMENT DISCUSSION AND ANALYSIS

14.2 Asset Analysis of Hospital Operation Segment

	30 June 2025		31 December 2024		
	RMB million	% of total	RMB million	% of total	Change %
Monetary fund	718.21	10.97%	608.87	9.30%	17.96%
Accounts receivables	746.00	11.40%	791.35	12.08%	-5.73%
Prepayments ⁽¹⁾	104.05	1.59%	117.03	1.79%	-11.09%
Other receivables	490.88	7.50%	424.39	6.48%	15.67%
Inventories	184.03	2.81%	224.68	3.43%	-18.09%
Fixed assets and intangible assets ⁽²⁾	3,394.79	51.86%	3,451.76	52.70%	-1.65%
Goodwill ⁽³⁾	194.73	2.98%	194.73	2.97%	0.00%
Investments in joint ventures/associates ⁽⁴⁾	0.18	0.00%	0.19	0.00%	-5.26%
Deferred income tax assets	109.17	1.67%	107.21	1.64%	1.83%
Right-of-use assets ⁽⁵⁾	554.21	8.47%	576.28	8.80%	-3.83%
Other assets	48.97	0.75%	53.76	0.81%	-8.91%
Total assets	6,545.22	100.00%	6,550.25	100.00%	-0.08%

Notes:

- (1) Prepayments mainly comprised of prepayments for drugs and consumables and transitional purchase fee for equipment;
- (2) Fixed asset and intangible assets mainly comprised of medical equipment and buildings of each hospital;
- (3) Mainly comprised of goodwill generated from acquisition of medical institutions;
- (4) Investments in joint ventures/associates mainly comprised of the investments in Hangzhou Dental Group;
- (5) Right-of-use assets mainly comprised of the rent for hospital sites.

MANAGEMENT DISCUSSION AND ANALYSIS

15. INCLUSIVE FINANCE SEGMENT REPORT

For the six months ended 30 June			
	2025	2024	
	RMB million	RMB million	Change %
Interest income	1,451.22	647.59	124.10%
Average yield on assets ⁽¹⁾	14.72%	9.80%	4.92%

	30 June 2025	31 December 2024	
	RMB million	RMB million	Change %
Net interest-earning assets	22,192.18	17,247.65	28.67%
Less: provision for interest-earning assets	(361.44)	(244.49)	47.83%
Net interest-earning assets	21,830.74	17,003.16	28.39%
As a percentage of the Group's net interest-earning assets	8.32%	6.62%	1.70%

Note:

- (1) Average yield represents the quotient of interest income as divided by average balance of interest-earning assets as at the beginning and end of the period, presented on an annualized basis.

As the segment specialized in the financial leasing business of micro, small and medium-sized enterprises in the Group, the inclusive finance segment continues to dip deep into the long-tail market in economically developed areas such as those along rivers and coasts, and provides a wide range of financial products and services for vibrant downstream customers to effectively address the various funding needs of micro, small and medium-sized enterprises, such as the purchase of equipment, investment in research and development, and replenishment of liquidity, thereby assisting these enterprises to develop steadily and injecting vitality into the real economy. As at 30 June 2025, the inclusive finance segment hired a total of approximately 2,000 employees, and had set up nearly 60 inclusive finance business outlets in more than 20 provinces across the country, with business presence in more than 140 cities, forming a relatively comprehensive customer service network, which enables the Group to respond to customers promptly and provide customers with efficient and convenient funding solutions and related services.

MANAGEMENT DISCUSSION AND ANALYSIS

Since its establishment in 2019, the inclusive finance segment has served over 26,000 micro, small and medium-sized enterprises situated in economically-developed cities such as Qingdao, Suzhou, Hangzhou and Xiamen, and gained wide recognition within and outside the industry. The inclusive finance segment was awarded the “Soaring Prize” in China’s financial leasing for four consecutive years from 2020 to 2023 by the Competitiveness Forum of the Global Leasing Industry, the “Most Influential Financial Leasing Company” from 2022 to 2023. It was awarded the “Leading Enterprise of Inclusive Leasing” again in 2024, and the “Star Cup”, the Polaris award for the year, by the 13th China Leasing Annual Conference in 2024.

The Group continues to promote the online, intelligent and automated construction of its inclusive finance business processes, and deepens the concept of efficient operation in serving micro, small and medium-sized enterprises. By adopting various measures such as intelligent import, remote due diligence and digitalization of evaluation reports, the Group realized comprehensive digitalization for frontline operations, thus greatly improved management efficiency and management scale. In addition, the Group also actively explored and applied AI evaluation, document automation, electronic contracting and other technical means, thus greatly reduced time consumed for contracting, and forming an industry-leading operation system. On the marketing side, the Group’s marketing personnel also regularly organize online live broadcasts through third-party video broadcasting platforms to share industry knowledge for external business promoters as well as potential customers, and promote the Group’s own business accordingly.

As at 30 June 2025, the net interest-earning assets of the inclusive finance business of the Group amounted to approximately RMB22,190 million, representing an increase of RMB4,940 million or approximately 28.67% from the end of the previous year, and an increase to 8.32% of the Group’s net interest-earning assets from 6.62% as at the end of the previous year. By exploring customers in the long-tail market, the inclusive finance business showed the high turnover feature of assets. In the first half of 2025, the Group completed 47.3 project investments (first half of 2024: 21.8) on average every day, and the average amount of individual projects has gradually declined to million level, showing higher efficiency of capital utilization. As a result, the average yield on assets of the inclusive finance business was 14.72% in the first half of 2025, which significantly increased as compared to the same period of the previous year. With the steady growth in investment scale and the gradual increase in average yield on assets, total interest income from the inclusive finance business of the Group amounted to RMB1,451 million in the first half of 2025, representing an increase of 124.10% from RMB648 million in the same period of the previous year.

MANAGEMENT DISCUSSION AND ANALYSIS

15.1 Asset Quality of Net Interest-earning Assets

The following table sets forth the five-category classification of interest-earning assets as of the dates indicated.

	30 June 2025		31 December 2024	
	RMB'000	% of total	RMB'000	% of total
Pass	20,896,128	94.16%	16,430,210	95.26%
Special mention	1,296,056	5.84%	817,435	4.74%
Substandard	—	—	—	—
Doubtful	—	—	—	—
Loss	—	—	—	—
Net interest-earning assets	22,192,184	100.00%	17,247,645	100.00%
Non-performing assets	—	—	—	—
Non-performing asset ratio	—	—	—	—

While ensuring efficient operations, the Group has also established a comprehensive risk management system for inclusive finance: on the business entry side, it adheres to the basic principle of risk-based pricing and has built an effective credit management system targeting small, medium and micro customers through the management of industrial, regional and operational risks; on the post-lease management side, it established a nationwide post-lease management team, and ensured prudent business operation and safe and solid asset quality through the combination of online and offline means of asset forewarning, collection and disposal.

In order to better reflect the operating results of the inclusive finance business, the Group has adopted a write-off policy that match with industry characteristics for non-performing assets of the inclusive finance business, i.e. 100% write-off of non-performing assets as at the end of the period. As such, as at 30 June 2025 and 31 December 2024, the size of non-performing assets of the inclusive finance business RMB0. As the inclusive finance business of the Group is under rapid growth, the gradual expansion of its written-off non-performing asset size may increase the amount and proportion of the Group's written-off non-performing assets during the period.

MANAGEMENT DISCUSSION AND ANALYSIS

The following table sets forth the movement of non-performing assets of the inclusive finance business as of the dates indicated.

	30 June 2025	31 December 2024	30 June 2024
	RMB'000	RMB'000	RMB'000
At the beginning of the period	–	178,771	178,771
Downgrades	331,364	270,529	143,899
Upgrades	–	–	–
Recoveries	–	(36,621)	(27,079)
Write-off/disposal	(331,364)	(412,679)	(112,232)
At the end of the period	–	–	183,359
Non-performing assets ratio	–	–	1.31%
Non-performing loan formation ratio ⁽¹⁾	1.92%	1.90%	0.95%
Credit cost ratio ⁽²⁾	2.14%	2.41%	0.84%

Notes:

- (1) Non-performing loan formation ratio = (the balance of non-performing loan at the end of the period – the balance of non-performing loan at the beginning of the period + write-off/disposal of non-performing loan for the period)/(net pass interest-earning assets at the beginning of the period + net interest-earning assets under special mention at the beginning of the period)
- (2) Credit cost ratio = provision for interest-earning assets for the period/average balance of interest-earning assets

In first half of 2025, the credit cost ratio of the inclusive finance business was approximately 2.14% (30 June 2024: 0.84%), which was higher than the average level for the Group; the non-performing loan formation ratio was 1.92% (30 June 2024: 0.95%), which was significantly higher than that in the same period of last year. As the scale of inclusive finance business gradually expanded, the above asset indicators have gradually getting close to the industry average level. Meanwhile, the Group continued to seek subsequent disposal gains from written-off assets while safeguarding assets. Over the years, the accumulated written-off bad debts of the inclusive finance business amounted to RMB762,221,000, with reversal amount of RMB52,843,000. Among which, reversal of written-off assets amounted to RMB26,913,000 in the first half of 2025.

Looking ahead, the Group will continue to enhance the comprehensive service capability of its inclusive finance business through its continuous specialized operation to meet the diversified needs of small, medium and micro customers, and strive to expand the market size and operating contribution of the inclusive finance segment.

DISCLOSURE OF INTERESTS

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATIONS

As at 30 June 2025, the interests or short positions of the directors and chief executives of the Company in the shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), to be notified to the Company and the Stock Exchange, were detailed as follows:

Interests in the shares/underlying shares of the Company

Name of director	Capacity/nature of interest	Number of ordinary shares ⁽¹⁾	Approximate percentage of the issued share capital of the Company
KONG Fanxing	Beneficial owner	96,127,463(L) ⁽²⁾	2.01%
	Interest in a controlled corporation	868,947,897(L) ⁽³⁾	18.24%
WANG Mingzhe	Beneficial owner	38,448,196(L) ⁽⁴⁾	0.80%
LIU Haifeng David	Interest in a controlled corporation	365,842,100(L) ⁽⁵⁾	7.68%
LIU Jialin	Beneficial owner	125,000(L)	0.00%
	Interest of spouse	125,000(L)	0.00%
CAO Jian	Beneficial owner	36,887,514(L) ⁽⁶⁾	0.77%

DISCLOSURE OF INTERESTS

Notes:

- (1) The letter "L" denotes the person's long position in the shares of the Company.
- (2) The interest includes 11,852,639 underlying shares in respect of the share options granted pursuant to the Company's 2014 Share Option Scheme, 19,709,663 underlying shares in respect of the share options granted pursuant to the Company's 2019 Share Option Scheme, 4,319,900 underlying shares in respect of the share options granted pursuant to the Company's 2024 Share Option Scheme, 50,443,477 underlying shares in respect of the awarded shares granted pursuant to the Company's 2014 Restricted Share Award Scheme and 8,131,784 underlying shares in respect of the awarded shares granted pursuant to the Company's 2024 Restricted Share Award Scheme. In addition to the share interest in respect of the share options and awarded shares granted, to the best of the directors' knowledge, information and belief, having made all reasonable enquiries, Mr. KONG Fanxing is interested in 1,670,000 ordinary shares of the Company as at 30 June 2025. For details of those schemes, please refer to the 2024 annual report of the Company.
- (3) The interest includes 272,237,062 shares held directly by Idea Delicacy Limited, 40,726,000 shares held directly by Powerful Force HK Limited, 159,670,000 shares held directly by Will of Heaven HK Limited, 107,503,000 held directly by Swallow Gird HK Limited, 197,945,000 held directly by Energon HK Limited and an aggregate of 90,866,835 held directly by certain employees of the Company. All of them had unconditionally, irrevocably and permanently entrusted Idea Prosperous Limited, a company 100% owned by Mr. KONG Fanxing, to exercise the voting rights attached to the shares.
- (4) The interest includes 3,759,328 underlying shares in respect of the share options granted pursuant to the Company's 2014 Share Option Scheme, 9,473,906 underlying shares in respect of the share options granted pursuant to the Company's 2019 Share Option Scheme, 2,258,770 underlying shares in respect of the share options granted pursuant to the Company's 2024 Share Option Scheme, 19,105,588 underlying shares in respect of the awarded shares granted pursuant to the Company's 2014 Restricted Share Award Scheme and 3,264,604 underlying shares in respect of the awarded shares granted pursuant to the Company's 2024 Restricted Share Award Scheme. In addition to the share interest in respect of the share options and awarded shares granted, to the best of the directors' knowledge, information and belief, having made all reasonable enquiries, Mr. WANG Mingzhe is interested in 586,000 ordinary shares of the Company as at 30 June 2025. For details of those schemes, please refer to the 2024 annual report of the Company.
- (5) The interest includes (1) 1,067,000 ordinary shares of the Company held directly by New Trace Limited which is 100% controlled by Mr. LIU Haifeng David; (2) 314,775,100 ordinary shares of the Company held directly by Capital Rise Limited; and (3) 50,000,000 ordinary shares of the Company held directly by Capital Lead Limited. Capital Bridge Limited holds the entire share capital of Capital Rise Limited and Capital Lead Limited respectively. Capital Bridge Limited is 100% controlled by DCP Capital Partners L.P., which is 100% controlled by DCP General Partner, Ltd, which in turn is 100% controlled by DCP Partners Limited. DCP Partners Limited is 100% controlled by DCP, Ltd., which is 50% controlled by Mr. Julian Juul Wolhardt and 50% controlled by Mr. LIU Haifeng David.
- (6) The interest includes 2,806,328 underlying shares in respect of the share options granted pursuant to the Company's 2014 Share Option Scheme, 9,473,906 underlying shares in respect of the share options granted pursuant to the Company's 2019 Share Option Scheme, 2,258,770 underlying shares in respect of the share options granted pursuant to the Company's 2024 Share Option Scheme, 19,083,906 underlying shares in respect of the awarded shares granted pursuant to the Company's 2014 Restricted Share Award Scheme and 3,264,604 underlying shares in respect of the awarded shares granted pursuant to the Company's 2024 Restricted Share Award Scheme. For details of those schemes, please refer to the 2024 annual report of the Company.

DISCLOSURE OF INTERESTS

Interests in the shares/underlying shares of associated corporations of the Company

Name of director	Name of associated corporation	Capacity/nature of interest	Number of ordinary shares ⁽¹⁾	Approximate percentage of the issued share capital of the associated corporation
KONG Fanxing	Horizon Construction Development Limited	Beneficial owner	8,078,052(L)	0.25%
WANG Mingzhe	Horizon Construction Development Limited	Beneficial owner	4,197,848(L)	0.13%
LIU Haifeng David	Horizon Construction Development Limited	Interest in a controlled corporation	81,298,244(L) ⁽²⁾	2.54%
LIU Jialin	Horizon Construction Development Limited	Beneficial owner	27,777(L)	0.00%
		Interest of spouse	27,777(L)	0.00%
CAO Jian	Horizon Construction Development Limited	Beneficial owner	2,796,585(L)	0.08%

Notes:

(1) The letter "L" denotes the person's long position in the shares of the associated company.

(2) Please refer to Form 3B – Director/Chief Executive Notice – Interests in Shares of Associated Corporation for the relevant event on 28 June 2024 for further details of the shareholding structure.

Save as disclosed above, as at 30 June 2025, none of the directors or the chief executives of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which he/she is taken or deemed to have under such provisions of the SFO), or which were required to be entered in the register kept by the Company pursuant to Section 352 of the SFO or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

DISCLOSURE OF INTERESTS

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE SHARES

Based on the information available to the directors of the Company, as at 30 June 2025 (including such information as was available on the website of the Stock Exchange) or so far as they are aware of, as at 30 June 2025, the entities or individuals who had interests or short positions in the shares or underlying shares of the Company which fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register kept by the Company under section 336 of the SFO or had otherwise notified to the Company were as follows:

Name of shareholder	Capacity/nature of interest	Number of ordinary shares ⁽¹⁾	Approximate percentage of the issued share capital of the Company
Sinochem Capital Investment Management (Hong Kong) Limited ⁽²⁾	Beneficial owner	919,914,440(L)	19.31%
Sinochem Capital Investment Management Limited ⁽²⁾	Interest in a controlled corporation	919,914,440(L)	19.31%
Sinochem Corporation ⁽²⁾	Interest in a controlled corporation	919,914,440(L)	19.31%
Sinochem Group Co., Ltd ⁽²⁾	Interest in a controlled corporation	919,914,440(L)	19.31%
The State-owned Assets Supervision and Administration Commission of the State Council ⁽²⁾	Interest in a controlled corporation	919,914,440(L)	19.31%
KONG Fanxing	Beneficial owner	96,127,463(L) ⁽³⁾	2.01%
	Interest in a controlled corporation	868,947,897(L) ⁽⁴⁾	18.24%
Idea Prosperous Limited ⁽⁴⁾	Entrusted to exercise voting rights	868,947,897(L)	18.24%
Aim Future Limited ⁽⁵⁾	Interest in a controlled corporation	505,844,000(L)	10.62%
Gold Stone Enterprise Limited ⁽⁵⁾	Interest in a controlled corporation	505,844,000(L)	10.62%
Cantrust (Far East) Limited ⁽⁵⁾	Trustee	505,844,000(L)	10.62%
UBS Group AG ⁽⁶⁾	Interest in a controlled corporation	528,914,820(L)	11.10%
		82,287,927(S)	1.72%
Sunshine Trust Company Limited ⁽⁷⁾	Trustee	272,237,062(L)	5.71%
LIU Haifeng David	Interest in a controlled corporation	365,842,100(L) ⁽⁸⁾	7.68%

DISCLOSURE OF INTERESTS

Name of shareholder	Capacity/nature of interest	Number of ordinary shares ⁽¹⁾	Approximate percentage of the issued share capital of the Company
Capital Rise Limited ⁽⁸⁾	Beneficial owner	314,775,100(L)	6.61%
Capital Bridge Limited ⁽⁸⁾	Interest in a controlled corporation	364,775,100(L)	7.66%
DCP Capital Partners L.P. ⁽⁸⁾	Interest in a controlled corporation	364,775,100(L)	7.66%
DCP General Partner, Ltd ⁽⁸⁾	Interest in a controlled corporation	364,775,100(L)	7.66%
DCP, Ltd. ⁽⁸⁾	Interest in a controlled corporation	364,775,100(L)	7.66%
Julian Juul WOLHARDT ⁽⁸⁾	Interest in a controlled corporation	364,775,100(L)	7.66%

Notes:

- (1) The letter "L" denotes the person's long position in the shares of the Company. The letter "S" denotes the person's short position in the shares of the Company.
- (2) Sinochem Capital Investment Management (Hong Kong) Limited is 100% controlled by Sinochem Capital Investment Management Limited, which is 100% controlled by Sinochem Corporation, which is in turn controlled as to 98% by Sinochem Group Co., Ltd. Sinochem Group Co., Ltd is 100% controlled by the State-owned Assets Supervision and Administration Commission of the State Council.
- (3) Please refer to Note (2) of the sub-section headed "Interests in the shares/underlying shares of the Company" under the section headed "Directors' and Chief Executives' Interests and/or Short Positions in the Shares, Underlying Shares and Debentures of the Company or any of its Associated Corporations" for further details of the shareholding structure.
- (4) Please refer to Note (3) of the sub-section headed "Interests in the shares/underlying shares of the Company" under the section headed "Directors' and Chief Executives' Interests and/or Short Positions in the Shares, Underlying Shares and Debentures of the Company or any of its Associated Corporations" for further details of the shareholding structure.
- (5) The interest is held directly by Will of Heaven HK Limited, Swallow Gird HK Limited, Powerful Force HK Limited and Energon HK Limited. Will of Heaven HK Limited, Swallow Gird HK Limited, Powerful Force HK Limited and Energon HK Limited are 100% controlled by Aim Future Limited, which is in turn 100% controlled by Gold Stone Enterprise Limited. Cantrust (Far East) Limited is the trustee of The Gold Stone I Trust and holds 100% interest in Gold Stone Enterprise Limited.
- (6) Please refer to Form 2 – Corporate Substantial Shareholder Notice for the relevant event on 24 June 2025 for further details of the shareholding structure.
- (7) The interest is held directly by Idea Delicacy Limited, which is 100% controlled by Sunshine Trust Company Limited.
- (8) Please refer to Note (5) of the sub-section headed "Interests in the shares/underlying shares of the Company" under the section headed "Directors' and Chief Executives' Interests and/or Short Positions in the Shares, Underlying Shares and Debentures of the Company or any of its Associated Corporations" for further details of the shareholding structure.

