



JAPAN KYOSEI GROUP COMPANY LIMITED 日本共生集團有限公司

(Incorporated in Bermuda with limited liability)

Stock Code : 627

INTERIM REPORT **2025**



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CORPORATE INFORMATION

BOARD OF DIRECTORS

EXECUTIVE DIRECTOR

Dr. Hiroshi Kaneko (*Chief Executive Officer*)

NON-EXECUTIVE DIRECTOR

Mr. Chung Ho Wai Alan

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Huang Zhongquan

Ms. Tang Ying Sum

Ms. Ha Sze Wan

AUDIT COMMITTEE

Ms. Ha Sze Wan (*Chairlady*)

Mr. Huang Zhongquan

Ms. Tang Ying Sum

REMUNERATION COMMITTEE

Mr. Huang Zhongquan (*Chairman*)

Dr. Hiroshi Kaneko

Ms. Tang Ying Sum

NOMINATION COMMITTEE

Mr. Huang Zhongquan (*Chairman*)

Dr. Hiroshi Kaneko

Ms. Ha Sze Wan

COMPANY SECRETARY

Mr. Tsang King Sun

AUTHORISED REPRESENTATIVES

Dr. Hiroshi Kaneko

Mr. Tsang King Sun

AUDITOR

PKF Hong Kong Limited

LEGAL ADVISERS

Patrick Mak & Tse Solicitors

PRINCIPAL BANKERS

Hang Seng Bank Limited

Fubon Bank (Hong Kong) Limited

China Construction Bank (Asia)

Corporation Limited

Bank of Communications Co., Ltd.

REGISTERED OFFICE

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

PRINCIPAL PLACE OF BUSINESS

Room 1104, 11/F

Kai Tak Commercial Building

66-72 Stanley Street

Central

Hong Kong

PRINCIPAL SHARE REGISTRAR

Cohort Limited

3rd Floor, Sofia House

48 Church Street

Hamilton HM 12

Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Union Registrars Limited

Suites 3301-04, 33/F.

Two Chinachem Exchange Square

338 King's Road

North Point, Hong Kong

LISTING INFORMATION

The Stock Exchange of Hong Kong Limited

Ordinary Shares (Stock Code: 627)

COMPANY WEBSITE

www.jkgc.com.hk

INVESTOR RELATIONS

Email: cs@fullsun.com.hk

DEFINITIONS

Term	Definition
Board	The board of the Directors
Company	Japan Kyosei Group Company Limited
Director(s)	The director(s) of the Company
Group	The Company and its subsidiaries from time to time
Hong Kong	The Hong Kong Special Administrative Region
HK\$/HKD	Hong Kong dollars
Listing Rules	The Rules Governing the Listing of Securities on the Stock Exchange
Model Code	Model Code for Securities Transactions by Directors of Listed Issuers
Period/During the Period	1 January 2025 to 30 June 2025
PRC/Mainland China	The People's Republic of China, excluding Hong Kong, Macau Special Administrative Region and Taiwan for the purpose of this report
Previous Period	1 January 2024 to 30 June 2024
Target Properties	certain vacant and residential properties located in Kusoge, Narita City, Tokyo, Japan in the area of approximately 51,591.36 square meters, collectively owned by the Target Subsidiaries
Purchaser	River Moder Limited, a company incorporated in British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company

DEFINITIONS

Term	Definition
Remaining Properties	certain vacant and residential properties located in Kusoge, Narita City, Tokyo, Japan in the area of approximately 16,726.08 square meters, to be acquired by one or more of the Target Subsidiaries
RMB	Renminbi Yuan
Sale Shares	the entire issued shares of the Target Company owned by the Vendor
SFO	Securities and Futures Ordinance (chapter 571 of the Laws of Hong Kong)
Share(s)	Ordinary share(s) of the Company
Stock Exchange	The Stock Exchange of Hong Kong Limited
USD	United States dollars

Note:

For the purpose of this report and unless otherwise specified, the English translation of the name of the companies incorporated in the PRC are used for identification purpose only.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group's principal operations remain within the property sector, encompassing property development and property investment. The Group has further expanded to supply chain business for sale of a range of commodities within the PRC. As of 30 June 2025, the Group's development projects, properties held for sale, and investment portfolio are primarily located in Changsha City, Hunan Province. A summary of the Group's financial performance for the six-month period ended 30 June 2025, is summarised below:

OVERALL REVIEW

PROPERTY DEVELOPMENT

During the Period, revenue from sales of properties was approximately RMB3,024,000 (Previous Period: approximately RMB60,295,000).

The revenue from sales of properties for the Period was only contributed by projects in Hunan Province compared with sales in Zhejiang Province, Hunan Province, Fujian Province and Guangdong Province across Mainland China in the Previous Period. The significant decrease in recognised sales during the Period by 95.0% as compared to that of the Previous Period due to continuous shrinkage of the property markets of second-, third- and lower-tier cities with the insufficient speed of recovery.

PROPERTY INVESTMENT

Rental income for the Period was approximately RMB169,000 (Previous Period: approximately RMB417,000). Rental income was mainly contributed by the commercial investment properties in Changsha.