Save as disclosed above, the register required to be kept under section 336 of the SFO showed that the Company had not been notified by any person of any interest or short position in the Shares or underlying Shares of the Company.

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE CODE

The Company has applied the principles and code provisions as set out in the Corporate Governance Code (the “CG Code”) as contained in Appendix C1 of the Listing Rules (in effect as of 30 June 2025).

The Company has complied with the code provisions of the CG Code throughout the period from 1 January 2025 to 30 June 2025, except for code provisions C.2.1 and F.2.2 (which has been re-numbered as code provision F.1.3 since 1 July 2025) as explained below.

Pursuant to code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing.

During the period from 1 January 2025 to 30 June 2025, the Company has deviated from code provision C.2.1 with the positions of the chairman of the Board (the “Chairman”) and the chief executive officer of the Company (the “Chief Executive Officer”) being held by Mr. KONG Fanxing.

The Board however believes that it is in the interests of the Company to vest the roles of both the Chairman and the Chief Executive Officer in the same person, so as to provide consistent leadership within the Group and facilitate the prompt execution of the Group’s business strategies and boost operation effectiveness. The Board also believes that the balance of power and authority under this arrangement will not be impaired, as all major decisions must be made in consultation with the Board as a whole, together with relevant Board committees, which comprise experienced and high caliber individuals, with four independent non-executive Directors who are in the position to provide independent insights to the Board and monitor the management and operation of the Company. The Board will periodically review and consider the effectiveness of this arrangement by taking into account the circumstances of the Group as a whole.

Code provision F.2.2 (which has been re-numbered as code provision F.1.3 since 1 July 2025) of the CG Code stipulates that, among others, the chairman of the board should attend the annual general meeting and invite the chairmen of the audit, remuneration and nomination committees (as appropriate) or in the absence of the chairman of such committees, another member of the committee to attend and be available to answer relevant questions at the annual general meeting.

At the annual general meeting of the Company held on 14 April 2025 (the “2025 AGM”), Mr. KONG Fanxing (the Chairman and the member of the Strategy and Investment Committee), Mr. YIP Wai Ming (the chairman of the Audit and Risk Management Committee), Mr. LIU Jialin (the chairman of the Remuneration and Nomination Committee), Mr. LIU Haifeng, David (the chairman of the Strategy and Investment Committee), Mr. WONG Ka Fai Jimmy (the chairman of the Environmental, Social and Governance Committee and the member of the Strategy and Investment Committee), Mr. HAN Xiaojing (the member of each of the Audit and Risk Management Committee, the Remuneration and Nomination Committee and the Environmental, Social and Governance Committee), Mr. KUO Ming-Jian (the member of the Remuneration and Nomination Committee) and Mr. John LAW (the member of each of the Audit and Risk Management Committee and the Environmental, Social and Governance Committee) were unable to attend due to other important business engagements. To ensure relevant matters can be smoothly handled at the 2025 AGM, Mr. WANG Mingzhe (an Executive Director) attended and chaired the 2025 AGM to answer questions where necessary.

CORPORATE GOVERNANCE

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has devised its own code of conduct regarding Directors' dealings in the Company's securities (the "Code of Conduct") on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules.

Specific enquiry has been made to all the Directors and the Directors have confirmed that they have complied with the Code of Conduct throughout the six months ended 30 June 2025.

The Company has also established written guidelines (the "Employees Written Guidelines") no less exacting than the required standard set out in the Model Code for securities transactions by employees who are likely to be in possession of unpublished inside information of the Company. No incident of non-compliance with the Employees Written Guidelines by the employees was noted by the Company for the six months ended 30 June 2025.

INDEPENDENT NON-EXECUTIVE DIRECTORS

During the period from 1 January 2025 to 30 June 2025, the board of directors had been in compliance with Rule 3.10(1) of the Listing Rules, which requires a company to maintain at least three independent non-executive directors in the board of directors; with Rule 3.10(2) of the Listing Rules, which requires one of those independent non-executive directors to be specialized in accounting or relevant financial management; and with Rule 3.10A of the Listing Rules, which requires independent non-executive directors representing at least one-third of the board of directors.

AUDIT AND RISK MANAGEMENT COMMITTEE

The Company has established an audit and risk management committee (the "Audit and Risk Management Committee") in compliance with Rules 3.21 and 3.22 of the Listing Rules. The Audit and Risk Management Committee comprises three members, including Mr. YIP Wai Ming as chairman, Mr. HAN Xiaojing and Mr. John LAW. This interim report has been reviewed by the Audit and Risk Management Committee.

The Audit and Risk Management Committee has reviewed, with the management and the external auditors, the condensed consolidated financial statements for the six months ended 30 June 2025 of the Group, including the accounting principles and practices adopted by the Group.

OTHER INFORMATION

IMPLEMENTATION OF DISTRIBUTION OF 2024 FINAL DIVIDEND

According to the proposal in relation to dividend distribution, which was considered and passed at the 2025 AGM held on 14 April 2025, the Group has paid a dividend of HK\$0.30 per share to shareholders whose names appear on the register of members of the Company on 24 April 2025, thereby resulting in a total dividend payment amount of HK\$1,264,606,000.

INTERIM DIVIDEND

The Board approved the payment of a interim dividend of HK\$0.25 per share in respect of the six months ended 30 June 2025 to shareholders whose names appear on the register of members of the Company on Monday, 15 September 2025. The interim dividend will be paid on Wednesday, 24 September 2025.

CLOSURE OF SHARE REGISTER

The date of payment of the interim dividend is expected to be Wednesday, 24 September 2025. For determining the entitlement to the interim dividend, the register of members of the Company will be closed from Thursday, 11 September 2025 to Monday, 15 September 2025, both days inclusive, during which period no transfer of shares will be registered. The record date on which the shareholders are qualified to receive the interim dividend is Monday, 15 September 2025. In order to qualify for the interim dividend, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, for registration not later than 4:30 p.m. (Hong Kong time) on Wednesday, 10 September 2025, being the last registration date.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, redeemed or sold any shares of the Company for the six months ended 30 June 2025.

TREASURY SHARES

As at the end of the reporting period, the Company did not hold (or hold through CCASS or deposit in CCASS) any treasury share. Hence, disclosure requirements in respect of treasury shares under the Listing Rules are not applicable.

OTHER INFORMATION

CHANGES IN DIRECTORS' BIOGRAPHICAL DETAILS

Changes in directors' biographical details as at the disclosure date of this report, which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules, are set out below:

Name of director	Details of changes
KONG Fanxing	Ceased to serve as an executive director of Far East Horizon Industrial Investment (Tianjin) Co., Ltd. (遠東宏信實業投資(天津)有限公司) with effect from 6 February 2025.
	Ceased to serve as the general manager of Far East Horizon Financial Leasing Co., Ltd. (遠東宏信融資租賃有限公司) with effect from 30 June 2025.
WANG Mingzhe	Ceased to serve as the chief financial officer of Far East Horizon Financial Leasing Co., Ltd. (遠東宏信融資租賃有限公司) with effect from 30 June 2025.
	Ceased to serve as the chief financial officer of Far East Horizon Inclusive Financial Leasing (Tianjin) Co., Limited (遠東宏信普惠融資租賃(天津)有限公司) with effect from 30 June 2025.

INDEPENDENT REVIEW REPORT



Ernst & Young
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To the board of directors of Far East Horizon Limited
(Incorporated in Hong Kong with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 122 to 212, which comprises the condensed consolidated statement of financial position of Far East Horizon Limited (the "Company") and its subsidiaries (the "Group") as at 30 June 2025 and the related condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 Interim Financial Reporting ("HKAS 34") as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

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

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

Ernst & Young
Certified Public Accountants
Hong Kong
1 August 2025

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025

		2025	2024
		(Unaudited)	(Unaudited)
	Notes	RMB'000	RMB'000
Interest income	4	10,657,250	10,699,938
Revenue from operating leases	4	2,926,173	2,639,880
Revenue from contracts with customers	4	3,835,905	4,766,467
Tax and surcharges	4	(82,873)	(69,946)
Cost of sales		(9,686,711)	(9,914,209)
Other income and gains	4	1,082,425	826,178
Selling and distribution costs		(1,699,198)	(1,609,498)
Administrative expenses		(2,197,313)	(1,910,256)
Impairment losses on financial and contract assets		(123,160)	(525,451)
Losses on derecognition of financial assets measured at amortised cost		(1,350)	(5,707)
Other expenses		(283,560)	(391,683)
Finance costs		(588,066)	(581,489)
Share of net profits of:			
Associates		72,012	33,940
Share of net profits of:			
Joint ventures		100,391	49,457
PROFIT BEFORE TAX	5	4,011,925	4,007,621
Income tax expense	6	(1,823,497)	(1,696,585)
PROFIT FOR THE PERIOD		2,188,428	2,311,036
Attributable to:			
Ordinary shareholders of the Company		2,163,585	2,085,076
Holders of perpetual securities		–	31,390
Non-controlling interests		24,843	194,570
		2,188,428	2,311,036
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	8	RMB	RMB
Basic			
– Earnings per share		0.51	0.49
Diluted			
– Earnings per share		0.47	0.45

Details of the dividends payable and proposed for the period are disclosed in Note 7 to the interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
PROFIT FOR THE PERIOD	2,188,428	2,311,036
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods, net of tax:		
Cash flow hedges:		
Effective portion of changes in fair value of hedging instruments arising during the period	(867,053)	904,648
Reclassification adjustment for losses included in the consolidated statement of profit or loss	(278,473)	(273,251)
Income tax effect	(203)	(18,107)
	(1,145,729)	613,290
Exchange differences:		
Exchange differences on translation of foreign operations	(33,120)	(21,696)
	(33,120)	(21,696)
Net other comprehensive income that will be reclassified to profit or loss in subsequent periods	(1,178,849)	591,594
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	(1,178,849)	591,594
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	1,009,579	2,902,630
Attributable to:		
Ordinary shareholders of the Company	1,005,598	2,671,869
Holders of perpetual securities	—	31,390
Non-controlling interests	3,981	199,371
	1,009,579	2,902,630

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2025

		30 June 2025	31 December 2024
		(Unaudited)	(Audited)
	Notes	RMB'000	RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	9	25,906,465	26,547,204
Investment properties		134,006	100,177
Right-of-use assets		2,282,576	2,403,192
Goodwill		368,736	194,737
Other intangible assets		140,231	140,597
Investments in joint ventures	12	6,090,345	4,152,840
Investments in associates	13	3,974,558	4,450,160
Financial assets at fair value through profit or loss	16	12,295,772	12,291,312
Derivative financial instruments	11	240,729	723,844
Loans and accounts receivables	10	113,664,133	104,826,511
Prepayments, other receivables and other assets		828,609	1,171,040
Deferred tax assets	20	6,119,510	6,051,263
Restricted deposits	14	9,608,115	9,608,115
Total non-current assets		181,653,785	172,660,992
CURRENT ASSETS			
Inventories		434,693	476,752
Loans and accounts receivables	10	153,447,312	155,822,206
Contract assets		697,502	753,848
Prepayments, other receivables and other assets		3,952,668	4,264,180
Debt investments at fair value through other comprehensive income		204,226	453,246
Financial assets at fair value through profit or loss	16	2,802,814	3,467,958
Derivative financial instruments	11	308,915	1,032,896
Restricted deposits	14	1,050,430	1,100,401
Cash and cash equivalents	14	18,293,920	19,786,521
Assets held for sale	15	953,351	571,000
Total current assets		182,145,831	187,729,008

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2025

		30 June 2025	31 December 2024
		(Unaudited)	(Audited)
	Notes	RMB'000	RMB'000
CURRENT LIABILITIES			
Trade and bills payables	17	8,014,656	7,865,619
Other payables and accruals		11,507,323	12,734,419
Derivative financial instruments	11	116,944	142,513
Convertible bonds – host debts	19	6,710	2,066,423
Interest-bearing bank and other borrowings	18	154,417,038	143,499,457
Lease liabilities	18	258,943	277,212
Income tax payable		1,031,128	1,278,347
Total current liabilities		175,352,742	167,863,990
NET CURRENT ASSETS		6,793,089	19,865,018
TOTAL ASSETS LESS CURRENT LIABILITIES		188,446,874	192,526,010
NON-CURRENT LIABILITIES			
Convertible bonds – host debts	19	–	6,413
Interest-bearing bank and other borrowings	18	110,935,222	119,345,890
Lease liabilities	18	681,777	717,257
Derivative financial instruments	11	537,823	159,078
Deferred tax liabilities	20	664,951	826,532
Other payables and accruals		13,264,902	11,793,508
Deferred revenue		879,994	498,877
Other non-current liabilities		2,004,311	1,701,314
Total non-current liabilities		128,968,980	135,048,869
Net assets		59,477,894	57,477,141

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2025

		30 June 2025	31 December 2024
		(Unaudited)	(Audited)
	Notes	RMB'000	RMB'000
EQUITY			
Equity attributable to ordinary shareholders of the parent			
Share capital	21	15,373,818	13,098,930
Equity component of convertible bonds		272	144,785
Reserves	22	35,625,165	35,746,601
		50,999,255	48,990,316
Non-controlling interests		8,478,639	8,486,825
Total equity		59,477,894	57,477,141

Kong Fanxing

Director

Wang Mingzhe

Director

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

Attributable to ordinary shareholders of the parent														
	Share capital	Equity component of convertible bonds	Capital reserve	Shares held for the share award scheme	Share-based compensation reserve	Shares held for the share award scheme or a subsidiary	Special reserve	Reserve fund	Hedging reserve	Exchange fluctuation reserve	Retained profits	Total	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(Note 21)	(Note 19)	(Note 22)	(Note 22)	(Note 22)	(Note 22)	(Note 22)	(Note 22)	(Note 22)	(Note 22)	(Note 22)	(Note 22)	(Note 22)	(Note 22)
At 1 January 2025	13,098,930	144,785	632,899	(546,009)	419,783	(37,338)	113,544	121,913	388,887	527,519	34,126,003	48,990,316	8,486,825	57,477,141
Profit for the period	-	-	-	-	-	-	-	-	-	-	2,163,585	2,163,585	24,843	2,188,428
Other comprehensive income for the period:														
Cash flow hedges, net of tax	-	-	-	-	-	-	-	-	(1,144,399)	-	-	(1,144,399)	(1,330)	(1,145,729)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	-	(13,588)	-	(13,588)	(19,532)	(33,120)
Total comprehensive income	-	-	-	-	-	-	-	-	(1,144,399)	(13,588)	2,163,585	1,005,598	3,981	1,009,579
Final 2024 dividend declared														
(net of dividends received from shares held for the share award scheme) (Note 7)	-	-	-	-	-	-	-	-	-	-	(1,175,451)	(1,175,451)	-	(1,175,451)
Transfer of share option reserve upon exercise of share options	52,563	-	-	-	(7,885)	-	-	-	-	-	-	44,678	-	44,678
Recognition of equity-settled share-based payments	-	-	-	-	108,634	-	-	-	-	-	-	108,634	(503)	108,131
Special reserve – safety fund appropriation	-	-	-	-	-	-	3,436	-	-	-	(3,436)	-	-	-
Capital injection by non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-	-	23,134	23,134
Capital reduction by non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-	-	(602)	(602)
Share of other reserves of investments accounted for using the equity method	-	-	9,138	-	-	-	-	-	-	-	-	9,138	-	9,138
Disposal of subsidiaries	-	-	(55,785)	-	-	-	-	-	-	-	-	(55,785)	55,785	-
Dividends declared to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-	-	(89,981)	(89,981)
Issue of shares upon conversion of convertible bonds (Note 19)	2,222,325	(144,513)	-	-	-	-	-	-	-	-	-	2,077,812	-	2,077,812
Others	-	-	(5,685)	-	-	-	-	-	-	-	-	(5,685)	-	(5,685)
At 30 June 2025 (Unaudited)	15,373,818	272	580,567*	(546,009)*	520,532*	(37,338)*	116,980*	121,913*	(75,552)*	513,931*	35,110,701*	50,999,255	8,478,639	59,477,894

* These reserve accounts comprise the consolidated reserves of RMB35,625,165 thousand (31 December 2024: RMB35,746,601 thousand) in the consolidated statement of financial position.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Attributable to ordinary shareholders of the parent										
	Equity component		Shares held for the share award scheme		Shares held for the share award scheme		Share-based compensation reserve		Shares held for the share award scheme of a subsidiary		Total equity
	Share capital	Capital reserve	Capital reserve	Special reserve	Reserve fund	Hedging reserve	Exchange fluctuation reserve	Retained profits	Perpetual securities	Non-controlling interests	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(Note 21)	(Note 19)	(Note 22)	(Note 22)	(Note 22)	(Note 22)	(Note 22)	(Note 22)	(Note 22)	(Note 22)	(Note 22)
At 1 January 2024	13,066,292	228,432	2,212,708	(576,508)	431,106	-	91,760	121,913	(286,166)	561,165	34,248,667
Profit for the period	-	-	-	-	-	-	-	-	-	-	5,896,355
Other comprehensive income for the period:											
Cash flow hedges: net of tax	-	-	-	-	-	-	-	-	-	-	194,570
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	-	-	2,311,036
Total comprehensive income	-	-	-	-	-	-	-	-	-	-	613,230
Final 2023 dividend declared	-	-	-	-	-	-	-	-	-	-	4,801
(net of dividends received from shares held for the share awards scheme) (Note 7)	-	-	-	-	-	-	-	-	-	-	-
Special dividend	-	-	(1,518,447)	-	-	-	-	-	-	-	(21,696)
Transfer of share option reserve upon exercise of share options	31,654	-	-	-	(63,268)	-	-	-	-	-	2,902,630
Recognition of equity-settled share-based payments	-	-	-	-	129,171	-	-	-	-	-	199,371
Special reserve—safety fund appropriation	-	-	-	-	-	-	-	-	-	-	3,222,420
Capital injection by non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	664,761
Purchase of non-controlling interests	-	-	(4,632)	-	-	-	-	-	-	-	19,712
Share of other reserves of investments accounted for using the equity method	-	-	(53,306)	-	-	-	-	-	-	-	21,610
Dividends declared to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	(59,744)
Redemption of perpetual securities	-	-	-	-	-	-	-	-	-	-	(64,376)
Redemption of convertible bonds (Note 19)	-	(83,647)	(70,032)	-	-	-	-	-	-	-	(53,306)
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	(60,695)
Repurchase of shares of a subsidiary	-	-	-	-	(3,933)	-	-	-	-	-	(40,447)
Others	-	-	(9,113)	-	-	-	-	-	-	-	(153,699)
At 30 June 2024 (Unaudited)	13,097,946	144,785	557,458	(576,508)	553,951	(3,933)	106,276	121,913	322,323	539,469	33,330,226
											48,193,906
											1,564,819
											9,294,127
											59,052,852

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

		2025	2024
		(Unaudited)	(Unaudited)
	Notes	RMB'000	RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		4,011,925	4,007,621
Adjustments for:			
Finance costs		5,282,619	5,359,943
Bank interest income	4	(96,574)	(71,618)
Share of net profits of associates		(72,012)	(33,940)
Share of net profits of joint ventures		(100,391)	(49,457)
Gains on unlisted debt investments, at fair value	4	(18,978)	(17,691)
Gains on disposal of property, plant and equipment, net		(82,386)	(10,666)
Gains on disposal of subsidiaries	4	(19,971)	(854)
Losses on disposal of joint ventures	5	12,882	–
Depreciation of property, plant and equipment		1,496,024	1,268,171
Depreciation of investment properties		13,906	3,795
Depreciation of right-of-use assets		270,784	214,363
Provision for impairment of loans and accounts receivables	5	189,284	573,234
(Reversal of impairment)/impairment of prepayments, other receivables and other assets	5	(31,055)	28,785
Impairment of an investment in joint ventures	5	179,065	30,000
Reversal of impairment of credit commitments	5	(35,069)	(76,568)
Impairment of an investment in associates	5	–	127,734
Impairment/(reversal of impairment) of other assets	5	17,753	(19,231)
Amortisation of intangible assets and other assets	5	36,923	5,807
Equity-settled share-based payment expenses	5	108,131	129,171
Foreign exchange gains, net	5	(37,852)	(35,428)
Interest expense on lease liabilities		16,587	20,683
Realised gains on derecognition of financial assets at fair value through profit or loss	4	(200,184)	(126,908)
Fair value gains from financial liabilities at fair value through profit or loss, net	5	(10,608)	(61,437)
Fair value gains from financial assets at fair value through profit or loss, net	5	(367,031)	(84,458)
Dividends of financial assets at fair value through profit or loss	4	–	(28,916)
		10,563,772	11,152,135

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

		2025	2024
		(Unaudited)	(Unaudited)
	Notes	RMB'000	RMB'000
Decrease/(increase) in inventories		43,082	(569)
Decrease/(increase) in contract assets		56,346	(562,822)
Increase in loans and accounts receivables		(6,748,840)	(3,772,383)
Decrease in prepayments, other receivables and other assets		546,985	721,439
Decrease in restricted cash		172,568	238,671
Increase/(decrease) in trade and bills payables		109,781	(1,232,503)
Increase in other payables and accruals		290,089	1,055,971
Increase/(decrease) in other liabilities		830,902	(289,321)
Net cash flows from operating activities before tax and interest		5,864,685	7,310,618
Interest paid		(5,457,218)	(5,828,918)
Interest received		96,574	71,618
Income tax paid		(2,328,011)	(2,564,687)
Net cash flows used in operating activities		(1,823,970)	(1,011,369)
CASH FLOWS FROM INVESTING ACTIVITIES			
Gains on unlisted debt investments, at fair value	4	18,978	17,691
Proceeds from disposal of property, plant and equipment		335,183	304,960
Purchase of items of property, plant and equipment, intangible assets and other long-term assets		(1,012,450)	(3,369,597)
Proceeds from disposal of associates		–	625,000
Proceeds from disposal of joint ventures		1,512	–
Purchase of shareholdings of associates		(380)	–
Purchase of shareholdings of joint ventures		(2,057,203)	(377,569)
Dividend received from associates		66,125	5,556
Dividend received from financial assets at fair value through profit or loss	4	–	28,916
Realised gains on derecognition of financial assets at fair value through profit or loss	4	200,184	126,908
Proceeds from disposal of financial assets at fair value through profit or loss		3,142,720	1,455,511
Acquisition of subsidiaries		(209,547)	2,180
Disposal of subsidiaries		104,532	854
Purchase of financial assets at fair value through profit or loss		(1,789,625)	(1,637,662)
Net cash flows used in investing activities		(1,199,971)	(2,817,252)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

		2025	2024
		(Unaudited)	(Unaudited)
	Notes	RMB'000	RMB'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash received from exercise of share options		44,678	25,328
Capital injection from non-controlling shareholders		23,134	21,610
Capital reduction from non-controlling shareholders		(602)	–
Purchase of non-controlling shareholders		(5,684)	(61,943)
Cash received from borrowings		94,731,685	122,305,521
Repayments of borrowings		(92,434,020)	(113,365,869)
Principal portion of lease payments		(217,607)	(239,194)
(Increase)/decrease of pledged time deposits		(122,597)	46,785
Redemption of perpetual capital securities		–	(40,447)
Dividends paid to non-controlling shareholders		(14,287)	(104,691)
Repurchase of shares of a subsidiary		–	(5,884)
Realised fair value gains from derivative financial instruments in hedges for borrowings		693,218	1,247,573
Dividends paid to ordinary equity holders		(1,175,451)	(1,919,777)
Net cash flows from financing activities		1,522,467	7,909,012
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(1,501,474)	4,080,391
Cash and cash equivalents at beginning of period		19,786,521	18,852,540
Effect of exchange rate changes on cash and cash equivalents		8,873	12,654
CASH AND CASH EQUIVALENTS AT END OF PERIOD	14	18,293,920	22,945,585

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

1. CORPORATE INFORMATION

Far East Horizon Limited (the “Company”) is a limited liability company which was incorporated in Hong Kong on 15 May 2008. Pursuant to the special resolutions dated 15 October 2008 and 29 November 2010 respectively, the Company changed its name from Fully Ascent Limited to Far Eastern Hong Xin Co., Limited, and then Far East Horizon Limited. The registered office address of the Company is Unit 6706B-6708A, 67/F, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong.

The Group is principally engaged in the provision of finance to its customers by a wide array of assets under finance lease arrangements, operating lease arrangements, entrusted loan arrangements, factoring, the provision of advisory services, equipment operation business, industrial operation business and other services as approved by the Ministry of Commerce (the “MOFCOM”) of the People’s Republic of China (the “PRC”).

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

2.1 Basis of preparation

The interim condensed consolidated financial information for the six months ended 30 June 2025 has been prepared in accordance with HKAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2024.

The financial information relating to the year ended 31 December 2024 that is included in the interim condensed consolidated statement of financial position as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to those statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

The Company has delivered the financial statements for the year ended 31 December 2024 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance. The Company’s auditors have reported on the financial statements for the year ended 31 December 2024. The auditor’s report was unqualified; and did not contain a statement under sections 406(2), 407(2) or 407(3) of the Hong Kong Companies Ordinance.

The interim condensed consolidated financial information is presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand (“RMB’000”) except when otherwise indicated.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

2.2 Changes in accounting policies and disclosures

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the following amended HKFRS Accounting Standard for the first time for the current period's financial information.

Amendments to HKAS 21

Lack of Exchangeability

The nature and impact of the amended HKFRS Accounting Standard are described below:

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the interim condensed consolidated financial information.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into two operating segments, namely the financial, lease and advisory business and the industrial operation and management business, based on the internal organisational structure, management requirement and internal reporting system:

- The financial, lease and advisory business comprises primarily (a) direct finance leasing; (b) sale-leaseback; (c) factoring; (d) entrusted loans; (e) operating leases and the sale of related equipment and materials; (f) advisory services; and (g) construction services.
- The industrial operation and management business comprises primarily (a) import and export trade and domestic trade of medical equipment, as well as the provision of trade agency services primarily within the machinery industry; (b) the ship brokerage services; (c) medical engineering; (d) hospital and healthcare management; and (e) education consulting and management.

Management monitors the operating results of the Group's business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group.

Segment revenue, results and assets mainly include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Intersegment transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

3. OPERATING SEGMENT INFORMATION (CONTINUED)

As at and for the six months ended 30 June 2025

	Financial, lease and advisory	Industrial operation and management	Adjustments and eliminations	Total
(Unaudited)	RMB'000	RMB'000	RMB'000	RMB'000
Segment revenue: (Note 4)				
Sales to external customers	15,402,629	1,933,826	–	17,336,455
Intersegment sales	51,344	3,208	(54,552)	–
Cost of sales	(8,155,011)	(1,531,700)	–	(9,686,711)
Other income and gains	895,502	381,926	(195,003)	1,082,425
Selling and distribution costs and administrative expenses	(3,662,221)	(240,003)	5,713	(3,896,511)
Other expenses	(242,237)	(41,323)	–	(283,560)
Finance costs	(738,291)	(93,617)	243,842	(588,066)
Impairment losses on financial and contract assets	(59,374)	(63,786)	–	(123,160)
Losses on disposal of financial assets measured at amortised cost	(1,350)	–	–	(1,350)
Share of profits of associates	67,757	4,255	–	72,012
Share of profits of joint ventures	69,032	31,359	–	100,391
Profit before tax	3,627,780	384,145	–	4,011,925
Income tax expense	(1,788,158)	(35,339)	–	(1,823,497)
Profit after tax	1,839,622	348,806	–	2,188,428
Segment assets	358,709,955	15,406,250	(10,316,588)	363,799,617
Other segment information:				
Impairment losses recognised in the statement of profit or loss	255,692	64,286	–	319,978
Depreciation and amortisation	1,637,177	180,460	–	1,817,637
Capital expenditure	2,789,496	280,537	–	3,070,033

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

3. OPERATING SEGMENT INFORMATION (CONTINUED)

As at and for the six months ended 30 June 2024

	Financial, lease and advisory	Industrial operation and management	Adjustments and eliminations	Total
(Unaudited)	RMB'000	RMB'000	RMB'000	RMB'000
Segment revenue: (Note 4)				
Sales to external customers	15,693,833	2,342,506	–	18,036,339
Intersegment sales	66,144	1,828	(67,972)	–
Cost of sales	(8,121,664)	(1,792,545)	–	(9,914,209)
Other income and gains	832,127	44,376	(50,325)	826,178
Selling and distribution costs and administrative expenses	(3,271,062)	(252,983)	4,291	(3,519,754)
Other expenses	(355,360)	(36,323)	–	(391,683)
Finance costs	(591,785)	(103,710)	114,006	(581,489)
Impairment losses on financial and contract assets	(462,210)	(63,241)	–	(525,451)
Losses on disposal of financial assets measured at amortised cost	(5,707)	–	–	(5,707)
Share of profits/(losses) of associates	35,466	(1,526)	–	33,940
Share of profits/(losses) of joint ventures	146,962	(97,505)	–	49,457
Profit before tax	3,966,744	40,877	–	4,007,621
Income tax expense	(1,652,134)	(44,451)	–	(1,696,585)
Profit after tax	2,314,610	(3,574)	–	2,311,036
Segment assets	366,295,040	14,285,810	(18,938,795)	361,642,055
Other segment information:				
Impairment losses recognised in the statement of profit or loss	600,713	63,241	–	663,954
Depreciation and amortisation	1,164,304	189,377	–	1,353,681
Capital expenditure	2,984,627	760,359	–	3,744,986

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

3. OPERATING SEGMENT INFORMATION (CONTINUED)

Geographical information

(a) Revenue from external customers

For the six months ended 30 June		
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Mainland China	16,724,502	17,973,325
Hong Kong	11,223	39,018
Other countries or regions	600,730	23,996
Total	17,336,455	18,036,339

The revenue information is based on the locations of the customers.

(b) Non-current assets

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
	RMB'000	RMB'000
Mainland China	35,623,029	35,739,371
Hong Kong	33,420	39,898
Other countries or regions	3,803,604	2,858,178
Total	39,460,053	38,637,447

The non-current asset information above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

Information about major customers

There was no single customer from whom the revenue derived amounted to 10% or more of the total revenue of the Group during the period (six months ended 30 June 2024: Nil).

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

4. INTEREST INCOME, REVENUE FROM OPERATING LEASES, REVENUE FROM CONTRACTS WITH CUSTOMERS AND OTHER INCOME AND GAINS

An analysis of interest income, revenue from operating leases, revenue from contracts with customers and other income and gains is as follows:

For the six months ended 30 June			
		2025	2024
		(Unaudited)	(Unaudited)
	Note	RMB'000	RMB'000
Interest income			
Interest income from finance leases, factoring and loans		10,594,309	10,616,037
Interest income from financial assets at fair value through profit or loss		62,941	83,901
Revenue from operating leases		2,926,173	2,639,880
Revenue from contracts with customers	(i)	3,835,905	4,766,467
Tax and surcharges		(82,873)	(69,946)
Total		17,336,455	18,036,339

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

4. INTEREST INCOME, REVENUE FROM OPERATING LEASES, REVENUE FROM CONTRACTS WITH CUSTOMERS AND OTHER INCOME AND GAINS (CONTINUED)

Revenue from contracts with customers

(i) Disaggregated revenue information

For the six months ended 30 June 2025

	Financial, lease and advisory	Industrial operation and management	Total
	(Unaudited)	(Unaudited)	(Unaudited)
Segments	RMB'000	RMB'000	RMB'000
Types of goods or services			
Sale of goods	285,094	–	285,094
Construction services	1,138,882	–	1,138,882
Service fee income	433,249	–	433,249
Healthcare service income	–	1,794,461	1,794,461
Education service income	–	104,204	104,204
Chartering and brokerage income	–	8,015	8,015
Other income	43,931	28,069	72,000
Total	1,901,156	1,934,749	3,835,905
Geographical markets			
Hong Kong	1,930	–	1,930
Mainland China	1,889,239	1,934,749	3,823,988
Other countries or regions	9,987	–	9,987
Total	1,901,156	1,934,749	3,835,905
Timing of revenue recognition			
Goods or services transferred at a point in time	547,268	713,576	1,260,844
Services transferred over time	1,353,888	1,221,173	2,575,061
Total	1,901,156	1,934,749	3,835,905

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

4. INTEREST INCOME, REVENUE FROM OPERATING LEASES, REVENUE FROM CONTRACTS WITH CUSTOMERS AND OTHER INCOME AND GAINS (CONTINUED)

Revenue from contracts with customers (continued)

(i) Disaggregated revenue information (continued)

For the six months ended 30 June 2024

	Financial, lease and advisory (Unaudited)	Industrial operation and management (Unaudited)	Total (Unaudited)
Segments	RMB'000	RMB'000	RMB'000
Types of goods or services			
Sale of goods	284,018	–	284,018
Construction services	1,946,261	–	1,946,261
Service fee income	162,101	–	162,101
Healthcare service income	–	2,112,215	2,112,215
Education service income	–	110,662	110,662
Chartering and brokerage income	–	51,632	51,632
Other income	27,511	72,067	99,578
Total	2,419,891	2,346,576	4,766,467
Geographical markets			
Hong Kong	4,763	31,572	36,335
Mainland China	2,409,725	2,297,764	4,707,489
Other countries or regions	5,403	17,240	22,643
Total	2,419,891	2,346,576	4,766,467
Timing of revenue recognition			
Goods or services transferred at a point in time	306,827	919,200	1,226,027
Services transferred over time	2,113,064	1,427,376	3,540,440
Total	2,419,891	2,346,576	4,766,467

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

4. INTEREST INCOME, REVENUE FROM OPERATING LEASES, REVENUE FROM CONTRACTS WITH CUSTOMERS AND OTHER INCOME AND GAINS (CONTINUED)

Revenue from contracts with customers (continued)

(i) Disaggregated revenue information (continued)

Set out below is the reconciliation of the revenue from contracts with customers to the amounts disclosed in the segment information:

For the six months ended 30 June 2025

	Financial, lease and advisory	Industrial operation and management	Total
	(Unaudited)	(Unaudited)	(Unaudited)
Segments	RMB'000	RMB'000	RMB'000
Revenue from contracts with customers			
External customers	1,901,156	1,934,749	3,835,905
Intersegment sales	3,342	3,208	6,550
	1,904,498	1,937,957	3,842,455
Intersegment adjustments and eliminations	(3,342)	(3,208)	(6,550)
Total	1,901,156	1,934,749	3,835,905

For the six months ended 30 June 2024

	Financial, lease and advisory	Industrial operation and management	Total
	(Unaudited)	(Unaudited)	(Unaudited)
Segments	RMB'000	RMB'000	RMB'000
Revenue from contracts with customers			
External customers	2,419,891	2,346,576	4,766,467
Intersegment sales	2,924	1,828	4,752
	2,422,815	2,348,404	4,771,219
Intersegment adjustments and eliminations	(2,924)	(1,828)	(4,752)
Total	2,419,891	2,346,576	4,766,467

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

4. INTEREST INCOME, REVENUE FROM OPERATING LEASES, REVENUE FROM CONTRACTS WITH CUSTOMERS AND OTHER INCOME AND GAINS (CONTINUED)

For the six months ended 30 June			
		2025	2024
		(Unaudited)	(Unaudited)
	Note	RMB'000	RMB'000
Other income and gains			
Bank interest income		96,574	71,618
Gains on unlisted debt investments, at fair value		18,978	17,691
Gains on disposal of property, plant and equipment		83,171	19,223
Government grants	4a	122,628	104,929
Gains on disposal of subsidiaries		19,971	854
Interest income from continuing involvement in transferred assets		42,321	45,521
Fair value gains from financial assets at fair value through profit or loss		410,013	282,117
Fair value gains from financial liabilities at fair value through profit or loss		28,131	61,437
Dividends of financial assets at fair value through profit or loss		–	28,916
Realised gains on financial assets at fair value through profit or loss		200,184	126,908
Foreign exchange gains, net		37,852	35,428
Others		22,602	31,536
Total		1,082,425	826,178

4a. Government Grants

For the six months ended 30 June		
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Government special subsidies	122,628	104,929

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Cost of borrowings included in cost of sales	4,711,141	4,799,138
Cost of inventories sold	244,571	171,373
Cost of construction contracts	967,664	1,420,770
Cost of operating leases	2,197,783	1,725,028
Cost of chartering	–	33,290
Cost of healthcare service	1,463,999	1,664,345
Cost of education service	57,472	59,175
Cost of others	44,081	41,090
Depreciation of property, plant and equipment		
Current period expenditure	91,250	127,208
Less: Government grants released**	(712)	–
Total	90,538	127,208
Depreciation of right-of-use assets	63,651	50,949
Amortisation of intangible assets and other assets	36,923	5,807
Auditors' remuneration – other services	4,100	4,300
Employee benefit expense (including directors' remuneration)		
– Wages and salaries*		
Current period expenditure	2,387,915	2,725,472
Less: Government grants released**	(222,695)	(655,711)
Total	2,165,220	2,069,761
– Equity-settled share-based payment expenses	108,131	129,171
– Pension scheme contributions	106,590	126,979
– Other employee benefits	200,594	160,771
	2,580,535	2,486,682