As at 30 June 2025, the fair value on the Group's investment property portfolio remained unchanged.

SUPPLY CHAIN BUSINESS

Building on its established foundation, the Group is strategically leveraging its extensive property network, market experience, and core expertise to identify and execute new growth opportunities. This strategic initiative has led to the successful expansion to supply chain business in the PRC. This diversification capitalises on the Group's direct access to properties, warehouses and logistics centres, creating a synergistic revenue stream that contributed approximately RMB30,000,000 to the Group's revenue during the Period.

OPERATING EXPENSES

During the Period, the selling and distribution expenses was approximately RMB652,000 (Previous Period: approximately RMB2,760,000), and the cost-income ratio calculated as the relevant expenses divided by the revenue for the Period was 1.96% (Previous Period: 4.55%). During the Period, the administrative expenses was approximately RMB7,180,000 (Previous Period: approximately RMB18,271,000), and the cost-income ratio calculated as the relevant expenses divided by the revenue for the Period was 21.63% (Previous Period: 30.09%).

FINANCE COSTS

Finance costs comprised of interest on bank and other borrowings and interest on contract liabilities. The finance costs was approximately RMB9,384,000 for the Period (Previous Period: approximately RMB185,365,000).

MANAGEMENT DISCUSSION AND ANALYSIS

INCOME TAX EXPENSE

During the Period, income tax expense amounted to approximately RMB35,000 (Previous Period: income tax credit amounted to approximately RMB20,409,000). The income tax credit in prior year was mainly due to the recognition of prior year LAT over-provision.

PROSPECTS

Amid ongoing uncertainty in China's property market that driven by persistent challenges such as U.S. tariff policies, weakening domestic demand, and liquidity constraints in the real estate sector, the operating environment remains highly volatile. The market continues to undergo a prolonged correction, creating unprecedented challenges for industry players. Against this backdrop, 2025 proved to be an exceptionally difficult year for the Group.

The Group shall launch a strategic growth initiative to capitalise on evolving market dynamics and amplify long-term value creation. Building upon our established foundation in the PRC property market, we will extend our geographical footprint by pursuing high-quality development opportunities in key cities like Guangzhou and Shenzhen, as well as exploring high-potential markets across Asia, such as Japan and Australia.

While residential development remains a core pillar of our business, we will strategically diversify our portfolio by accelerating investment in modern logistics warehouses, distribution centres, and data centres. This move is a direct response to the rapid, transformative growth in demand driven by e-commerce, cloud computing, and the digitalisation of the economy.

By aligning our portfolio with these powerful macroeconomic trends, we are future-proofing our business and positioning the Group not merely as a property builder, but as a developer of the essential infrastructure for the region's next chapter of economic development.

INTERIM DIVIDEND

The Board has resolved not to declare the payment of an interim dividend for the Period (Previous Period: nil).

LIQUIDITY, FINANCIAL RESOURCE AND GEARING RATIO

As at 30 June 2025, bank balances and cash amounted to approximately RMB3,480,000 (31 December 2024: RMB3,922,000), which were principally denominated in RMB and HKD. The Group had total other borrowings of approximately RMB194,691,000 (31 December 2024: RMB193,860,000) which carried interest at fixed or floating interest rates and were denominated in RMB and HKD. The Group's total other borrowings divided by total assets as at 30 June 2025 was 5.51% (31 December 2024: 5.52%). The net gearing ratio calculated as total borrowings, net of bank balances and cash and restricted bank deposits divided by total deficit of the Group as at 30 June 2025 was 10.51% (31 December 2024: 10.48%).

As at 30 June 2025, the Group had current assets of approximately RMB3,514,484,000 (31 December 2024: RMB3,494,570,000) and current liabilities of approximately RMB5,338,679,000 (31 December 2024: RMB5,312,324,000). The net liabilities of the Group as at 30 June 2025 were approximately RMB1,813,480,000 (31 December 2024: RMB1,806,734,000) which increased by approximately 0.37%.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES

The Group's principal business operations and investments are in mainland China and Hong Kong. As at 30 June 2025, all outstanding balances of its loans are denominated in RMB and HKD. The Group is exposed to fluctuations in the foreign exchange rates of the RMB, USD and HKD, but does not have any instruments to hedge its exposure to foreign exchange rates as it considers the potential exposure to foreign exchange rate risks is limited. The Group nonetheless closely monitors the fluctuations in exchange rates and will take appropriate actions to reduce the exchange rate exposure.

PLEDGE OF ASSETS, OTHER COMMITMENTS AND LITIGATIONS

The pledge of assets, other commitments and litigations of the Group are disclosed in the notes 21, 22 and 25 to the condensed consolidated financial statements in this report.

SHARE CAPITAL

The number of issued Shares as at 1 January 2025 and 30 June 2025 was 1,420,673,262 Shares.

MATERIAL ACQUISITIONS AND INVESTMENTS

During the period, the Group did not have material acquisitions and investments.