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

5. PROFIT BEFORE TAX (CONTINUED)

The Group's profit before tax is arrived at after charging/(crediting): (continued)

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Impairment of an investment in joint ventures	179,065	30,000
Impairment of an investment in associates	–	127,734
Impairment of loans and accounts receivables (Note 10)	189,284	573,234
(Reversal of impairment)/impairment of financial assets included in prepayments, other receivables and other assets	(31,055)	28,785
Reversal of impairment of credit commitments	(35,069)	(76,568)
Impairment/(reversal of impairment) of other assets	17,753	(19,231)
Lease payments not included in the measurement of lease liabilities	37,157	25,268
Entertainment expenses	35,911	58,942
Business travelling expenses	145,664	153,836
Consultancy fees	145,610	142,903
Office expenses	25,904	24,801
Advertising and promotion expenses	33,649	16,670
Transportation expenses	72,824	77,216
Communication expenses	27,310	30,317
Litigation expenses	47,544	31,032
Other miscellaneous expenses:		
Current year expenditure	548,387	206,894
Less: Government grants released**	(16,950)	(19,702)
Total	531,437	187,192

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

5. PROFIT BEFORE TAX (CONTINUED)

The Group's profit before tax is arrived at after charging/(crediting): (continued)

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Losses on disposal of property, plant and equipment	785	8,557
Donation	1,253	2,675
Bank commission expenses	5,295	14,442
Foreign exchange gains, net:		
Derivative gain or loss recycled from equity under cash flow hedge	(92,536)	(49,856)
Foreign exchange losses	54,684	14,428
Total	(37,852)	(35,428)
Losses on disposal of joint ventures	12,882	–
Fair value losses from financial assets at fair value through profit or loss	42,982	197,659
Fair value losses from financial liabilities at fair value through profit or loss	17,523	–
Other expenditure	23,776	21,846
Finance costs	588,066	581,489
Losses on derecognition of loans and accounts receivables measured at amortised cost	1,350	5,707
Bank interest income	(96,574)	(71,618)
Interest income from continuing involvement in transferred assets	(42,321)	(45,521)
Fair value gains from financial assets at fair value through profit or loss	(410,013)	(282,117)
Fair value gains from financial liabilities at fair value through profit or loss***	(28,131)	(61,437)
Realised gains on financial assets at fair value through profit or loss	(200,184)	(126,908)

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

5. PROFIT BEFORE TAX (CONTINUED)

The Group's profit before tax is arrived at after charging/(crediting): (continued)

* The Group has adopted collective economic-gain bonus schemes (the "Schemes") since 2014. In 2022, new trust schemes (the "2022 Trust Scheme") were established in Mainland China and Hong Kong, respectively. The beneficiaries of the 2022 Trust Scheme comprised certain employees of the Group (including senior management) and directors. During the six months ended 30 June 2025, no distribution (six months ended 30 June 2024: Nil) was made to senior management and directors under the aforesaid 2014 and 2022 Schemes. Upon becoming aware of any forthcoming actual distribution or determination of allocation amounts under the aforementioned plans, the Group will disclose such information in accordance with the relevant requirements stipulated in the Listing Rules.

During the six months ended 30 June 2025, the Group did not pay any bonuses (six months ended 30 June 2024: Nil) to the 2022 Trust Scheme in Mainland China, while paid bonuses of USD250,000 thousand (six months ended 30 June 2024: USD150,000 thousand) to the 2022 Trust Scheme in Hong Kong.

** Government grants have been received by subsidiaries of the Company from the local government for the improvement of technology, staff training and development, and others. The government grants received have been deducted from the expenses to which they related. Government grants received for which related expenditure has yet been undertaken are included in deferred revenue in the statement of financial position.

*** The fair value gains from financial liabilities at fair value through profit or loss are accounted for the fair value change linked to the investments by limited partners other than the Group in several investment limited partnerships that are classified as financial liabilities in the consolidated financial statements of the Group.

6. INCOME TAX

For the six months ended 30 June		
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Current – Hong Kong		
Charge for the period	359,929	344,129
Current – Mainland China		
Charge for the period	1,660,795	1,238,383
Underprovision in prior years	43,202	24,057
Deferred tax (Note 20)	(240,429)	90,016
Total tax charge for the period	1,823,497	1,696,585

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

6. INCOME TAX (CONTINUED)

Hong Kong profits tax

Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 30 June 2024: 16.5%) on the estimated assessable profits arising in Hong Kong for the period.

Corporate Income Tax ("CIT")

The income tax provision of the Group in respect of its operations in Mainland China has been calculated at the tax rate of 25% (six months ended 30 June 2024: 25%) on the estimated assessable profits for the period, based on the existing legislation, interpretations and practices in respect thereof.

The State Administration of Taxation announced that enterprises of the encouraged industries in the Western Region of the PRC can apply a preferential tax rate of 15% from 1 January 2011 to 31 December 2030. Deyang The Fifth Hospital Co., Ltd., Chongqing Yudong Hospital Co., Ltd., Nayong Xinli Hospital Co., Ltd. and Chengdu Jinsha Hospital Co., Ltd. have been identified as having fulfilled the criteria of the aforesaid preferential taxation policy and thus have enjoyed a preferential tax rate of 15% since 2016. Zhaotong Renan Hospital Co., Ltd. and Qiaojia Renan Hospital Co., Ltd. have been identified as having fulfilled the criteria of the aforesaid preferential taxation policy and thus have enjoyed a preferential tax rate of 15% since 2017. Qinghai Kangle Hospital Company Ltd. has been identified as having fulfilled the criteria of the aforesaid preferential taxation policy and thus has enjoyed a preferential tax rate of 15% since 2020.

Shanghai Horizon Equipment & Engineering Co., Ltd. was accredited as High and New-Technology Enterprise (the "HNTE") since 2015, while Guangzhou Hongtu Equipment & Engineering Co., Ltd. was accredited as HNTE since 2020, and both of them were entitled to a preferential PRC corporate income tax rate of 15% thereafter. The HNTE certificates of Shanghai Horizon Equipment & Engineering Co., Ltd. and Guangzhou Hongtu Equipment & Engineering Co., Ltd. need to be renewed every three years in order to enable to enjoy the reduced tax rate of 15%. Shanghai Horizon Equipment & Engineering Co., Ltd. was entitled to a tax rate of 15% till 26 December 2027 and is expected to continue to enjoy this thereafter. Guangzhou Hongtu Equipment & Engineering Co., Ltd. was entitled to a tax rate of 15% for the current year and will continue to enjoy the tax rate of 15% till 28 December 2026.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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6. INCOME TAX (CONTINUED)

Corporate Income Tax ("CIT") (continued)

A reconciliation of the tax expense/(credit) applicable to profit before tax using the statutory/applicable tax rates for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rate is as follows:

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Profit before tax	4,011,925	4,007,621
Tax at the statutory income tax rates	1,220,206	1,058,438
Expenses not deductible for tax	595,293	332,368
Income not subject to tax	(282,748)	(172,580)
Adjustment on current income tax in respect of prior years	43,202	24,057
Utilisation of previously unrecognised tax losses	(8,487)	(4,771)
Unrecognised tax losses and deductible temporary differences	87,513	99,547
Effect of withholding tax on the distributable profits of the Group's PRC subsidiaries	150,001	336,902
Effect of withholding tax on interest on intra-group balances	18,517	22,624
Income tax expense as reported in the interim condensed consolidated statement of profit or loss	1,823,497	1,696,585

The share of tax attributable to associates and joint ventures amounting to approximately RMB24,004 thousand (six months ended 30 June 2024: RMB11,313 thousand) and RMB29,928 thousand (six months ended 30 June 2024: RMB16,368 thousand) is included in "Share of net profits of associates" and "Share of net profits of joint ventures" on the face of the interim condensed consolidated statement of profit or loss.

Pillar Two income taxes

The Group has assessed its potential exposure based on the information available regarding the financial performance of the Group in the current period. As such, it may not be entirely representative of future circumstances. Based on the assessment, the Pillar Two effective tax rates in most of the jurisdictions in which it operates are above 15%. There are a limited number of jurisdictions where the Pillar Two effective tax rate is slightly below 15%. The Group does not expect a material exposure to Pillar Two income taxes.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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7. DIVIDENDS

For the six months ended 30 June		
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Dividends	1,175,451	1,919,777

Pursuant to a resolution passed at the general meeting on 14 April 2025, the Company declared a final dividend of HKD0.30 per share in respect of the year ended 31 December 2024 to its shareholders whose names appear on the register of members of the Company on 24 April 2025. Based on the total number of outstanding ordinary shares of 4,324,359,440 (excluding the 109,007,692 shares held for the share award scheme), cash dividends declared of approximately HKD1,264,606 thousand (equivalent to RMB1,175,451 thousand) were recognised in the financial statements.

8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of basic earnings per share for the six months ended 30 June 2025 is based on the consolidated net profit for the period attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares of 4,239,083,563 (six months ended 30 June 2024: 4,213,904,994) outstanding during the period.

The calculation of the diluted earnings per share amount is based on the consolidated net profit for the period attributable to ordinary equity holders of the parent, adjusted to reflect the interest on the host debt component of convertible bonds. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares outstanding during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (CONTINUED)

The calculations of basic and diluted earnings per share are based on:

Earnings

For the six months ended 30 June		
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	2,163,585	2,085,076
Interest on the host debt component of convertible bonds	17,458	69,976
Profit attributable to ordinary equity holders of the parent, before the above impact arising from convertible bonds	2,181,043	2,155,052

Shares

Number of shares		
For the six months ended 30 June		
	2025	2024
	(Unaudited)	(Unaudited)
Weighted average number of ordinary shares outstanding during the period, used in the basic earnings per share calculation	4,239,083,563	4,213,904,994
Effect of dilution – weighted average number of ordinary shares:		
Share options	1,151,255	306,380
Convertible bonds	408,982,818	607,330,880
Weighted average number of ordinary shares for diluted earnings per share	4,649,217,636	4,821,542,254

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2025, the Group acquired items of property, plant and equipment at a total cost of RMB1,131,672 thousand, including those through acquisition of subsidiaries (six months ended 30 June 2024: RMB4,622,428 thousand).

Property, plant and equipment with a net book value of RMB234,109 thousand were disposed of by the Group during the six months ended 30 June 2025 (six months ended 30 June 2024: RMB503,575 thousand), resulting in a net gain of disposal of RMB82,386 thousand (six months ended 30 June 2024: a net gain of RMB10,666 thousand).

As at 30 June 2025, the Group had not obtained the property ownership certificates for three buildings (31 December 2024: three) with a net book value of RMB189,494 thousand (31 December 2024: RMB190,447 thousand). The Group was in the process of applying for the property ownership certificates for the above buildings as at 30 June 2025.

As at 30 June 2025, property, plant and equipment with a net carrying amount of RMB8,229,766 thousand (31 December 2024: RMB9,412,393 thousand) were pledged to secure general banking facilities granted to the Group (Note 18(d)).

10. LOANS AND ACCOUNTS RECEIVABLES

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
	RMB'000	RMB'000
Loans and accounts receivables due within 1 year	153,447,312	155,822,206
Loans and accounts receivables due after 1 year	113,664,133	104,826,511
Total	267,111,445	260,648,717

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

10. LOANS AND ACCOUNTS RECEIVABLES (CONTINUED)

10a. Loans and accounts receivables by nature

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
	RMB'000	RMB'000
Lease receivables (Note 10b)*	270,417,363	261,125,053
Less: Unearned finance income	(23,883,387)	(21,872,832)
Net lease receivables (Note 10b)	246,533,976	239,252,221
Interest receivables*	1,907,008	2,154,424
Factoring receivables (Note 10g)	10,267,887	9,889,433
Entrusted loans (Note 10h)	821,304	981,927
Long-term receivables*	4,436,284	5,319,241
Secured loans	367,931	326,731
Subtotal of Interest-earning assets (Note 10c)**	264,334,390	257,923,977
Less: Provision for lease receivables	(5,918,819)	(5,868,217)
Provision for factoring receivables	(241,312)	(251,774)
Provision for entrusted loans	(135,188)	(147,677)
Provision for long-term receivables	(36,487)	(52,129)
Provision for secured loans	(2,548)	(2,268)
Provision for interesting-earning assets (Note 10d)**	(6,334,354)	(6,322,065)
Notes receivable, net	2,166,978	2,341,326
Accounts receivable (Note 10e)*	8,340,144	8,342,915
Provision for accounts receivable (Note 10f)	(1,395,713)	(1,637,436)
Total of loans and accounts receivables	267,111,445	260,648,717

* These balances included balances with related parties which are disclosed in Note 10j.

** These balances are included in the interest-earning assets disclosed in Note 10c and Note 10d.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

10. LOANS AND ACCOUNTS RECEIVABLES (CONTINUED)

10b (1). An ageing analysis of lease receivables, determined based on the ageing of the receivables since the effective date of the relevant lease contracts, as at the end of the reporting period is as follows:

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
	RMB'000	RMB'000
Lease receivables:		
Within 1 year	180,588,899	172,381,172
1 to 2 years	58,198,353	53,565,564
2 to 3 years	18,854,865	22,358,372
3 to 5 years	12,775,246	12,819,945
Total	270,417,363	261,125,053

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
	RMB'000	RMB'000
Net lease receivables:		
Within 1 year	163,090,364	157,018,215
1 to 2 years	54,162,776	49,736,057
2 to 3 years	17,676,080	20,918,195
3 to 5 years	11,604,756	11,579,754
Total	246,533,976	239,252,221

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

10. LOANS AND ACCOUNTS RECEIVABLES (CONTINUED)

10b (2). The table below illustrates the gross and net amounts of lease receivables the Group expects to receive in the following five or more than five consecutive accounting years:

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
	RMB'000	RMB'000
Lease receivables:		
Due within 1 year	154,020,982	155,786,228
Due in 1 to 2 years	82,819,416	76,441,292
Due in 2 to 3 years	28,862,470	25,905,631
Due in 3 to 5 years	4,691,915	2,933,997
Due after 5 years	22,580	57,905
Total	270,417,363	261,125,053

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
	RMB'000	RMB'000
Net lease receivables:		
Due within 1 year	138,056,226	140,189,108
Due in 1 to 2 years	76,660,929	71,454,513
Due in 2 to 3 years	27,335,345	24,790,220
Due in 3 to 5 years	4,459,361	2,763,047
Due after 5 years	22,115	55,333
Total	246,533,976	239,252,221

There was no unguaranteed residual value in connection with finance lease arrangements or contingent lease arrangements of the Group that need to be recorded as at the end of the reporting period.

As at 30 June 2025, the Group's lease receivables pledged or charged as security for the Group's bank and other borrowings amounted to RMB55,973,124 thousand (31 December 2024: RMB41,932,759 thousand) (Note 18(a)).

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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10. LOANS AND ACCOUNTS RECEIVABLES (CONTINUED)

10c. Analysis of interest-earning assets

	Stage I (12-month ECL)	Stage II (Lifetime ECL)	Stage III (Lifetime ECL – impaired)	Total
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	RMB'000	RMB'000	RMB'000	RMB'000
As at 30 June 2025				
Interest-earning assets	250,044,016	11,495,882	2,794,492	264,334,390
Allowance for impairment losses	(2,356,629)	(2,235,513)	(1,742,212)	(6,334,354)
Interest-earning assets, net	247,687,387	9,260,369	1,052,280	258,000,036

	Stage I (12-month ECL)	Stage II (Lifetime ECL)	Stage III (Lifetime ECL – impaired)	Total
	(Audited)	(Audited)	(Audited)	(Audited)
	RMB'000	RMB'000	RMB'000	RMB'000
As at 31 December 2024				
Interest-earning assets	243,368,193	11,765,664	2,790,120	257,923,977
Allowance for impairment losses	(2,243,025)	(2,212,423)	(1,866,617)	(6,322,065)
Interest-earning assets, net	241,125,168	9,553,241	923,503	251,601,912

10d. Movements in provision for interest-earning assets

The Group has applied the general approach to providing for expected credited losses (“ECLs”) prescribed by HKFRS 9 from 1 January 2018, which permits the use of either a twelve-month basis or a lifetime basis to record expected credit losses based on an expected credit loss model for interest-earning assets.

The Group has conducted an assessment of ECLs according to forward-looking information and used appropriate models and a large number of assumptions in its measurement of expected credit losses. These models and assumptions relate to the future macroeconomic conditions and borrower’s creditworthiness (e.g., the likelihood of default by customers and the corresponding losses). The Group has adopted judgement, assumptions and estimation techniques in order to measure ECLs according to the requirements of accounting standards such as criteria for judging significant increases in credit risk, definition of credit-impaired financial assets, parameters for measuring ECLs and forward-looking information.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

10. LOANS AND ACCOUNTS RECEIVABLES (CONTINUED)

10d. Movements in provision for interest-earning assets (continued)

For the six months ended 30 June 2025				
	Stage I (12-month ECL)	Stage II (Lifetime ECL)	Stage III** (Lifetime ECL – impaired)	Total
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	RMB'000	RMB'000	RMB'000	RMB'000
At beginning of the period	2,243,025	2,212,423	1,866,617	6,322,065
Impairment losses for the period	402,892*	291,021	(411,714)	282,199
Conversion to Stage I	18,506	(18,506)	–	–
Conversion to Stage II	(308,077)	353,875	(45,798)	–
Conversion to Stage III	–	(603,300)	603,300	–
Write-off	–	–	(592,502)	(592,502)
Recoveries of interest-earning assets previously written off	–	–	322,309	322,309
Exchange differences	283	–	–	283
At end of the period	2,356,629	2,235,513	1,742,212	6,334,354

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

10. LOANS AND ACCOUNTS RECEIVABLES (CONTINUED)

10d. Movements in provision for interest-earning assets (continued)

	Year ended 31 December 2024			
	Stage I	Stage II	Stage III**	Total
	(12-month ECL)	(Lifetime ECL)	(Lifetime ECL – impaired)	
	(Audited)	(Audited)	(Audited)	(Audited)
	RMB'000	RMB'000	RMB'000	RMB'000
At beginning of the year	2,446,633	2,193,875	1,683,144	6,323,652
Impairment losses for the year	452,335*	598,330	(269,933)	780,732
Conversion to Stage I	234	(234)	–	–
Conversion to Stage II	(566,393)	566,915	(522)	–
Conversion to Stage III	–	(1,146,463)	1,146,463	–
Write-off	–	–	(1,136,350)	(1,136,350)
Reclassification of PPP Projects	(91,835)	–	–	(91,835)
Recoveries of interest-earning assets previously written off	–	–	443,815	443,815
Exchange differences	2,051	–	–	2,051
At end of the year	2,243,025	2,212,423	1,866,617	6,322,065

* This includes loss allowances of RMB1,189,661 thousand (31 December 2024: RMB2,015,738 thousand) provided for newly originated interest-bearing assets, and loss allowances of RMB786,769 thousand (31 December 2024: RMB1,563,403 thousand) reversed as a result of repayment of existing interest-earning assets.

** The majority of the interest-earning assets are finance lease receivables, under which the lessor owns the related leased assets, so the finance leases are similar to secured lending. Among these interest-bearing assets, 96% (31 December 2024: 97%) (in terms of carrying amount) of the credit-impaired assets falling into Stage III in the table above are finance lease receivables, and hence the related leased assets are owned by the Group, and such leased assets are similar to securities and constitute the main source of collection of impaired assets.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

10. LOANS AND ACCOUNTS RECEIVABLES (CONTINUED)

10e. An ageing analysis of accounts receivable as at the end of the reporting period is as follows:

Accounts receivable are non-interest-earning and are generally on 60-day terms, while the credit terms for major customers can be extended to 180 days.

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
	RMB'000	RMB'000
Within 1 year	5,941,653	6,068,086
More than 1 year	2,398,491	2,274,829
Total	8,340,144	8,342,915

10f. Movements in provision for accounts receivable

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
	RMB'000	RMB'000
At beginning of period/year	1,637,436	1,464,009
(Reversal)/charge for the period/year	(92,915)	274,463
Write-off	(148,808)	(101,036)
At end of period/year	1,395,713	1,637,436

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on ageing for groupings of various customer segments with similar loss patterns.

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30 June 2025

10. LOANS AND ACCOUNTS RECEIVABLES (CONTINUED)

10f. Movements in provision for accounts receivable (continued)

Set out below is the information about the credit risk exposure on the Group's accounts receivable using a provision matrix:

As at 30 June 2025

	Ageing				
	Within 1 year	1-2 years	2-3 years	3-5 years	Total
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Gross carrying amount (RMB'000)	5,941,653	1,610,053	531,320	257,118	8,340,144
Expected credit loss (RMB'000)	648,143	388,157	203,064	156,349	1,395,713
Average expected credit loss rate	10.91%	24.11%	38.22%	60.81%	16.73%

As at 31 December 2024

	Ageing				
	Within 1 year	1-2 years	2-3 years	3-5 years	Total
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
Gross carrying amount (RMB'000)	6,068,086	1,450,990	527,430	296,409	8,342,915
Expected credit loss (RMB'000)	802,313	425,891	217,488	191,744	1,637,436
Average expected credit loss rate	13.22%	29.35%	41.24%	64.69%	19.63%

10g. An ageing analysis of factoring receivables as at the end of the reporting period is as follows:

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
	RMB'000	RMB'000
Within 1 year	7,836,489	6,840,319
More than 1 year	2,431,398	3,049,114
Total	10,267,887	9,889,433

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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10. LOANS AND ACCOUNTS RECEIVABLES (CONTINUED)

10h (1). An ageing analysis of entrusted loans, determined based on the ageing of the receivables since the effective dates of the relevant loan contracts, as at the end of the reporting period is as follows:

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
	RMB'000	RMB'000
Entrusted loans:		
Within 1 year	20,022	77,550
1 to 2 years	24,803	59,182
2 to 3 years	703,034	692,844
3 to 5 years	73,445	152,351
Total	821,304	981,927

10h (2). The table below illustrates the amounts of entrusted loans which the Group expects to receive in the following five or more than five consecutive accounting years:

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
	RMB'000	RMB'000
Entrusted loans:		
Due within 1 year	365,800	257,151
Due in 1 to 2 years	241,516	358,613
Due in 2 to 3 years	212,414	361,614
Due in 3 to 5 years	1,574	4,549
Total	821,304	981,927

10i. Long-term receivables

As at 30 June 2025, the carrying value of long-term receivables pledged or charged as collateral for the Group's borrowings amounted to RMB192,307 thousand (31 December 2024: RMB186,261 thousand) (Note 18(b)).

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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10. LOANS AND ACCOUNTS RECEIVABLES (CONTINUED)

10j. Balances with related parties

		30 June 2025	31 December 2024
		(Unaudited)	(Audited)
		RMB'000	RMB'000
Joint ventures:			
– Guangzhou Kangda Industrial Technology Co., Ltd.			
Long term receivables	(i)	161,030	150,000
Interest receivables		334	275
– Ziyang Yuyi Construction Investment Co., Ltd.			
Long term receivables	(i)	88,000	88,000
Interest receivables		7,503	5,224
– Deyang Hongbo Construction Investment Co., Ltd.			
Long term receivables	(i)	11,750	–
Interest receivables		150	–
– Chengdu Jinlanrui Urban Construction and Development Co., Ltd			
Long term receivables	(i)	163,170	15,762
Interest receivables		5,242	1,382
– Guixi Hongye Infrastructure Investment Co., Ltd			
Long term receivables	(i)	51,600	27,800
Interest receivables		1,071	143
– Guixi Hongyu Infrastructure Investment Co., Ltd			
Long term receivables	(i)	30,050	2,450
Interest receivables		393	34

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

10. LOANS AND ACCOUNTS RECEIVABLES (CONTINUED)

10j. Balances with related parties (continued)

		30 June 2025	31 December 2024
		(Unaudited)	(Audited)
		RMB'000	RMB'000
– Hangzhou Hongkun Urban Development and Construction Co., Ltd			
Long term receivables	(i)	–	100,632
Interest receivables		2,095	551
– Chengdu Hongmin Urban Construction Development Co., Ltd			
Long term receivables	(i)	4,013	–
Interest receivables		17	–
– Wuhan Hongye Construction Development Co., Ltd			
Long term receivables	(i)	28,000	–
Interest receivables		–	–
Associates:			
– Hangzhou Guoya Stomatological Hospital Co., Ltd.			
Lease receivables	(ii)	–	294
Interest receivables		–	2
Provision		(4,484)	(3,268)
Total		549,934	389,281

(i) Balances of long-term receivables earn interest at an annual interest rate ranging from 3.1% to 8% (31 December 2024: from 3.45% to 8%).

(ii) Balances of lease receivables as at 31 December 2024 earn interest at an annual interest rate of 9.35%.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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11. DERIVATIVE FINANCIAL INSTRUMENTS

	30 June 2025		31 December 2024	
	Assets	Liabilities	Assets	Liabilities
	(Unaudited)	(Unaudited)	(Audited)	(Audited)
	RMB'000	RMB'000	RMB'000	RMB'000
Cross-currency interest rate swaps	507,550	(574,299)	1,514,677	(210,999)
Forward currency contracts	42,023	(22,276)	241,699	–
Interest rate swaps	71	(58,192)	364	(90,592)
Total	549,644	(654,767)	1,756,740	(301,591)
Portion classified as non-current:				
Cross-currency interest rate swaps	240,571	(494,823)	723,480	(94,072)
Forward currency contracts	87	(535)	–	–
Interest rate swaps	71	(42,465)	364	(65,006)
	240,729	(537,823)	723,844	(159,078)
Current portion	308,915	(116,944)	1,032,896	(142,513)
Total	549,644	(654,767)	1,756,740	(301,591)

Cash flow hedges under HKFRS 9

At 30 June 2025, the Group designated 117 (2024: 124) cross-currency interest rate swap contracts, 37 (2024: 7) forward currency contracts and 84 (2024: 86) interest rate swap contracts as hedges of future cash flows arising from foreign currency borrowings, details of which are as follows:

At 30 June 2025, the Group had 37 (2024: 55) cross-currency interest rate swaps in place with a notional amount of HKD18,516,920 thousand (2024: HKD23,110,920 thousand) whereby the Group receives interest at floating rates on the HKD notional amount at HKD-HIBOR-HKAB and pays interest at fixed rates on the RMB notional amount at 3.37% to 4.66% (2024: 3.40% to 4.96%) per annum. The swaps are being used to hedge the foreign currency and interest rate exposures of 37 floating rate long-term borrowings denominated in HKD with the total face value of HKD18,516,920 thousand (2024: HKD23,110,920 thousand).

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

11. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Cash flow hedges under HKFRS 9 (continued)

At 30 June 2025, the Group had 21 (2024: 12) cross-currency interest rate swaps in place with a notional amount of USD782,895 thousand (2024: USD445,789 thousand) whereby the Group receives interest at floating rates on the USD notional amount at USD-SOFR and pays interest at fixed rates on the RMB notional amount at 2.92% to 4.55% (2024: 3.25% to 4.55%) per annum. The swaps are being used to hedge the foreign currency and interest rate exposures of 21 floating rate long-term borrowings denominated in USD with the total face value of USD782,895 thousand (2024: USD445,789 thousand).

At 30 June 2025, the Group had 35 (2024: 31) cross-currency interest rate swaps in place with a notional amount of USD1,723,700 thousand (2024: USD1,663,540 thousand) whereby the Group receives interest at fixed rates on the USD notional amount at 4.25% to 6.63% (2024: 3.38% to 7.08%) per annum and pays interest at fixed rates on the RMB notional amount at 3.50% to 5.99% (2024: 3.50% to 5.99%) per annum. The swaps are being used to hedge the foreign currency exposures of 35 fixed rate long-term borrowings denominated in USD with the total face value of USD1,723,700 thousand (2024: USD1,663,540 thousand).

At 30 June 2025, the Group had 3 (2024: 3) cross-currency interest rate swaps in place with a notional amount of JPY22,000,000 thousand (2024: JPY22,000,000 thousand) whereby the Group receives interest at floating rates on the JPY notional amount at JPY-TONA and pays interest at fixed rates on the RMB notional amount at 4.67% (2024: 4.67%) per annum. The swaps are being used to hedge the foreign currency and interest rate exposures of 3 floating rate long-term borrowings denominated in JPY with the total face value of JPY22,000,000 thousand (2024: JPY22,000,000 thousand).

At 30 June 2025, the Group had 2 (2024: 2) cross-currency interest rate swap in place with a notional amount of JPY8,800,000 thousand (2024: JPY8,800,000 thousand) whereby the Group receives a fixed rate interest on the JPY notional amount at 1.90% (2024: 1.90%) and pays a fixed rate interest on the RMB notional amount at 4.20% to 4.98% (2024: 4.20% to 4.98%) per annum. The swap is being used to hedge the foreign currency and interest rate exposure of 2 fixed rate long-term borrowing denominated in JPY with the principal of JPY8,800,000 thousand (2024: JPY8,800,000 thousand).

At 30 June 2025, the Group had 8 (2024: 8) cross-currency interest rate swaps in place with a notional amount of EUR237,800 thousand (2024: EUR237,800 thousand) whereby the Group receives interest at floating rates on the EUR notional amount at EURIBOR and pays interest at fixed rates on the RMB notional amount at 3.42% to 3.99% (2024: 3.42% to 3.99%) per annum. The swaps are being used to hedge the foreign currency and interest rate exposures of 8 floating rate long-term borrowings denominated in EUR with the total face value of EUR237,800 thousand (2024: EUR237,800 thousand).

At 30 June 2025, the Group had 6 (2024: 7) cross-currency interest rate swaps in place with a notional amount of EUR156,431 thousand (2024: EUR207,355 thousand) whereby the Group receives interest at fixed rates on the EUR notional amount at 3.60% to 3.95% (2024: 3.30% to 3.95%) per annum and pays interest at fixed rates on the RMB notional amount at 4.25% to 4.80% (2024: 4.00% to 4.80%) per annum. The swaps are being used to hedge the foreign currency exposure of 6 fixed rate long-term borrowings denominated in EUR with the total principal of EUR156,431 thousand (2024: EUR207,355 thousand).

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

11. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Cash flow hedges under HKFRS 9 (continued)

At 30 June 2025, the Group had 5 (2024: 5) cross-currency interest rate swaps in place with a notional amount of AED944,800 thousand (2024: AED944,800 thousand) whereby the Group receives interest at floating rates on the AED notional amount at EIBOR and pays interest at fixed rates on the RMB notional amount at 3.43% to 4.60% (2024: 3.43% to 4.60%) per annum. The swaps are being used to hedge the foreign currency and interest rate exposures of 5 floating rate long-term borrowings denominated in AED with the total face value of AED944,800 thousand (2024: AED944,800 thousand).

At 30 June 2025, the Group had 9 (2024: 5) forward currency contracts with a total notional amount of USD391,786 thousand (2024: USD220,103 thousand) as hedges of future cash flows arising from foreign currency borrowings with the total principal of USD391,786 thousand (2024: USD220,103 thousand) which will be settled in USD.

At 30 June 2025, the Group had 2 (2024: 1) forward currency contract with a notional amount of HKD354,822 thousand (2024: HKD104,822 thousand) as hedge of future cash flows arising from a foreign currency borrowing with the total principal of HKD354,822 thousand (2024: HKD104,822 thousand) which will be settled in HKD.

At 30 June 2025, the Group had 26 (2024: Nil) forward currency contract with a notional amount of EUR24,833 thousand (2024: Nil) as hedge of future cash flows arising from a foreign currency borrowing with the total principal of EUR24,833 thousand (2024: Nil) which will be settled in EUR.

At 30 June 2025, the Group had 1 (2024: 1) interest rate swaps in place with a notional amount of USD40,000 thousand (2024: USD40,000 thousand) whereby the Group receives interest at a floating rate on the USD notional amount at USD-SOFR and pays interest at a fixed rate on the USD notional amount at 4.63% (2024: 4.63%) per annum. The swaps are being used to hedge interest rate exposures of 1 floating rate long-term borrowing denominated in USD with the total face value of USD40,000 thousand (2024: USD40,000 thousand).

At 30 June 2025, the Group had 83 (2024: 85) interest rate swaps in place with a total notional amount of RMB20,082,525 thousand (2024: RMB25,131,141 thousand) whereby the Group receives interest at variable rates equal to the Loan Prime Rate on the notional amount and pays interest at fixed rates on the RMB notional amount at 2.65% to 4.10% (2024: 3.05% to 4.10%) per annum. The swaps are being used to hedge interest rate exposures of 83 floating rate long-term borrowings denominated in RMB with the total face value of RMB20,082,525 thousand (2024: RMB25,131,141 thousand).

There is an economic relationship between the hedged items and the hedging instruments as the terms of the cross-currency interest rate swap contracts, forward currency contracts and interest rate swaps match the terms of the borrowing contracts (i.e., notional amount, expected payment date and interest rate). The Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risks of the cross-currency interest rate swap contracts, forward currency contracts and interest rate swaps are identical to the hedged risk components. To measure the hedge effectiveness, the Group uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

11. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Cash flow hedges under HKFRS 9 (continued)

Hedge ineffectiveness can arise from:

- Differences in the timing of the cash flows of the hedged items and the hedging instruments
- Different interest rate curves applied to discount the hedged items and hedging instruments
- The counterparties' credit risks differently impacting the fair value movements of the hedging instruments and hedged items

The Group holds the following cross-currency interest rate swap contracts and forward currency contracts and interest rate swaps:

	Maturity						Total
	Less than 3 months	3 to 6 months	6 to 9 months	9 to 12 months	1 to 2 years	2 to 5 years	
As at 30 June 2025							
Cross-currency interest rate swap contracts							
Notional amount (in RMB'000)	118,904	51,403	1,088,871	–	6,141,149	10,448,269	17,848,596
Average forward exchange rate (USD/RMB)	7.1200	6.5110	7.2594	–	7.0618	7.2105	
Notional amount (in RMB'000)	–	3,884,264	–	1,136,990	7,530,232	4,301,703	16,853,189
Average forward exchange rate (HKD/RMB)	–	0.8901	–	0.8969	0.9199	0.9192	
Notional amount (in RMB'000)	–	1,131,892	–	–	215,000	215,253	1,562,145
Average forward exchange rate (JPY/RMB)	–	0.0518	–	–	0.0500	0.0478	
Notional amount (in RMB'000)	1,620	–	1,136,450	–	1,268,771	610,916	3,017,757
Average forward exchange rate (EUR/RMB)	7.9452	–	7.3344	–	7.8766	7.8524	
Notional amount (in RMB'000)	–	–	–	–	1,028,704	800,772	1,829,476
Average forward exchange rate (AED/RMB)	–	–	–	–	1.9520	1.9208	

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

11. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Cash flow hedges under HKFRS 9 (continued)

The Group holds the following cross-currency interest rate swap contracts and forward currency contracts and interest rate swaps: (continued)

	Maturity						Total
	Less than 3 months	3 to 6 months	6 to 9 months	9 to 12 months	1 to 2 years	2 to 5 years	
Forward currency contracts							
Notional amount (in RMB'000)	990,096	415,392	1,067,707	274,067	–	–	2,747,262
Average forward exchange rate (USD/RMB)	6.8283	7.1741	7.1180	7.0358	–	–	
Notional amount (in RMB'000)	–	97,296	228,979	–	–	–	326,275
Average forward exchange rate (HKD/RMB)	–	0.9282	0.9159	–	–	–	
Notional amount (in RMB'000)	1,010	44,739	813	42,457	80,975	38,362	208,356
Average forward exchange rate (EUR/RMB)	8.4453	8.4364	8.4320	8.4258	8.4181	8.4008	
Interest rate swaps							
Notional amount (in RMB'000)	430,461	2,412,180	1,793,670	1,226,727	11,747,021	2,758,810	20,368,869
Average interest rate (%)	3.7154	3.6227	3.7402	3.3793	3.3359	3.0164	
Hedge rate	1	1	1	1	1	1	

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

11. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Cash flow hedges under HKFRS 9 (continued)

The Group holds the following cross-currency interest rate swap contracts and forward currency contracts and interest rate swaps: (continued)

	Maturity						Total
	Less than 3 months	3 to 6 months	6 to 9 months	9 to 12 months	1 to 2 years	2 to 5 years	
As at 31 December 2024							
Cross-currency interest rate swap contracts							
Notional amount (in RMB'000)	2,240,900	–	118,904	102,805	3,609,471	8,825,434	14,897,514
Average forward exchange rate (USD/RMB)	7.1178	–	7.1200	6.5110	6.9504	7.1738	
Notional amount (in RMB'000)	746,408	4,204,887	–	3,884,264	6,615,290	5,679,978	21,130,827
Average forward exchange rate (HKD/RMB)	0.8150	0.8633	–	0.8901	0.9114	0.9186	
Notional amount (in RMB'000)	–	–	–	1,131,772	215,000	215,253	1,562,025
Average forward exchange rate (JPY/RMB)	–	–	–	0.0518	0.0500	0.0478	
Notional amount (in RMB'000)	–	365,344	11,660	–	1,152,501	1,868,856	3,398,361
Average forward exchange rate (EUR/RMB)	–	7.4560	7.9452	–	7.4860	7.8625	
Notional amount (in RMB'000)	–	–	–	–	–	1,070,754	1,070,754
Average forward exchange rate (AED/RMB)	–	–	–	–	–	1.3574	

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

11. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Cash flow hedges under HKFRS 9 (continued)

The Group holds the following cross-currency interest rate swap contracts and forward currency contracts and interest rate swaps: (continued)