EVENTS AFTER THE REPORTING PERIOD

The Group does not have any material subsequent events after the reporting period.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2025, the Group had approximately 106 employees, including the Directors. Remuneration of employees is determined by reference to the market terms and commensurate with the level of pay for similar positions within the industry. Discretionary year-end bonuses are payable to employees based on individual performance. The Group provides benefits in accordance with the relevant laws and regulations. The employees of the Group in the Mainland China are members of a state-managed retirement benefit scheme operated by the government of the PRC, and the employees in Hong Kong are members of the Mandatory Provident Fund Scheme of Hong Kong.

The Group operates a defined contribution retirement benefit plan under the Mandatory Provident Fund Schemes Ordinance for all of its employees in Hong Kong who are eligible to participate in the Mandatory Provident Fund Scheme (the “**MPF Scheme**”). The Group and its employees in Hong Kong are each required to make contributions to the MPF Scheme at 5% of the employees’ relevant income and capped at HK\$1,500 per month.

The employees of the Group’s subsidiaries which operate in the PRC are required to participate in the central pension schemes operated by the local municipal governments (the “**Central Pension Schemes**”). According to the relevant regulations, contributions that should be borne by the companies within the Group are principally determined based on percentages of the basic salaries of employees, subject to certain ceilings imposed. The applicable percentages for the Central Pension Schemes for the Period and Previous Period are listed below:

	Percentage
Pension insurance	12.0-20.0%
Medical insurance	5.2-10.5%
Unemployment insurance	0.32-1.5%
Housing fund	5.0-12.0%

The Group’s contributions to the MPF Scheme and the Central Pension Schemes vest fully and immediately with the employees. During the Period and Previous Period, there were neither contributions forfeited by the Group nor had there been any utilisation of such forfeited contributions to reduce future contributions. As at 31 December 2024 and 30 June 2025, there were no forfeited contributions which were available for utilisation by the Group to reduce the existing level of contributions to the MPF Scheme and the Central Pension Schemes.

CORPORATE GOVERNANCE AND OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARE, UNDERLYING SHARE AND DEBENTURES

As at 30 June 2025, the following Director or chief executive of the Company or his associates had interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), as notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or as recorded in the register to be kept under Section 352 of the SFO or as notified to the Company and the Stock Exchange pursuant to the Model Code, as follows:

(I) INTEREST IN THE ORDINARY SHARES OF ASSOCIATED CORPORATION

Name of Director/ chief executive	Name of associated corporation	Capacity/nature of interest	Number of shares held (Note 1)	Percentage of shareholding in the associated corporation (Approximate)
Dr. Hiroshi Kaneko	Grateful Heart Inc.	Beneficial owner	3(L)	30%

Notes:

- (L) represents long position in Shares/underlying Shares.
- 994,019,402 Shares are owned by Grateful Heart Inc. which is partially owned by Dr. Hiroshi Kaneko, an executive Director.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SECURITIES OF THE COMPANY

As at 30 June 2025, the following persons (other than the Directors or chief executives of the Company) had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of substantial shareholders required to be kept by the Company under Section 336 of the SFO, or as otherwise notified to the Company and the Stock Exchange as follows:

Name	Capacity	Total (Note 1)	Approximate percentage of the Company's issued share capital
Mr. Kenichi Yanase (Note 3)	Interest in a controlled corporation	994,019,402 (L)	69.97% (Note 2)
Grateful Heart Inc. (Note 3)	Interest in a controlled corporation	994,019,402 (L)	69.97% (Note 2)
CIS Securities Asset Management Limited (Note 3)	Investment manager	994,019,402 (L)	69.97% (Note 2)
CIS FUND OFC – CIS OPPORTUNITIES I FUND (Note 3)	Interest in a controlled corporation	994,019,402 (L)	69.97% (Note 2)
JET POWER INVESTMENTS LIMITED (NOTE 3)	Beneficial owner	994,019,402 (L)	69.97% (Note 2)

Notes:

- (L) represents long position in Shares/underlying Shares.
- The total number of 1,420,673,362 Shares in issue as at 30 June 2025 has been used for the calculation of the approximate percentage.
- 994,019,402 Shares are beneficially owned by Jet Power Investments Limited. Jet Power Investments Limited is wholly owned by CIS FUND OFC – CIS OPPORTUNITIES I FUND. CIS FUND OFC – CIS OPPORTUNITIES I FUND is a sub-fund of CIS FUND OFC, an open-ended fund company with variable share capital incorporated in Hong Kong. CIS Securities Asset Management Limited is the investment manager of CIS FUND OFC – CIS OPPORTUNITIES I FUND. Grateful Heart Inc. is an investor in the CIS FUND OFC – CIS OPPORTUNITIES I FUND whose investment as at the date of this report accounted for 100% of the entire investment amount in the CIS FUND OFC – CIS OPPORTUNITIES I FUND. Grateful Heart Inc. is owned as to 70% by Mr. Kenichi Yanase and therefore Mr. Kenichi Yanase is deemed to be interested in the same number of Shares held by Grateful Heart Inc.

Save as disclosed above, the Company has not been notified of any other relevant interests or short positions in the Shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO as at 30 June 2025.