	Maturity						Total
	Less than 3 months	3 to 6 months	6 to 9 months	9 to 12 months	1 to 2 years	2 to 5 years	
Forward currency contracts							
Notional amount (in RMB'000)	180,787	–	990,096	359,310	–	–	1,530,193
Average forward exchange rate (USD/RMB)	7.1215	–	6.8283	7.1862	–	–	
Notional amount (in RMB'000)	–	–	–	97,296	–	–	97,296
Average forward exchange rate (HKD/RMB)	–	–	–	0.9282	–	–	
Notional amount (in RMB'000)	–	–	135,500	–	–	–	135,500
Average forward exchange rate (JPY/RMB)	–	–	0.0468	–	–	–	
Interest rate swaps							
Notional amount (in RMB'000)	630,000	3,010,720	944,106	3,118,980	11,284,965	6,429,906	25,418,677
Average interest rate (%)	3.7233	3.7115	3.7189	3.6241	3.4878	3.3404	
Hedge rate	1	1	1	1	1	1	

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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11. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Cash flow hedges under HKFRS 9 (continued)

The impacts of the hedging instruments on the statement of financial position are as follows:

	Notional amount	Carrying amount	Line item in the statement of financial position	Change in fair value used for measuring hedge ineffectiveness for the period
	RMB'000	RMB'000		RMB'000
As at 30 June 2025				
Forward currency contracts	1,122,921	42,023	Derivative financial instruments assets	(200,495)
Forward currency contracts	2,158,972	(22,276)	Derivative financial instruments liabilities	(22,276)
Cross-currency interest rate swaps	11,640,116	507,550	Derivative financial instruments assets	(1,012,373)
Cross-currency interest rate swaps	29,471,047	(574,299)	Derivative financial instruments liabilities	368,768
Interest rate swap	325,000	71	Derivative financial instruments assets	(293)
Interest rate swap	20,043,869	(58,192)	Derivative financial Instruments liabilities	(384)

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

11. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Cash flow hedges under HKFRS 9 (continued)

	Notional amount	Carrying amount	Line item in the statement of financial position	Change in fair value used for measuring hedge ineffectiveness for the year
	RMB'000	RMB'000		RMB'000
As at 31 December 2024				
Forward currency contracts	1,762,989	241,699	Derivative financial instruments assets	238,144
Forward currency contracts	–	–	Derivative financial instruments liabilities	104
Cross-currency interest rate swaps	36,869,062	1,514,677	Derivative financial instruments assets	(172,337)
Cross-currency interest rate swaps	5,190,419	(210,999)	Derivative financial instruments liabilities	1,104,007
Interest rate swap	700,000	364	Derivative financial instruments assets	(20,713)
Interest rate swap	24,718,677	(90,592)	Derivative financial Instruments liabilities	(67,509)

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

11. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Cash flow hedges under HKFRS 9 (continued)

The impacts of the hedged items on the statement of financial position are as follows:

	Change in fair value used for measuring hedge ineffectiveness for the period	Cash flow hedge reserve
	RMB'000	RMB'000
As at 30 June 2025		
Foreign currency bank loans amounting to RMB equivalent 64,951,868,000	(867,053)	(756,841)

	Change in fair value used for measuring hedge ineffectiveness for the year	Cash flow hedge reserve
	RMB'000	RMB'000
As at 31 December 2024		
Foreign currency bank loans amounting to RMB equivalent 45,757,534,000	1,081,696	388,808

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

11. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Cash flow hedges under HKFRS 9 (continued)

The effects of the cash flow hedges on the statement of profit or loss and the statement of comprehensive income are as follows:

	Total hedging gain/(loss) recognised in other comprehensive income			Hedge ineffectiveness recognised in profit or loss	Line item in the statement of profit or loss	Amount reclassified from other comprehensive income to profit or loss		Line item (gross amount) in the statement of profit or loss
For the six months ended 30 June 2025	Gross amount	Tax effect	Total			Gross amount	Tax effect	Total
	RMB'000	RMB'000	RMB'000	RMB'000		RMB'000	RMB'000	RMB'000
Forward currency contracts	(222,771)	689	(222,082)	–	N/A	5,986	55	6,041 Other expenses
Cross-currency interest rate swaps	(643,605)	(33,612)	(677,217)	–	N/A	(314,039)	40,439	(273,600) Cost of sales/other expenses
Interest rate swap	(677)	24	(653)	–	N/A	29,580	(7,798)	21,782 Cost of sales
Total	(867,053)	(32,899)	(899,952)	–	N/A	(278,473)	32,696	(245,777)

	Total hedging gain/(loss) recognised in other comprehensive income			Hedge ineffectiveness recognised in profit or loss	Line item in the statement of profit or loss	Amount reclassified from other comprehensive income to profit or loss		Line item (gross amount) in the statement of profit or loss
Year ended 31 December 2024	Gross amount	Tax effect	Total			Gross amount	Tax effect	Total
	RMB'000	RMB'000	RMB'000	RMB'000		RMB'000	RMB'000	RMB'000
Forward currency contracts	238,248	(275)	237,973	–	N/A	(30,570)	(141)	(30,711) Other expenses
Cross-currency interest rate swaps	931,670	(6,225)	925,445	–	N/A	(370,174)	(20,216)	(390,390) Cost of sales/other expenses
Interest rate swap	(88,222)	16,383	(71,839)	–	N/A	6,245	(1,749)	4,496 Cost of sales
Total	1,081,696	9,883	1,091,579	–	N/A	(394,499)	(22,106)	(416,605)

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

11. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Derivative financial instruments – transactions not qualifying as hedges:

As at 30 June 2025 and 31 December 2024, all derivatives were designated for the cash flow hedges.

12. INVESTMENTS IN JOINT VENTURES

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
	RMB'000	RMB'000
Share of net assets	6,330,884	4,214,314
Excess of consideration over share of net assets acquired	17,844	17,844
Provision for impairment	(258,383)	(79,318)
Total	6,090,345	4,152,840

Particulars of the Group's joint ventures are as follows:

Name	Particulars of issued shares held	Place of registration and business	Percentage of		Principal activities
			Ownership interest	Profit sharing	
Guangzhou Kangda Industrial Technology Co., Ltd. ("Kangda") (廣州康大工業科技產業有限公司)	Registered capital of HKD570,000,000	PRC/ Chinese Mainland	60*	60	Development and construction
Kunming Boyue Maternal and Infant Care Co., Ltd. (昆明博悅母嬰護理有限責任公司)	Registered capital of RMB5,555,600	PRC/ Chinese Mainland	10	10	Medical service
Grand Flight Holdings Co., Ltd. (遠翼控股有限公司)	Authorised capital of USD50,000	British Virgin Islands	70*	70	Investment holding

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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12. INVESTMENTS IN JOINT VENTURES

Particulars of the Group's joint ventures are as follows: (continued)

Name	Particulars of issued shares held	Place of registration and business	Percentage of		Principal activities
			Ownership interest	Profit sharing	
Grand Flight Hooyoung Investment Management Co., Ltd. (遠翼宏揚投資管理有限公司)	Authorised capital of USD50,000	Cayman Islands	70*	70	Investment holding
Grand Flight Hooyoung Investment L.P. (遠翼宏揚投資有限合夥)	USD 100,500,002	Cayman Islands	54.73*	54.73	Investment holding
Fengyang Qianmen Hospital Co., Ltd. (Formerly known as Fengyang Gulou Hospital Co., Ltd.) (鳳陽縣前門醫院有限公司)(原名: 鳳陽縣鼓樓醫院有限公司)	Registered capital of RMB100,000,000	PRC/ Chinese Mainland	35	35	Medical service
Grand Flight Investment Management Co., Ltd. (遠翼投資管理有限公司)	Registered capital of RMB50,000,000	PRC/ Chinese Mainland	78*	90	Investment holding
Tianjin Yuanyi Kaiyuan Asset Management Centre ("Yuanyi Kaiyuan") (Limited Partnership) (天津遠翼開元資產管理中心(有限合夥))	Registered capital of RMB1,505,420,000	PRC/ Chinese Mainland	39.856	39.856	Investment holding
Guangzhou Yimei Tiancheng Decoration Engineering Co., Ltd. (廣州藝美天成裝飾工程有限公司)	Registered capital of RMB5,000,000	PRC/ Chinese Mainland	60*	60	Decoration engineering

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

12. INVESTMENTS IN JOINT VENTURES

Particulars of the Group's joint ventures are as follows: (continued)

Name	Particulars of issued shares held	Place of registration and business	Percentage of		Principal activities
			Ownership interest	Profit sharing	
Wuhan Matang Hospital of Traditional Chinese Medicine Co., Ltd. (武漢麻塘中醫醫院有限公司)	Registered capital of RMB16,040,000	PRC/ Chinese Mainland	49	49	Medical service
Shanghai Xiangyun Enterprise Management Partnership (Limited Partnership) (上海襄鑾企業管理合夥企業(有限合夥))	Registered capital of RMB350,010,000	PRC/ Chinese Mainland	51.9985*	51.9985	Management consulting
Wuhan Hongye Construction Development Co., Ltd. (武漢泓冶建設發展有限公司)	Registered capital of RMB328,000,000	PRC/ Chinese Mainland	47	47	Drainage works
Guixi Hongyu Infrastructure Investment Co., Ltd. (貴溪市宏宇基礎設施投資有限公司)	Registered capital of RMB146,280,748	PRC/ Chinese Mainland	85*	90	Infrastructure construction
Guixi Hongye Infrastructure Investment Co., Ltd. (貴溪市宏鄴基礎設施投資有限公司)	Registered capital of RMB151,294,129	PRC/ Chinese Mainland	85*	90	Infrastructure construction
Xi'an Chuxin Investment Construction Co., Ltd. (西安楚信投資建設有限公司)	Registered capital of RMB100,000,000	PRC/ Chinese Mainland	46	46	Municipal engineering

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

12. INVESTMENTS IN JOINT VENTURES

Particulars of the Group's joint ventures are as follows: (continued)

Name	Particulars of issued shares held	Place of registration and business	Percentage of		Principal activities
			Ownership interest	Profit sharing	
Sichuan Hongcheng City Construction Investment Co., Ltd. (四川宏鑄城市建設投資有限公司)	Registered capital of RMB10,000,000	PRC/ Chinese Mainland	60*	60	Construction investment
Qingdao Co-e-Wins Venture Capital Limited Partnership (青島同歷並贏創業投資合夥企業(有限合夥))	Registered capital of RMB66,000,000	PRC/ Chinese Mainland	60.9756*	60.9756	Investment management
Yantai Zhongda Xinhong Education Investment Co., Ltd. (煙台中達信宏科教投資有限公司)	Registered capital of RMB520,000,000	PRC/ Chinese Mainland	47.5	47.5	Infrastructure construction
Yantai Yuanxin Zhongda Investment Co., Ltd. (煙台遠信中達投資有限公司)	Registered capital of RMB260,000,000	PRC/ Chinese Mainland	67*	67	Infrastructure construction
Nanchang Xintie City Construction Investment Co., Ltd. (南昌市新鐵城建設有限公司)	Registered capital of RMB50,000,000	PRC/ Chinese Mainland	45	45	Infrastructure construction
Deyang Hongbo Construction Investment Co., Ltd. (德陽宏博建設投資有限公司)	Registered capital of RMB371,825,488	PRC/ Chinese Mainland	87*	87	Infrastructure construction

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

12. INVESTMENTS IN JOINT VENTURES

Particulars of the Group's joint ventures are as follows: (continued)

Name	Particulars of issued shares held	Place of registration and business	Percentage of		Principal activities
			Ownership interest	Profit sharing	
Ziyang Yuyi Construction Investment Co., Ltd. (資陽市昱奕建設投資有限公司)	Registered capital of RMB100,000,000	PRC/ Chinese Mainland	98.15*	98.15	Infrastructure construction
Qingdao Huizhu Zhouji Equity Investment Partnership (Limited Partnership) (青島匯鑄周濟股權投資合夥企業 (有限合夥))	Registered capital of RMB500,000,000	PRC/ Chinese Mainland	50	50	Investment management
Suzhou Hongcheng City Development Co., Ltd. (蘇州宏澄城市發展有限公司)	Registered capital of RMB20,000,000	PRC/ Chinese Mainland	50	50	Infrastructure construction
Tianjin Hongcheng City Development Co., Ltd. (天津宏澄城市發展有限公司)	Registered capital of RMB300,000,000	PRC/ Chinese Mainland	80*	80	Infrastructure construction
Tianjin Hongpu Enterprise Management Co., Ltd. (天津宏璞企業管理有限公司)	Registered capital of RMB127,500,000	PRC/ Chinese Mainland	94.12*	94.12	Infrastructure construction
Shanghai Jielang Enterprise Management Co., Ltd. (上海傑瑯企業管理有限公司)	Registered capital of RMB25,000,000	PRC/ Chinese Mainland	70*	70	Investment management

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

12. INVESTMENTS IN JOINT VENTURES

Particulars of the Group's joint ventures are as follows: (continued)

Name	Particulars of issued shares held	Place of registration and business	Percentage of		Principal activities
			Ownership interest	Profit sharing	
Chengdu Jinlanrui City Construction Development Co., Ltd. (成都錦瀾銳城市建設開發有限公司)	Registered capital of RMB20,000,000	PRC/ Chinese Mainland	31.77	31.77	Infrastructure construction
Hangzhou Hongkun City Development Construction Co., Ltd. (杭州宏坤城市發展建設有限公司)	Registered capital of RMB130,000,000	PRC/ Chinese Mainland	70*	70	Infrastructure construction
Tianjin Hongjia City Development Construction Co., Ltd. (天津宏嘉城市開發建設有限公司)	Registered capital of RMB50,000,000	PRC/ Chinese Mainland	45.5	45.5	Infrastructure construction
Chengdu Huachuang Yixingao Property Development Co., Ltd. (成都華創益新高置業有限責任公司)	Registered capital of RMB100,000,000	PRC/ Chinese Mainland	70*	70	Infrastructure construction
Suzhou Hongteng City Construction Development Co., Ltd. (蘇州宏騰城市建設發展有限公司)	Registered capital of RMB10,000,000	PRC/ Chinese Mainland	70*	70	Infrastructure construction
Hangzhou Hongqian City Development Construction Co., Ltd. (杭州宏乾城市發展建設有限公司)	Registered capital of RMB230,000,000	PRC/ Chinese Mainland	70*	70	Infrastructure construction

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12. INVESTMENTS IN JOINT VENTURES

Particulars of the Group's joint ventures are as follows: (continued)

Name	Particulars of issued shares held	Place of registration and business	Percentage of		Principal activities
			Ownership interest	Profit sharing	
Beijing Xingzhu Real Estate Development Co., Ltd. ("Xingzhu") (北京興竺房地產開發有限公司)	Registered capital of RMB1,300,000,000	PRC/ Chinese Mainland	70*	70	Infrastructure construction
Chengdu Hongmin City Construction Development Co., Ltd. (成都宏岷城市建設發展有限公司)	Registered capital of RMB421,540,100	PRC/ Chinese Mainland	51*	51	Infrastructure construction

* The decisions about the relevant activities that most significantly affect the returns of these investees would be subject to the consent of other parties (e.g., other shareholders or directors), and hence, the ownership interests and power held by the Group in those investees do not currently grant the Group the unilateral ability to direct the relevant activities in these investees.

The Group's loans and accounts receivable balances due from the joint ventures are disclosed in Note 10j to the interim condensed consolidated financial information. There was no recent history of default and past due amounts for loans to joint ventures. As at 30 June 2025 and 31 December 2024, the loss allowance was assessed to be minimal.

Kangda, Xingzhu and Yuanyi Kaiyuan, which are considered material joint ventures of the Group, are mainly engaged in development and construction, infrastructure construction and investment holding in Mainland China. The aforementioned companies are accounted for using the equity method.

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12. INVESTMENTS IN JOINT VENTURES (CONTINUED)

The following table illustrates the summarised financial information in respect of Kangda adjusted for any differences in accounting policies and reconciled to the carrying amount of the net assets in the financial statements:

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
	RMB'000	RMB'000
Cash and cash equivalents	285,189	192,571
Other current assets	3,756,112	3,358,695
Current assets	4,041,301	3,551,266
Non-current assets	125,071	129,894
Other payables and accruals	(1,022,871)	(528,335)
Current liabilities	(1,022,871)	(528,335)
Non-current liabilities	(884,986)	(873,428)
Net assets	2,258,515	2,279,397
Reconciliation to the Group's interest in the joint venture:		
Proportion of the Group's ownership	60%	60%
Group's share of net assets of the joint venture, excluding the excess of consideration over share of net assets acquired	1,355,109	1,367,638
Carrying amount of the investment	1,355,109	1,367,638

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Revenue	131,902	115,779
Cost of sales	(58,577)	(44,302)
Administrative expenses	(6,576)	(8,273)
Other income/(expenses), net	(32,044)	(43,460)
Profit/(loss) and total comprehensive income for the period, net	34,705	19,744

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12. INVESTMENTS IN JOINT VENTURES (CONTINUED)

The following table illustrates the summarised financial information in respect of Xingzhu adjusted for any differences in accounting policies and reconciled to the carrying amount of the net assets in the financial statements:

	30 June 2025
	(Unaudited)
	RMB'000
Cash and cash equivalents	8,753
Inventory	1,988,596
Current assets	1,997,349
Account payable	(647,835)
Current liabilities	(663,056)
Non-current liabilities	(35,000)
Net assets	1,299,293
Reconciliation to the Group's interest in the joint venture:	
Proportion of the Group's ownership	70%
Group's share of net assets of the joint venture, excluding the excess of consideration over share of net assets acquired	909,505
Carrying amount of the investment	909,505

	For the six months ended 30 June 2025
	(Unaudited)
	RMB'000
Other income/(expenses), net	(642)
Profit/(loss) and total comprehensive income for the period, net	(708)

Xingzhu was established by the Group along with other investors in March 2025, and therefore has no prior period comparatives.

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12. INVESTMENTS IN JOINT VENTURES (CONTINUED)

The following table illustrates the summarised financial information in respect of Yuanyi Kaiyuan adjusted for any differences in accounting policies and reconciled to the carrying amount of the net assets in the financial statements:

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
	RMB'000	RMB'000
Cash and cash equivalents	4,155	4,311
Other current assets	702,580	678,490
Current assets	706,735	682,801
Net assets	706,735	682,801
Reconciliation to the Group's interest in the joint venture:		
Proportion of the Group's ownership	39.856%	39.856%
Group's share of net assets of the joint venture, excluding the excess of consideration over share of net assets acquired	281,676	272,137
Carrying amount of the investment	281,676	272,137

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Other income/(expenses), net	46,947	(44,825)
Profit/(loss) and total comprehensive income for the period, net	46,947	(44,825)

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12. INVESTMENTS IN JOINT VENTURES (CONTINUED)

The following table illustrates the aggregate financial information of the Group's joint ventures that are not individually material:

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Share of the joint ventures' profits for the period	61,352	55,476
Aggregate carrying amount of the Group's investments in the joint ventures	3,544,055	2,273,354

13. INVESTMENTS IN ASSOCIATES

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
	RMB'000	RMB'000
Share of net assets	3,697,756	4,157,509
Excess of consideration over share of net assets acquired	327,582	344,159
Provision for impairment	(50,780)	(51,508)
Total	3,974,558	4,450,160

As at 30 June 2025, the Group invested in three (31 December 2024: four) companies which are mainly engaged in the investment holding business in Mainland China, with the registered capital of RMB7,884,871,242, RMB8,590,319,239 and RMB3,000,000,000 (31 December 2024: RMB3,000,000,000, RMB7,884,871,242, RMB8,590,319,239 and RMB3,000,000,000), respectively. The percentages of ownership interest and profit sharing of the Group in these companies are 7.6549%, 7.6342% and 17.0000% (31 December 2024: 10.0100%, 7.6500%, 7.6342% and 17.0000%), respectively. The aforementioned companies are accounted for using the equity method.