SHARE OPTION SCHEME

Details of the share option scheme (the “**Scheme**”) adopted by the Company on 1 December 2017 were set out in the paragraph headed “H. Share Option Scheme” in Appendix IX Statutory and general information to the circular of the Company dated 27 October 2017.

The total number of Options available for grant under the Scheme as at 31 December 2024, 30 June 2025 and the date of this Interim Report was 11,236,749.

No share option has been granted, exercised, cancelled or lapsed by the Company since the adoption of the Share Option Scheme and during the Period. And there was no outstanding share option under the Share Option Scheme as at 30 June 2025 and as at the date of this Interim Report.

AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”) is currently comprised of three independent non-executive Directors, namely Ms. Ha Sze Wan (Chairlady of the Audit Committee), Mr. Huang Zhongquan and Ms. Tang Ying Sum. The main duties of the Audit Committee are to examine, review and monitor the financial reporting procedures and financial reporting, risk management and internal control systems of the Company. The Audit Committee has reviewed the unaudited interim results of the Group for the Period.

CORPORATE GOVERNANCE

Save as disclosed below, the Group has complied with the code provisions set out in Appendix C1 (the “**CG Code**”) to the Listing Rules throughout the Period and, where appropriate, the applicable recommended best practices of the CG Code.

Under the code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual.

The Company does not have a designated position of Chairman from 30 November 2023 onwards. The responsibilities of the chairman and the chief executive officer of the Company are currently vested in Dr. Hiroshi Kaneko (the executive Director and the chief executive officer of the Company). As all major decisions are made in consultation with the members of the Board, and there are three independent non-executive Directors on the Board offering independent perspectives, the Board is therefore of the view that there are adequate safeguards in place to ensure sufficient balance of powers within the Board. The Board will also continue to review and monitor the practices of the Company for the purpose of complying with the CG Code and maintaining a high standard of corporate governance practices of the Company.

Save for the above, the Company had complied with all code provisions as set out in the CG Code throughout the Period and, where appropriate, the applicable recommended best practices of the CG Code. The Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG Code.

CORPORATE GOVERNANCE AND OTHER INFORMATION

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding directors' securities transactions. Having made specific enquiries with all the Directors, each of the Directors has confirmed that he/she had complied with the required standards as set out in the Model Code throughout the Period.

UPDATE ON DIRECTORS' INFORMATION

During this Period and up to the date of this interim report, there were no changes in Director's information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2025.

By order of the Board

Japan Kyosei Group Company Limited

Dr. Hiroshi Kaneko

Executive Director and Chief Executive Officer

Hong Kong, 29 August 2025

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

The Board of the Company announces that the unaudited condensed consolidated interim results of the Group for the six months ended 30 June 2025 together with comparative figures for the previous period:

		Six months ended 30 June	
	NOTES	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Revenue	3		
Contracts with customers		33,024	60,295
Leases		169	417
Total revenue		33,193	60,712
Cost of sales		(32,325)	(124,493)
Gross profit/(loss)		868	(63,781)
Other income	6	33	274
Other gains and losses, net	6	3,220	(6,279)
Selling and distribution expenses		(652)	(2,760)
Administrative expenses		(7,180)	(18,271)
Impairment losses	5	–	(51,889)
Other expenses		(1)	(35)
Loss on disposal of a subsidiary	20	–	(4,315)
Finance costs	7	(9,384)	(185,365)
Share of result from an associate		(301)	–
Loss before taxation		(13,397)	(332,421)
Income tax (expense)/credit	8	(35)	20,409
Loss for the period	9	(13,432)	(312,012)
Other comprehensive income/(expense)			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translating foreign operations		6,686	(5,188)
Total comprehensive expense for the period		(6,746)	(317,200)
Loss for the period attributable to:			
Owners of the Company		(12,726)	(302,399)
Non-controlling interests		(706)	(9,613)
		(13,432)	(312,012)
Total comprehensive expense for the period attributable to:			
Owners of the Company		(6,040)	(307,587)
Non-controlling interests		(706)	(9,613)
		(6,746)	(317,200)
Loss per share			
– Basic (RMB cents)	11	(0.90)	(21.29)
– Diluted (RMB cents)	11	(0.90)	(21.29)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025

	NOTES	At 30 June 2025 RMB'000 (unaudited)	At 31 December 2024 RMB'000 (audited)
Non-current Assets			
Property, plant and equipment		287	290
Interest in an associate	12	9,939	10,241
Interest in a joint venture	13	–	–
Investment properties	14	7,100	7,100
Equity instrument designated at fair value through other comprehensive income		500	500
Deferred tax assets		225	225
		18,051	18,356
Current Assets			
Properties under development/properties for sale	15	382,405	384,662
Receivables and prepayments	16	3,094,055	3,071,647
Prepaid income tax		34,012	33,807
Restricted bank deposits		532	532
Bank balances and cash		3,480	3,922
		3,514,484	3,494,570
Current Liabilities			
Payables and accruals	17	4,921,496	4,898,797
Contract liabilities		38,465	35,675
Income tax payable		184,027	183,992
Borrowings – due within one year	18	194,691	193,860
		5,338,679	5,312,324
Net Current Liabilities		(1,824,195)	(1,817,754)
Total Assets Less Current Liabilities		(1,806,144)	(1,799,398)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025