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13. INVESTMENTS IN ASSOCIATES (CONTINUED)

The following table illustrates the aggregate financial information of the Group's associates that are not individually material:

For the six months ended 30 June		
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Share of the associates' profit/(loss) for the period	10,418	(107,846)
Aggregate carrying amount of the Group's investments in the associates	694,805	499,576

The Group's loans and accounts receivable balances due from the associates are disclosed in Note 10j to the interim condensed consolidated financial information.

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14. CASH AND CASH EQUIVALENTS AND RESTRICTED DEPOSITS

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
	RMB'000	RMB'000
Cash and bank balances	19,344,350	20,836,922
Time deposits	9,608,115	9,658,115
Subtotal	28,952,465	30,495,037
Less:		
Time deposits with original maturity date over 3 months	–	50,000
Pledged deposits	10,642,058	10,494,845
Restricted bank deposits related to asset securitisations	16,487	163,671
Cash and cash equivalents	18,293,920	19,786,521

At 30 June 2025, the cash and cash equivalents and restricted deposits of the Group denominated in RMB amounted to RMB27,015,117 thousand (31 December 2024: RMB28,960,380 thousand). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at either fixed or floating rates based on daily bank deposit rates.

As at 30 June 2025, cash of RMB10,642,058 thousand (31 December 2024: RMB10,349,525 thousand) was pledged for bank and other borrowings (see Note 18(c)).

As at 30 June 2025, no cash (31 December 2024: cash of RMB145,320 thousand) was pledged for bank acceptances, letters of credit and others.

As at 31 December 2024, cash of RMB50,000 thousand represented a restricted time deposit without pledge or any other encumbrances. As at 30 June 2025, there was no such balance.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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15. ASSETS DIRECTLY ASSOCIATED WITH THE ASSETS CLASSIFIED AS HELD FOR SALE

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
	RMB'000	RMB'000
Carrying amount of the assets classified as held for sale	953,351	571,000
Assets:		
Investments in associates	953,351	571,000
	953,351	571,000

The Group sold 9.49% and 10.01% equity of a local state-owned asset management company in Tianjin in 2024 and 2025, respectively. As at 30 June 2025, due to the incomplete fulfilment of certain clauses in the contract, the Group classified these assets as held for sale.

16. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
	RMB'000	RMB'000
Unlisted equity investments, at fair value	2,731,677	2,803,425
Listed equity investments, at fair value	702,969	212,283
Unlisted debt investments, at fair value	11,663,940	12,743,562
Total	15,098,586	15,759,270
Analysed into:		
Current portion	2,802,814	3,467,958
Non-current portion	12,295,772	12,291,312

The above equity investments were classified as financial assets at fair value through profit or loss as the Group has not elected to recognise the fair value gain or loss through other comprehensive income.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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

The above debt investments were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

As at 30 June 2025, the fair value of financial assets at fair value through profit or loss pledged or charged as collateral for the Group's borrowings amounted to RMB7,495,013 thousand (31 December 2024: RMB7,662,040 thousand) (Note 18(b)).

17. TRADE AND BILLS PAYABLES

		30 June 2025	31 December 2024
		(Unaudited)	(Audited)
	Note	RMB'000	RMB'000
Current:			
Bills payable		1,165,183	2,345,380
Trade payables		6,848,999	5,520,187
Due to a related party	17a	474	52
Total		8,014,656	7,865,619

An ageing analysis of the trade and bills payables as at the end of the reporting period is as follows:

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
	RMB'000	RMB'000
Within 1 year	7,314,827	7,052,759
1 to 2 years	381,335	499,323
2 to 3 years	184,732	192,082
3 years and beyond	133,762	121,455
Total	8,014,656	7,865,619

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17. TRADE AND BILLS PAYABLES (CONTINUED)

17a. Balances with Related Parties

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
	RMB'000	RMB'000
Due to a related party:		
Associate:		
Shanghai Yijia Construction Development Co., Ltd.	474	52

The trade payables are non-interest-bearing and are repayable within the normal operating cycle or on demand.

18. INTEREST-BEARING BANK AND OTHER BORROWINGS

	30 June 2025 (Unaudited)			31 December 2024 (Audited)		
	Effective annual interest rate (%)	Maturity	RMB'000	Effective annual interest rate (%)	Maturity	RMB'000
Current						
Lease liabilities	2.57~4.65	2025~2026	258,943	3.64~4.90	2025	277,212
Bank loans – secured	2.15~3.90	2025	983,721	3.45~4.50	2025	63,570
Current portion of long term bank loans – secured	2.24~4.65	2025~2026	8,120,655	3.10~5.40	2025	5,754,196
Bank loans – unsecured	1.08~6.35	2025~2026	17,879,754	2.35~7.08	2025	19,089,020
Current portion of long term bank loans – unsecured	0.87~7.12	2025~2026	57,602,008	0.80~7.12	2025	58,403,121
Other loans – secured	2.85~5.40	2025~2026	4,843,564	3.08~5.37	2025	4,101,635
Other loans – unsecured	4.10~7.00	2025~2026	9,183,260	4.10~5.80	2025	5,849,191
Bonds – secured	3.25~5.85	2025~2026	24,123,173	2.28~5.93	2025	23,203,503
Bonds – unsecured	1.89~5.50	2025~2026	31,680,903	1.90~5.50	2025	27,035,221
Subtotal – current			154,675,981			143,776,669
Convertible bonds – host debts	3.21	2026	6,710	3.21~4.45	2025	2,066,423
Total – current			154,682,691			145,843,092

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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18. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONTINUED)

	30 June 2025 (Unaudited)			31 December 2024 (Audited)		
	Effective annual interest rate (%)	Maturity	RMB'000	Effective annual interest rate (%)	Maturity	RMB'000
Non-current						
Lease liabilities	2.57~4.30	2026~2041	681,777	3.64~4.90	2026~2046	717,257
Bank loans – secured	2.18~4.50	2026~2041	12,885,139	3.20~5.40	2026~2045	8,215,659
Bank loans – unsecured	1.90~7.12	2026~2032	62,400,734	2.00~7.12	2026~2031	65,403,946
Other loans – secured	2.85~5.37	2026~2030	9,861,999	3.08~5.37	2026~2030	13,066,882
Other loans – unsecured	4.80	2026	413,392	4.38~5.15	2026~2027	5,305,698
Bonds – secured	3.25~3.90	2026~2027	4,322,976	2.28~5.76	2026~2027	3,881,906
Bonds – unsecured	1.90~6.63	2026~2028	21,050,982	1.90~6.63	2026~2027	23,471,799
Subtotal – non-current			111,616,999			120,063,147
Convertible bonds – host debts	–	–	–	3.21~4.45	2026	6,413
Total – non-current			111,616,999			120,069,560
Total			266,299,690			265,912,652

The carrying amounts of borrowings are denominated in the following currencies:

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
	RMB'000	RMB'000
HKD	18,881,396	27,046,113
RMB	217,234,940	210,129,966
USD	23,195,798	22,038,543
EUR	3,533,336	3,366,658
Others	3,454,220	3,331,372
Total	266,299,690	265,912,652

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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18. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONTINUED)

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
	RMB'000	RMB'000
Fixed interest rate	151,823,723	155,100,448
Variable interest rate	114,475,967	110,812,204
Total	266,299,690	265,912,652

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
	RMB'000	RMB'000
Analysed into:		
Bank loans and overdrafts repayable:		
Within one year or on demand	84,586,138	83,309,907
In the second year	42,339,593	40,051,217
In the third to fifth years, inclusive	29,308,190	29,873,449
Beyond five years	3,638,090	3,694,938
Subtotal	159,872,011	156,929,511
Other borrowings repayable:		
Within one year or on demand	70,096,552	62,533,185
In the second year	18,148,932	26,816,510
In the third to fifth years, inclusive	18,070,815	19,488,348
Beyond five years	111,380	145,098
Subtotal	106,427,679	108,983,141
Total	266,299,690	265,912,652

- (a) As at 30 June 2025, the Group's bank and other borrowings secured by the pledge of the Group's lease receivables amounted to RMB31,711,355 thousand (31 December 2024: RMB32,459,434 thousand).
- (b) As at 30 June 2025, the Group's bank and other borrowings secured by the pledge of the Group's long-term receivables and financial assets at fair value through profit or loss amounted to RMB5,414,582 thousand (31 December 2024: RMB5,392,687 thousand).
- (c) As at 30 June 2025, the Group's bank borrowings and other borrowings amounting to RMB9,092,138 thousand (31 December 2024: RMB8,790,800 thousand) were secured by the pledge of bank deposits.
- (d) As at 30 June 2025, the Group's bank and other borrowings secured by the Group's leasehold land, and property, plant and equipment amounted to RMB6,923,719 thousand (31 December 2024: RMB7,928,170 thousand).

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19. CONVERTIBLE BONDS

On 8 July 2020, Universe Trek Limited (“the Issuer”), a wholly-owned subsidiary of the Company issued 2.5 percent guaranteed convertible bonds with a nominal value of USD300,000,000 (“the 300 million 2.5 percent Bonds”). The 300 million 2.5 percent Bonds will be unconditionally and irrevocably guaranteed by the Company. The 300 million 2.5 percent Bonds are convertible at the option of the bondholders into ordinary shares of the Company with the initial conversion price of HKD8.33 per share at any time on or after 18 August 2020 and up to the close of business on the date falling ten days prior to 8 July 2025. The number of shares issuable upon conversion of any Bond shall be determined by dividing the principal amount of the Bond to be converted and translated into Hong Kong dollars at the fixed rate of HKD7.7503 = USD1.00 by the conversion price in effect on the relevant conversion date. According to the notice issued by certain bondholders in early June 2023, USD10 million out of the USD300 million 2.5 percent Bonds were required to be redeemed and were redeemed on 8 July 2023 by the Issuer at 100.00 percent of their principal amount together with interests accrued but not paid. During the period, the remaining convertible bonds of USD290 million were converted into ordinary shares of the Company at the latest conversion price of HKD5.19 per share.

On 15 June 2021, Universe Trek Limited issued zero coupon guaranteed convertible bonds with a nominal value of USD250,000,000 (“the 250 million Zero Coupon Bonds”). The 250 million Zero Coupon Bonds will be unconditionally and irrevocably guaranteed by the Company. There was no movement in the number of these convertible bonds during the period. The 250 million Zero Coupon Bonds are convertible at the option of the bondholders into ordinary shares of the Company with the initial conversion price of HKD10.20 per share at any time on or after 26 July 2021 and up to the close of business on the date falling ten days prior to 15 June 2026. The number of shares issuable upon conversion of any Bond shall be determined by dividing the principal amount of the Bond to be converted and translated into Hong Kong dollars at the fixed rate of HKD7.7614 = USD1.00 by the conversion price in effect on the relevant conversion date. The conversion price has been gradually adjusted to HKD6.70 per share, taking effect from 6 May 2025, subject to the declaration and payment of interim and annual dividends and special dividends by the Company. On 15 June 2024, USD249.1 million of the USD250 million Zero Coupon Bonds were redeemed by the Company in accordance with the terms and conditions. As at 30 June 2025, the outstanding principal amount of such convertible bonds was USD900,000.

The fair value of the liability component was estimated at the issuance date using an equivalent market interest rate for a similar bond without a conversion option. The residual amount is assigned as the equity component and is included in shareholders’ equity.

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20. DEFERRED TAX

The movements in deferred tax liabilities and assets of the Group during the period are as follows:

Deferred tax assets

	Fee income received in advance	Government special subsidy	Share-based payments	Allowances for impairment losses	Salary and welfare payable	Losses available for offsetting against future taxable profits	Cash flow hedge	Lease	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Gross deferred tax assets at 1 January 2025	222,010	1,021,195	89,152	3,042,627	1,331,750	366,799	16,916	106,588	2,690	6,199,727
(Charged)/credited to the statement of profit or loss during the period	(35,350)	80,531	42,473	14,575	(134,190)	60,096	-	7,743	24,941	60,819
Charged to reserve	-	-	-	-	-	-	(203)	-	-	(203)
Exchange differences	-	-	-	(14)	-	(3)	-	-	-	(17)
Gross deferred tax assets at 30 June 2025 (Unaudited)	186,660	1,101,726	131,625	3,057,188	1,197,560	426,892	16,713	114,331	27,631	6,260,326

	Fee income received in advance	Government special subsidy	Share-based payments	Allowances for impairment losses	Salary and welfare payable	Losses available for offsetting against future taxable profits	Cash flow hedge	Lease	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Gross deferred tax assets at 1 January 2024	389,874	1,104,403	97,301	2,919,028	1,213,776	182,031	29,139	138,615	144,508	6,218,675
(Charged)/credited to the statement of profit or loss during the period	(167,864)	(83,208)	(8,149)	123,486	117,974	184,696	-	(32,027)	(141,818)	(6,910)
Charged to reserve	-	-	-	-	-	-	(12,223)	-	-	(12,223)
Exchange differences	-	-	-	113	-	72	-	-	-	185
Gross deferred tax assets at 31 December 2024	222,010	1,021,195	89,152	3,042,627	1,331,750	366,799	16,916	106,588	2,690	6,199,727

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20. DEFERRED TAX (CONTINUED)

The movements in deferred tax liabilities and assets of the Group during the period are as follows: (continued)

Deferred tax liabilities

	Asset revaluation	Fair value adjustments arising from financial assets at fair value through profit or loss	Withholding income tax	Lease	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Gross deferred tax liabilities at 1 January 2025	120,505	121,084	563,151	136,365	33,891	974,996
(Credited)/charged to the statement of profit or loss during the period	(13,503)	34,746	(178,395)	(2,484)	(19,974)	(179,610)
Acquisition of subsidiaries during the period	10,381	–	–	–	–	10,381
Gross deferred tax liabilities at 30 June 2025 (Unaudited)	117,383	155,830	384,756	133,881	13,917	805,767

	Asset revaluation	Fair value adjustments arising from financial assets at fair value through profit or loss	Withholding income tax	Lease	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Gross deferred tax liabilities at 1 January 2024	128,000	148,340	544,413	166,322	40,200	1,027,275
(Credited)/charged to the statement of profit or loss during the period	(8,443)	(27,256)	18,738	(29,957)	(6,309)	(53,227)
Acquisition of subsidiaries during the year	948	–	–	–	–	948
Gross deferred tax liabilities at 31 December 2024	120,505	121,084	563,151	136,365	33,891	974,996

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20. DEFERRED TAX (CONTINUED)

For the purpose of the presentation of the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
	RMB'000	RMB'000
Net deferred tax assets recognised in the consolidated statement of financial position	6,119,510	6,051,263
Net deferred tax liabilities recognised in the consolidated statement of financial position	664,951	826,532

As at 30 June 2025, the Group had tax losses arising in Hong Kong of RMB84,192 thousand (31 December 2024: RMB84,212 thousand) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose and the Group had tax losses arising in Mainland China of RMB1,617,763 thousand (31 December 2024: RMB1,377,379 thousand) that will expire in one to five years for offsetting against future taxable profits. The Group has recognised deferred tax assets in respect of the tax losses mentioned above. Aside from this, as at 30 June 2025, the Group did not recognise deferred tax assets arising in Mainland China and Hong Kong in respect of unutilised tax losses of RMB3,909,774 thousand (31 December 2024: RMB3,783,756 thousand) and RMB2,353,091 thousand (31 December 2024: RMB2,184,959 thousand), respectively, due to uncertainty in their recoverability.

Pursuant to the resolution of the Company, part of the Mainland China subsidiaries' profits generated from 2012 onwards will be retained by the Mainland China subsidiaries for the use in future operations or investments. In the opinion of the directors, it is probable that the temporary differences relating to the profits that are not expected to be distributed will not reverse in the foreseeable future. During the six months ended 30 June 2025, the Group credited withholding taxes of RMB178,395 thousand (During the year ended 31 December 2024, the Group charged withholding taxes of RMB18,738 thousand). As at 30 June 2025, the aggregate amount of unrecognised deferred tax liabilities (i.e. withholding taxes relating to such temporary differences) was approximately RMB1,820,964 thousand (31 December 2024: RMB1,820,964 thousand).

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

21. SHARE CAPITAL

	Number of shares	Amounts
		HKD
Issued and fully paid ordinary shares:		
At 31 December 2024 (Audited) (Note (i))	4,320,075,666	16,468,528,000
At 30 June 2025 (Unaudited) (Note (i))	4,761,515,040	18,773,624,000

Notes:

- (i) The Company purchased its own shares through a trust under a share award scheme, which were presented as shares held for the share award scheme.

A summary of movements in the Company's share capital is as follows:

	Number of shares in issue	Share capital	Equivalent share capital
		HKD'000	RMB'000
At 1 January 2025 and 31 December 2024	4,320,075,666	16,468,528	13,098,930
Share options exercised (Note (ii))	8,378,304	57,509	52,563
Conversion shares issued (Note (iii))	433,061,070	2,247,587	2,222,325
As at 30 June 2025 (Unaudited)	4,761,515,040	18,773,624	15,373,818

Notes:

- (ii) The subscription rights attaching to 1,929,918, 16,000, 1,914,441 and 4,517,945 share options were exercised at the subscription prices of HKD5.714, HKD6.82, HKD6.378 and HKD5.58 per share, respectively, resulting in the issue of 8,378,304 shares for a total cash consideration, after expenses, of HKD48,557 thousand. An amount of HKD8,952 thousand was transferred from the share option reserve to share capital upon the exercise of the share options.
- (iii) During the period, there were conversions of the convertible bonds in the principal amount of USD290,000 thousand with the corresponding equity component of USD21,776 thousand and liability component of USD289,721 thousand. The Company has issued a total of 433,061,070 conversion shares to bondholders at the conversion price of HKD5.19 per conversion share.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

22. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior periods are presented in the interim condensed consolidated statement of changes in equity.

The Group's capital reserve represents the excess of the carrying amounts of capital and capital reserve of the subsidiaries acquired pursuant to the Reorganisation as defined in the Prospectus, over the nominal value of the Company's shares issued as consideration plus the amount of borrowings capitalised in excess of the nominal value of the shares issued.

Pursuant to the relevant PRC rules and regulations, those PRC subsidiaries which are domestic enterprises in the PRC are required to transfer no less than 10% of their profits after taxation, as determined under the PRC Company Law, to the statutory reserve fund until the balance reaches 50% of the registered capital. The transfer to this statutory reserve fund must be made before the distribution of dividends to shareholders.