	NOTES	At 30 June 2025 RMB'000 (unaudited)	At 31 December 2024 RMB'000 (audited)
Capital and Reserves			
Share capital	19	12,924	12,924
Reserves		(1,892,261)	(1,886,221)
Deficit attributable to owners of the Company		(1,879,337)	(1,873,297)
Non-controlling interests		65,857	66,563
Total Deficit		(1,813,480)	(1,806,734)
Non-current Liability			
Deferred tax liabilities		7,336	7,336
		(1,806,144)	(1,799,398)

The condensed consolidated financial statements on pages 18 to 34 were approved and authorised for issue by the directors of the Company on 29 August 2025 and are signed on its behalf by:

Dr. Hiroshi Kaneko
DIRECTOR

Mr. Chung Ho Wai Alan
DIRECTOR

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Attributable to owners of the Company										Non-controlling		Total
	Share capital RMB'000	Share premium RMB'000	Capital reserve RMB'000 (Note i)	Revaluation reserve RMB'000	Translation reserve RMB'000	Other reserve RMB'000	Merger reserve RMB'000 (Note ii)	Capital contribution RMB'000	Statutory reserve RMB'000 (Note iii)	Accumulated losses RMB'000	Total RMB'000	interests RMB'000	
At 1 January 2024 (audited)	12,924	227,657	95,066	308	90,859	-	-	837,044	154,072	(2,431,232)	(1,013,302)	300,524	(712,778)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(33,000)	(33,000)
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	5	5
Loss for the period	-	-	-	-	-	-	-	-	-	(302,399)	(302,399)	(9,613)	(312,012)
Other comprehensive expense for the period	-	-	-	-	(5,188)	-	-	-	-	-	(5,188)	-	(5,188)
Total comprehensive expense for the period	-	-	-	-	(5,188)	-	-	-	-	(302,399)	(307,587)	(9,613)	(317,200)
At 30 June 2024 (unaudited)	12,924	227,657	95,066	308	85,671	-	-	837,044	154,072	(2,733,631)	(1,320,889)	257,916	(1,062,973)
At 1 January 2025 (audited)	12,924	227,657	95,066	308	82,754	2,108	(1,869)	837,194	104,059	(3,233,498)	(1,873,297)	66,563	(1,806,734)
Loss for the period	-	-	-	-	-	-	-	-	-	(12,726)	(12,726)	(706)	(13,432)
Other comprehensive income for the period	-	-	-	-	6,686	-	-	-	-	-	6,686	-	6,686
Total comprehensive expense for the period	-	-	-	-	6,686	-	-	-	-	(12,726)	(6,040)	(706)	(6,746)
At 30 June 2025 (unaudited)	12,924	227,657	95,066	308	89,440	2,108	(1,869)	837,194	104,059	(3,246,224)	(1,879,337)	65,857	(1,813,480)

Notes:

- The credit arising from the Capital Reduction of approximately HK\$112,517,000 (equivalent to approximately RMB95,066,000) was credited to capital reserve of the Company.
- The merger reserve of the Group represents the difference between the consideration paid over the nominal value of the aggregate share capital of subsidiary acquired under common control.
- In accordance with the Articles of Association of all subsidiaries established in the People's Republic of China (the "PRC"), those subsidiaries are required to transfer 10% of the profit after taxation to the statutory reserve until the reserve reaches 50% of the registered capital. Transfer to this reserve must be made before distributing dividends to equity holders. The statutory reserve can be used to make up for previous years' losses, expand the existing operation or convert into additional capital of the subsidiaries.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
OPERATING ACTIVITIES		
Operating cash flows before movements in working capital	(7,068)	(27,938)
Decrease in properties under development/properties for sale	2,257	2,954
Increase in trade and other receivables	(29,606)	(60,930)
Increase in trade and other payables and accruals	30,507	71,382
Increase in contract liabilities	2,790	4,400
Income tax (paid)/refunded	(205)	15,195
NET CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES	(1,325)	5,063
INVESTING ACTIVITIES		
Interest received	7	108
Proceeds from disposal of property, plant and equipment	–	74
Net cash flow from disposal of a subsidiary (note 20)	–	459
Additions of restricted bank deposits	–	(497)
NET CASH GENERATED FROM INVESTING ACTIVITIES	7	144
FINANCING ACTIVITIES		
Capital contributions made by the non-controlling interests	–	5
Repayment of borrowings	–	(91)
Interest paid	–	(9)
Additions of borrowings	889	761
NET CASH GENERATED FROM FINANCING ACTIVITIES	889	666
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(429)	5,873
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	3,922	44,011
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	(13)	609
	3,480	50,493
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD, representing bank balances and cash as stated in the condensed consolidated statement of financial position	3,480	50,493

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

1. BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 30 June 2025 has been prepared in accordance with Hong Kong Accounting Standards (“**HKAS**”) 34 Interim financial reporting. The interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2024 and any public announcement made by the Company during the interim reporting period.

GOING CONCERN BASIS

The Group reported a net loss of approximately RMB13.4 million during the period ended 30 June 2025. As at 30 June 2025, the Group’s total deficit attributable to owners of the Company amounted to approximately RMB1,879.3 million and its current liabilities exceeded its current assets approximately RMB1,824.2 million. At the same date, the Group’s total borrowings amounted to approximately RMB194.7 million, of which approximately RMB151.5 million were collateralised by the Group’s properties under development and properties for sale recorded at a total carrying amount of approximately RMB295.4 million. As at 30 June 2025, the Group had total unrestricted cash and cash equivalents of approximately RMB3.5 million.

As at 30 June 2025, the Group was unable to repay borrowings and interest payables (the “**Defaulted Borrowings**”) according to the repayment schedule with total principal amounts of approximately RMB151.5 million and related interest payables of approximately RMB37.1 million. As a result, the entire outstanding principal and interest payables of the Defaulted Borrowings of approximately RMB188.6 million would be immediately repayable if requested by the respective lenders.

Management of the Company has undertaken plans and measures to improve the Group’s liquidity and financial position. The condensed consolidated financial statements have been prepared on a going concern basis, the validity of which depends on the outcome of these plans and measures, which are subject to multiple uncertainties, including, inter alia, (a) the Group’s ability to generate operating cash flows from new business opportunities; (b) obtaining new and/or renewing loans from the lenders with which the Group is negotiating; and (c) further controlling administrative costs.

The Directors are of the opinion that, taking into account the abovementioned plans and measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within twelve months from 30 June 2025. Accordingly, the Directors are satisfied that it is appropriate to prepare the condensed consolidated financial statements on a going concern basis.

Should the Group fail to achieve the abovementioned plans and measures, it might not be able to continue to operate as a going concern, and adjustments would have to be made to write down the carrying values of the Group’s assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in these condensed consolidated financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

2. MATERIAL ACCOUNTING POLICIES

The condensed consolidated financial information has been prepared on the historical cost basis, except for the investment properties and certain financial assets at fair value through other comprehensive income, which are measured at fair values.

APPLICATION OF AMENDMENTS TO HKFRS ACCOUNTING STANDARDS ("HKFRSs")

In the current interim period, the Group has applied the following amendments to HKFRSs, for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2025 for the preparation of the Group's condensed consolidated financial information:

Amendments to HKAS 21

The effects of changes in foreign exchange rates
– Lack of exchangeability

The application of the amendments to HKFRSs in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in this condensed consolidated financial information.

The Group has not applied any new and amendments to HKFRSs that have been issued but not yet effective for the current accounting period.

3. REVENUE

DISAGGREGATION OF REVENUE FROM CONTRACTS WITH CUSTOMERS

	Six months ended 30 June (unaudited)	
	2025 RMB'000	2024 RMB'000
Types of goods		
Sales of completed properties	3,024	60,295
Sales of commodities	30,000	–
Geographical market		
The People's Republic of China ("PRC")	33,024	60,295
Timing of revenue recognition		
A point in time	33,024	60,295

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

3. REVENUE *(Continued)*

DISAGGREGATION OF REVENUE FROM CONTRACTS WITH CUSTOMERS *(Continued)*

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

Six months ended 30 June 2025 (unaudited)

	Property development RMB'000	Property investment RMB'000	Supply chain business RMB'000	Consolidated total RMB'000
Sales of completed properties	3,024	–	–	3,024
Sales of commodities	–	–	30,000	30,000
Revenue from contracts with customers and total revenue	3,024	–	30,000	33,024
Leases	–	169	–	169
Total revenue	3,024	169	30,000	33,193

Six months ended 30 June 2024 (unaudited)

	Property development RMB'000	Property investment RMB'000	Consolidated total RMB'000
Sales of completed properties	60,295	–	60,295
Revenue from contracts with customers and total revenue	60,295	–	60,295
Leases	–	417	417
Total revenue	60,295	417	60,712

4. SEGMENT INFORMATION

The following is an analysis of the Group's revenue and results by reportable segments:

Six months ended 30 June 2025 (unaudited)

	Property development RMB'000	Property investment RMB'000	Supply chain business RMB'000	Segment total RMB'000
Segment revenue (external)	3,024	169	30,000	33,193
Segment profit/(loss)	(2,277)	129	141	(2,007)
Finance costs				(9,384)
Bank interest income				7
Exchange gain, net				3,220
Share of result from an associate				(301)
Unallocated expenses				(4,932)
Loss before taxation				(13,397)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

4. SEGMENT INFORMATION *(Continued)*

The following is an analysis of the Group's revenue and results by reportable segments: (Continued)

Six months ended 30 June 2024 (unaudited)