Special reserve mainly represents funds set aside for the purpose of certain safety production activities. Pursuant to certain regulations issued by the State Administration of Work Safety of the PRC and other relevant regulatory bodies, the subsidiaries, Shanghai Horizon Equipment & Engineering Co., Ltd. and Shanghai Hongjin Equipment & Engineering Co., Ltd. set aside funds mainly for construction service activities at prescribed rates. These funds can be used for maintenance and/or improvements of safety of these activities, and are not available for distribution to shareholders.

Share-based compensation reserve of the Group comprises the recognition of the equity-settled share-based payments under the Share Option Scheme and the Share Award Scheme which are yet to be exercised. The amount will be transferred to share capital or shares held for the Share Award Scheme when the related Share Options are exercised or Restricted Shares are vested.

23. CONTINGENT LIABILITIES

At the end of the reporting period, contingent liabilities not provided for in the financial statements were as follows:

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
	RMB'000	RMB'000
Claimed amounts	—	236

On 20 June 2022, a subsidiary of the Company and a bank entered into a guarantee agreement, pursuant to which the subsidiary of the Company will provide a guarantee of no more than RMB1,000,000 thousand for the outstanding loans provided by the bank to borrowers which are third parties to the Group. As at 30 June 2025, the balance of guaranteed bank loans was RMB456,604 thousand (31 December 2024: RMB605,165 thousand). In the opinion of the directors of the Company, the amount of expected credit losses on the guaranteed bank loans is not expected to be significant.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

24. PLEDGE OF ASSETS

Details of the Group's pledged assets for the Group's bank loans and other borrowings are included in Notes 9, 10, 14, 16 and 18 to the interim condensed consolidated financial information.

25. COMMITMENTS

(a) Capital commitments

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

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
	RMB'000	RMB'000
Contracted, but not provided for:		
Capital expenditure for acquisition of property, plant and machinery	388,807	215,716

(b) Credit commitments

The Group's irrevocable credit commitments at the end of the reporting period are as follows:

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
	RMB'000	RMB'000
Irrevocable credit commitments	4,658,829	14,010,442

At any given time, the Group has outstanding commitments to extend credit, which are included in irrevocable credit commitments. These commitments are in the form of approved lease contracts and approved project contracts, which have yet to be provided as at the end of each reporting period.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

26. RELATED PARTY TRANSACTIONS

Relationship between the Group and its related parties:

The ultimate holding company of a shareholder with significant influence

Sinochem Group

Joint ventures of the ultimate holding company of a shareholder with significant influence

Sinochem Environment Air Pollution Control Co., Ltd.

Zhonghua Luxi Engineering Co., Ltd.

Joint ventures

Guangzhou Kangda Industrial Technology Co., Ltd.

Fengyang Qianmen Hospital Co., Ltd.

Tian Jin Grand Flight Hooyoung Asset Management Co., Ltd.*

Grand Flight Investment Management Co., Ltd.

Guangzhou Yimei Tiancheng Decoration Engineering Co., Ltd.

Ziyang Yuyi Construction Investment Co., Ltd.

Tianjin Shuishi Enterprise Management Co., Ltd.

Guixi Hongye Infrastructure Investment Co., Ltd.

Guixi Hongyu Infrastructure Investment Co., Ltd.

Deyang Hongbo Construction Investment Co., Ltd.

Chengdu Jinlanrui Urban Construction and Development Co., Ltd.

Wuhan Hongye Construction and Development Co., Ltd.

Hangzhou Hongkun Urban Development and Construction Co., Ltd.

Chengdu Hongmin Urban Construction and Development Co., Ltd.

Associates

Shanghai Yijia Construction Development Co., Ltd.

Hangzhou Guoya Stomatological Hospital Co., Ltd.

Shanghai Hongzuo New Energy Technology Co., Ltd.**

Tianjin FIS Asset Management Co., Ltd.

* Tian Jin Grand Flight Hooyoung Asset Management Co., Ltd. is the subsidiary of Grand Flight Investment Management Co., Ltd.

** Shanghai Hongzuo New Energy Technology Co., Ltd. was converted from a subsidiary to an associated company at the end of 2024

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

26. RELATED PARTY TRANSACTIONS (CONTINUED)

- a. In addition to the balances in Notes 10 and 17 to the interim condensed consolidated financial information, at the end of the reporting period, the Group had the following balances with its related parties:

- (i) Prepayments, other receivables and other assets

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
	RMB'000	RMB'000
Due from related parties		
Fengyang Qianmen Hospital Co., Ltd.	565	565
Shanghai Yijia Construction Development Co., Ltd.	3,301	3,285
Guangzhou Kangda Industrial Technology Co., Ltd.	12,000	12,000
Total	15,866	15,850

Amounts due from related parties of the Group are unsecured and non-interest-bearing.

- (ii) Other payables and accruals

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
	RMB'000	RMB'000
Due to related parties		
Tianjin Shuishi Enterprise Management Co., Ltd.	5,367	3,997
Fengyang Qianmen Hospital Co., Ltd.	268	268
Grand Flight Investment Management Co., Ltd.	42,791	60,731
Tian Jin Grand Flight Hooyoung Asset Management Co., Ltd.	2,643	2,623
Shanghai Yijia Construction Development Co., Ltd.	100	–
Guangzhou Kangda Industrial Technology Co., Ltd.	–	30
Guangzhou Yimei Tiancheng Decoration Engineering Co., Ltd.	–	50
Total	51,169	67,699

Except for the amounts due to Tianjin Shuishi Enterprise Management Co., Ltd., Fengyang Qianmen Hospital Co., Ltd., Guangzhou Yimei Tiancheng Decoration Engineering Co., Ltd. and Grand Flight Investment Management Co., Ltd., Tian Jin Grand Flight Hooyoung Asset Management Co., Ltd., which bear interest at an interest rate of 1.485%, amounts due to other related parties are unsecured and non-interest-bearing.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

26. RELATED PARTY TRANSACTIONS (CONTINUED)

b. The Group had the following material transactions with related parties during the period:

(i) Equipment lease income

For the six months ended 30 June		
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Zhonghua Luxi Engineering Co., Ltd.	163	6
Shanghai Yijia Construction Development Co., Ltd.	—	6
Sinochem Environment Air Pollution Control Co., Ltd.	—	3
Total	163	15

(ii) Interest expenses on other payables

For the six months ended 30 June		
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Grand Flight Investment Management Co., Ltd.	344	241
Tian Jin Grand Flight Hooyoung Asset Management Co., Ltd.	19	16
Tianjin FIS Asset Management Co., Ltd.	—	54
Tianjin Shuishi Enterprise Management Co., Ltd.	34	7
Total	397	318

The interest expenses were charged at a rate of 1.485% per annum (31 December 2024: 1.485%).

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

26. RELATED PARTY TRANSACTIONS (CONTINUED)

b. The Group had the following material transactions with related parties during the period: (continued)

(iii) Interest income from loans and accounts receivables

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Guangzhou Kangda Industrial Technology Co., Ltd.	4,269	4,292
Hangzhou Guoya Stomatological Hospital Co., Ltd.	4	52
Shenyang Chemical Co., Ltd.	–	28
Ziyang Yuyi Construction Investment Co., Ltd.	2,279	623
Deyang Hongbo Construction Investment Co., Ltd.	150	–
Chengdu Jinlanrui Urban Construction and Development Co., Ltd.	3,860	313
Guixi Hongye Infrastructure Investment Co., Ltd.	928	5
Guixi Hongyu Infrastructure Investment Co., Ltd.	359	–
Hangzhou Hongkun Urban Development and Construction Co., Ltd.	1,544	–
Chengdu Hongmin Urban Construction and Development Co., Ltd.	16	–
Wuhan Hongye Construction and Development Co., Ltd.	492	16
Shanghai Hongzuo New Energy Technology Co., Ltd.	1,727	–
Total	15,628	5,329

(iv) Administrative fee

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Shanghai Yijia Construction Development Co., Ltd.	452	–

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

26. RELATED PARTY TRANSACTIONS (CONTINUED)

c. Compensation of key management personnel of the Group

For the six months ended 30 June		
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Employee benefits	56,610	67,820

The above employee benefits have not taken into consideration the employees' potential entitlement under the collective economic-gain bonus schemes (Note 5) during the six months ended 30 June 2025 and 2024.

27. FINANCIAL INSTRUMENTS BY CATEGORY

	As of 30 June 2025	As of 31 December 2024
	(Unaudited)	(Audited)
	RMB'000	RMB'000
Financial assets as per the statement of financial position		
Financial assets at amortised cost:		
Loans and accounts receivables	267,111,445	260,648,717
Financial assets included in prepayments, other receivables and other assets	1,259,719	1,954,255
Restricted deposits	10,658,545	10,708,516
Cash and cash equivalents	18,293,920	19,786,521
Financial assets at fair value through profit or loss:		
Financial assets at fair value through profit or loss	15,098,586	15,759,270
Derivative financial instruments not designated as hedging instruments	—	1,166
Financial assets at fair value through other comprehensive income:		
Debt investments at fair value through other comprehensive income	204,226	453,246
Hedging instruments designated in cash flow hedges:		
Derivative financial instruments designated as hedging instruments in cash flow hedges	549,644	1,755,574
Total	313,176,085	311,067,265

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

27. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

	As of 30 June 2025	As of 31 December 2024
	(Unaudited)	(Audited)
	RMB'000	RMB'000
Financial liabilities as per the statement of financial position		
Financial liabilities at amortised cost:		
Trade and bills payables	8,014,656	7,865,619
Financial liabilities included in other payables and accruals	20,091,571	21,428,368
Interest-bearing bank and other borrowings	265,352,260	262,845,347
Convertible bonds – host debts	6,710	2,072,836
Lease liabilities	940,720	994,469
Financial liabilities at fair value through profit or loss:		
Other non-current liabilities	2,004,062	1,564,467
Hedging instruments designated in cash flow hedges:		
Derivative financial instruments designated as hedging instruments in cash flow hedges	654,767	301,591
Total	297,064,746	297,072,697

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

28. FAIR VALUE HIERARCHY

Financial instruments not measured at fair value

Financial assets and liabilities not presented at fair value on the statement of financial position mainly represent cash and cash equivalents, restricted deposits, loans and accounts receivables, financial assets included in deposits, other receivables and other assets, trade and bills payables, financial liabilities included in other payables and accruals, and interest-bearing bank and borrowings.

Fair value estimates are made at a specific point in time based on relevant market information and information about various financial instruments. The following methods and assumptions have been used to estimate the fair value of each class of financial instruments as far as practicable:

Cash and cash balances, current portion of financial assets included in deposits and other receivables, trade and bills payables, short-term borrowings and current portion of financial liabilities included in other payables and accruals

Substantially all of the financial assets and liabilities mature within one year from the end of each reporting period and their carrying values approximate to their fair values.

Loans and accounts receivables, interest-bearing bank and other borrowings except for bonds issued, short-term borrowings and restricted deposits

Substantially all of the restricted deposits and interest-bearing bank and other borrowings, except for bonds issued and short-term borrowings, are on floating rate terms and bear interest at prevailing market interest rates and their carrying values approximate to their fair values. For loans and accounts receivables with long-term remaining maturities, the applied interest rates approximate to prevailing market interest rates and their carrying values approximate to their fair value.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

28. FAIR VALUE HIERARCHY (CONTINUED)

Financial instruments not measured at fair value (continued)

Bonds issued and convertible bonds – host debts

The fair values of the bonds and host debts convertible bonds issued are calculated based on a discounted cash flow model that is used based on a current yield curve appropriate for the remaining term to maturity.

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amounts		Fair values	
	30 June 2025 (Unaudited)	31 December 2024 (Audited)	30 June 2025 (Unaudited)	31 December 2024 (Audited)
	RMB'000	RMB'000	RMB'000	RMB'000
Financial liabilities				
Bonds issued	81,178,034	77,592,431	82,371,652	78,834,530
Convertible bonds – host debts	6,710	2,072,836	6,669	2,091,106

Non-current portion of financial assets included in prepayments, deposits and other receivables and non-current portion of financial liabilities included in other payables and accruals

The fair values of the non-current portion of financial assets included in prepayments, deposits and other receivables and the non-current portion of financial liabilities included in other payables and accruals have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The difference between the carrying amounts and the fair values of those financial assets and liabilities is not significant.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

28. FAIR VALUE HIERARCHY (CONTINUED)

Financial instruments measured at fair value

Non-deliverable cross-currency swaps and interest rate swaps

Non-deliverable cross-currency swaps and interest rate swaps are measured using valuation techniques similar to the present value calculations of the forward pricing and swap models, which incorporate various market observable inputs including the credit quality of counterparties, foreign exchange spot and forward rates and interest rate curves.

Financial assets at fair value through profit or loss

The valuations of the financial assets at fair value through profit or loss were based on information known to the Group and market conditions existing at the end of the reporting period. The fair values were determined by using appropriate valuation techniques. Valuation techniques include using recent arm's length market transactions, referring to the current market value of another instrument that is substantially the same and making as much use of available and supportable market data as possible.

Set out below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at 30 June 2025 and 31 December 2024:

Description	Fair value at 30 June 2025	Valuation technique	Unobservable input	Relationship of unobservable inputs to fair value
RMB'000				
Financial investments at fair value through profit or loss	10,847,410	Market comparable model/Adjusted recent transaction price/ Discounted cash flow	Discount for lack of marketability ("DLOM")/Volatility/ Discount rate	The higher the DLOM, the lower the fair value/The higher the volatility, the higher the fair value/The higher the discount rate, the lower the fair value
Other non-current liabilities	(2,004,062)	Market comparable model/Adjusted recent transaction price	Discount for lack of marketability ("DLOM")/Volatility	The higher the DLOM, the lower the fair value/The higher the volatility, the higher the fair value

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

28. FAIR VALUE HIERARCHY (CONTINUED)

Financial instruments measured at fair value (continued)

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

Description	Fair value at 31 December 2024	Valuation technique	Unobservable input	Relationship of unobservable inputs to fair value
RMB'000				
Financial investments at fair value through profit or loss	11,330,161	Market comparable model/Adjusted recent transaction price	Discount for lack of marketability ("DLOM")/Volatility	The higher the DLOM, the lower the fair value/The higher the volatility, the higher the fair value
Other non-current liabilities	(1,564,467)	Market comparable model/Adjusted recent transaction price	Discount for lack of marketability ("DLOM")/Volatility	The higher the DLOM, the lower the fair value/The higher the volatility, the higher the fair value

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair values of financial instruments:

Level 1: fair values measured based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: fair values measured based on valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: fair values measured based on valuation techniques for which any inputs which have a significant effect on the recorded fair value are not based on observable market data (unobservable inputs)

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

28. FAIR VALUE HIERARCHY (CONTINUED)

Assets and liabilities measured at fair value

As at 30 June 2025

	Level 1 Quoted prices in active markets	Level 2 Significant Observable inputs	Level 3 Significant unobservable inputs	Total
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	RMB'000	RMB'000	RMB'000	RMB'000
Cross-currency interest rate swaps – assets	–	507,550	–	507,550
Forward currency contracts – assets	–	42,023	–	42,023
Interest rate swaps – assets	–	71	–	71
Cross-currency interest rate swaps – liabilities	–	(574,299)	–	(574,299)
Forward currency contracts – liabilities	–	(22,276)	–	(22,276)
Interest rate swaps – liabilities	–	(58,192)	–	(58,192)
Financial assets at fair value through profit or loss	881,329	3,369,847	10,847,410	15,098,586
Debt investments at fair value through other comprehensive income	–	204,226	–	204,226
Other non-current liabilities	–	–	(2,004,062)	(2,004,062)

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

28. FAIR VALUE HIERARCHY (CONTINUED)

Assets and liabilities measured at fair value (continued)

As at 31 December 2024

	Level 1 Quoted prices in active markets	Level 2 Significant Observable inputs	Level 3 Significant unobservable inputs	Total
	(Audited)	(Audited)	(Audited)	(Audited)
	RMB'000	RMB'000	RMB'000	RMB'000
Cross-currency interest rate swaps – assets	–	1,514,677	–	1,514,677
Forward currency contracts – assets	–	241,699	–	241,699
Interest rate swaps – assets	–	364	–	364
Cross-currency interest rate swaps – liabilities	–	(210,999)	–	(210,999)
Interest rate swaps – liabilities	–	(90,592)	–	(90,592)
Financial assets at fair value through profit or loss	327,835	4,101,274	11,330,161	15,759,270
Debt investments at fair value through other comprehensive income	–	453,246	–	453,246
Other non-current liabilities	–	–	(1,564,467)	(1,564,467)

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

28. FAIR VALUE HIERARCHY (CONTINUED)

Assets and liabilities measured at fair value (continued)

The movements in fair value measurements within Level 3 during the period are as follows:

	As of 30 June 2025 (Unaudited) RMB'000	As of 30 June 2024 (Unaudited) RMB'000
Financial assets at fair value through profit or loss		
Carrying amount at 1 January	11,330,161	3,753,048
Changes in fair value recognised in profit or loss	554,059	325,919
Additions	197,515	8,554,131
Disposals	(790,530)	(1,199,541)
Transfers to Level 1*	(443,795)	–
Carrying amount at 30 June	10,847,410	11,433,557

* The Group transferred certain financial instruments from Level 3 to Level 1 of the fair value hierarchy due to the fact that fair value determination had changed from fair value measurement using significant unobservable inputs to quoted prices in active markets.

During the period, there were no transfers of fair value measurements between Level 1 and Level 2 for both financial assets and financial liabilities (six months ended 30 June 2024: Nil).

Liabilities for which fair values are disclosed

As at 30 June 2025

	Level 1 Quoted prices in active markets (Unaudited) RMB'000	Level 2 Significant Observable inputs (Unaudited) RMB'000	Level 3 Significant unobservable inputs (Unaudited) RMB'000	Total (Unaudited) RMB'000
Bonds issued	–	82,371,652	–	82,371,652
Convertible bonds – host debts	–	6,669	–	6,669

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

28. FAIR VALUE HIERARCHY (CONTINUED)

Liabilities for which fair values are disclosed (continued)

As at 31 December 2024

	Level 1 Quoted prices in active markets	Level 2 Significant Observable inputs	Level 3 Significant unobservable inputs	Total
	(Audited)	(Audited)	(Audited)	(Audited)
	RMB'000	RMB'000	RMB'000	RMB'000
Bonds issued	–	78,834,530	–	78,834,530
Convertible bonds – host debts	–	2,091,106	–	2,091,106

29. EVENTS AFTER THE REPORTING PERIOD

On 9 July 2025, the Company received a notice of exercise of the conversion rights amounting to USD500,000 and conversion and issuance of new shares in accordance with terms of the 2021 Convertible Bonds.

On 1 August 2025, the Board approved the payment of an interim dividend of HKD0.25 per share in respect of the six months ended 30 June 2025 to shareholders whose names appear on the register of members of the Company on 15 September 2025. The interim dividend will be paid on 24 September 2025.

30. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The interim condensed consolidated financial information is approved and authorised for issue by the Board on 1 August 2025.

GLOBALIZATION

国际化

SPECIALIZATION

专业化

MARKETIZATION

市场化



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