	Property development RMB'000	Property investment RMB'000	Segment total RMB'000
Segment revenue (external)	60,295	417	60,712
Segment loss	(76,100)	(5,035)	(81,135)
Impairment losses			(51,889)
Finance costs			(185,365)
Bank interest income			108
Exchange loss, net			(6,293)
Loss on disposal of a subsidiary			(4,315)
Unallocated expenses			(3,532)
Loss before taxation			(332,421)

The following is an analysis of the Group's assets and liabilities by reportable segments:

SEGMENT ASSETS

At 30 June 2025 (unaudited)

	Property development RMB'000	Property investment RMB'000	Supply chain business RMB'000	Segment total RMB'000
Segment assets	1,008,939	7,119	30,000	1,046,058
Unallocated				2,486,477
Consolidated total assets				3,532,535

At 31 December 2024 (audited)

	Property development RMB'000	Property investment RMB'000	Segment total RMB'000
Segment assets	1,011,323	7,113	1,018,436
Unallocated			2,494,490
Consolidated total assets			3,512,926

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

4. SEGMENT INFORMATION *(Continued)*

The following is an analysis of the Group's assets and liabilities by reportable segments: (Continued)

SEGMENT LIABILITIES

At 30 June 2025 (unaudited)

	Property development RMB'000	Property investment RMB'000	Supply chain business RMB'000	Segment total RMB'000
Segment liabilities	1,229,251	167	29,894	1,259,312
Unallocated				4,086,703
Consolidated total liabilities				5,346,015

At 31 December 2024 (audited)

	Property development RMB'000	Property investment RMB'000	Segment total RMB'000
Segment liabilities	1,231,563	167	1,231,730
Unallocated			4,087,930
Consolidated total liabilities			5,319,660

5. IMPAIRMENT LOSSES

	Six months ended 30 June 2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Amount due from a former subsidiary	—	31,489
Amounts due from non-controlling interests	—	20,400
	—	51,889

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

6. OTHER INCOME, GAINS AND LOSSES

	Six months ended 30 June	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Other income:		
Rental income from temporary lease of completed properties for sales	–	116
Interest income on bank deposits	7	108
Others	26	50
	33	274
Other gains and losses, net:		
Gain on disposal of property, plant and equipment	–	14
Exchange gain/(loss), net	3,220	(6,293)
	3,220	(6,279)

7. FINANCE COSTS

	Six months ended 30 June	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Interests on		
– bank and other loans	9,384	180,798
– contract liabilities	–	4,567
	9,384	185,365

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

8. INCOME TAX EXPENSE/(CREDIT)

	Six months ended 30 June	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Current tax expense/(credit):		
PRC Enterprise Income Tax (" EIT ")	35	2,497
Land Appreciation Tax (" LAT ")	–	(22,821)
	35	(20,324)
Deferred tax credit	–	(85)
	35	(20,409)

No provision for Hong Kong Profits Tax has been made in the condensed consolidated financial information as the Hong Kong subsidiaries incurred tax losses during current and prior period.

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25%.

The provision of LAT is estimated according to the requirement set forth in the relevant PRC tax law and regulations. LAT has been provided at ranges of progressive rate of the appreciation value, with certain allowable exemptions and deductions.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

9. LOSS FOR THE PERIOD

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Loss for the period has been arrived at after charging/(crediting):		
Cost of properties for sale included in cost of sales	2,605	124,471
Cost of commodities for sale included in cost of sales	29,700	–
Impairment losses on properties under development/properties for sale included in cost of sales	–	58,425
Gain on disposal of property, plant and equipment	–	(14)
Depreciation of property, plant and equipment	4	997
Depreciation of right-of-use assets	–	340
Gross rental income from investment properties	(169)	(417)
Less: direct operating expenses included for investment properties that generated rental income during the period	20	22
	(149)	(395)
Staff costs		
Staff salaries and allowances	2,882	7,427
Retirement benefit contributions	198	554
Total staff costs, excluding directors' remuneration	3,080	7,981

10. DIVIDENDS

No dividend was paid to or proposed for shareholders of the Company during the six months ended 30 June 2025 and 2024, nor has any dividend been proposed since the end of the reporting period.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

11. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to owners of the Company is based on the following data:

Loss figures are calculated as follows:

	Six months ended 30 June	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Loss for the period attributable to owners of the Company for the purpose of basic loss per share	(12,726)	(302,399)

NUMBER OF SHARES:

	Six months ended 30 June	
	2025 (unaudited)	2024 (unaudited)
Weighted average number of ordinary shares for the purpose of basic loss per share	1,420,673,262	1,420,673,262

For the six months ended 30 June 2025 and 2024, diluted loss per share equals basic loss per share as there were no diluted potential ordinary shares in issue during the period.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

12. INTEREST IN AN ASSOCIATE

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Share of net assets	9,939	10,241

13. INTEREST IN A JOINT VENTURE

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Cost of investment, unlisted	1,275	1,275
Share of post-acquisition result	(1,275)	(1,275)
	—	—

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

14. INVESTMENT PROPERTIES

	Investment properties RMB'000
At fair value	
At 31 December 2024 (audited) and 30 June 2025 (unaudited)	7,100

All of the Group's property interests held under operating leases to earn rentals or intended to earn rentals in future or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties.

The investment properties are situated in the PRC.

15. PROPERTIES UNDER DEVELOPMENT/PROPERTIES FOR SALE

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Properties under development	122,660	122,660
Properties for sale	259,745	262,002
	382,405	384,662

16. RECEIVABLES AND PREPAYMENTS

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Trade and other receivables and prepayments (Note a)	3,086,957	3,064,427
Refundable deposits paid	–	28
Prepayments to suppliers	5,889	5,990
Other taxes prepaid	1,209	1,203
	3,094,055	3,071,647

Note:

- Trade receivables from contracts with customers amounted to approximately RMB30,000,000 (2024: nil). Other receivables and prepayments consist of amounts due from related companies of approximately RMB4,000 (2024: 5,000), amounts due from former related companies of approximately RMB160,000 (2024: nil), and amounts due from former subsidiaries of approximately RMB3,040,547,000 (2024: approximately RMB3,047,745,000) arising from the Group Reorganisation. All of the amounts are unsecured, interest-free and repayable on demand.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

16. RECEIVABLES AND PREPAYMENTS *(Continued)*

The following is an aged analysis of trade receivables based on the date of delivery at the end of each reporting period.

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
0 to 90 days	30,000	–
	30,000	–

17. PAYABLES AND ACCRUALS

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Trade and other payables and accruals (Note a)	3,679,990	3,661,098
Retention payables	1,062	1,062
Interest payables	50,662	41,285
Other tax payables	189,755	178,552
Consideration payables for acquisition of a subsidiary	82,658	82,658
Deposit received	1,354	1,453
Accrued construction costs	163,609	180,283
Provision for litigation	89,021	89,021
Provision for tax surcharges	63,610	63,610
Provision for financial guarantees	599,775	599,775
	4,921,496	4,898,797

Note:

- Trade payables to suppliers amounted to approximately RMB29,743,000 (2024: RMB43,000). Other payables and accruals consist of amounts due to former subsidiaries of RMB3,123,068,000 (2024: RMB3,140,253,000), amounts due to former related companies of RMB384,477,000 (2024: 384,604,000), amounts due to related companies of RMB14,149,000 (2024: 10,080,000) and amount due to an associate of RMB5,403,000 (2024: 3,363,000), respectively. These amounts are unsecured, interest-free and repayable on demand.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

17. PAYABLES AND ACCRUALS *(Continued)*

The following is an aged analysis of the Group's trade payables presented based on invoice date at the end of reporting period.

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
0 to 60 days	29,700	–
61 to 180 days	–	–
181 to 365 days	–	–
Over 1 year	43	43
	29,743	43

18. BORROWINGS

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Other loans	194,691	193,860
The carrying amounts of the borrowings that do not contain a repayment on demand clause and are repayable: Immediately or on demand or within one year	153,823	152,992
The carrying amounts of the borrowings that contain a repayment on demand clause (shown under current liabilities) and repayable: Immediately or on demand or within one year	40,868	40,868
	194,691	193,860
Less: amounts due within one year/repayable on demand shown under current liabilities	(194,691)	(193,860)
Amounts due after one year	–	–

During the six months ended 30 June 2025, approximately RMB889,000 new borrowing was raised (six months ended 30 June 2024: RMB761,000) and the Group did not repay borrowings (six months ended 30 June 2024: repaid borrowings approximately amounting to RMB91,000).

Details of Group's pledge of assets are set out in Note 21.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

19. SHARE CAPITAL

	Number of shares	Amount HK\$'000	Equivalent to RMB'000
Ordinary shares of HK\$0.01 each			
Authorised:			
At 31 December 2024 and 30 June 2025	50,000,000,000	500,000	423,381
Issued and fully paid:			
At 31 December 2024 and 30 June 2025	1,420,673,262	14,207	12,924

20. DISPOSAL OF A SUBSIDIARY

On 21 May 2024, the Group entered into a sale and purchase agreements with an independent third party to dispose the equity interest in 湖南亞太美立方投資置業有限公司 ("Hunan Yatai") at the consideration of approximately RMB500,000. The disposal was completed on 21 May 2024. Upon completion of the disposal, Hunan Yatai ceased to be an indirectly wholly owned subsidiary of the Group, resulting to a loss on disposal of approximately RMB4,315,000.

The net assets of Hunan Yatai at the date of disposal were as follows:

	RMB'000
Properties for sale	81,100
Other receivables and prepayments	5,769
Prepaid tax	2,262
Restricted bank deposits	5
Bank balances and cash	41
Trade and other payables and accruals	(80,646)
Contract liabilities	(3,248)
Deferred tax liabilities	(468)
Net assets derecognised of	4,815
Loss on disposal of Hunan Yatai:	
Cash consideration	500
Net assets derecognised of Hunan Yatai	(4,815)
Loss on disposal of Hunan Yatai	(4,315)
Net cash inflow arising from disposal of Hunan Yatai:	
Cash consideration	500
Less: bank balances and cash derecognised	(41)
	459

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

21. PLEDGE OF ASSETS

The following assets were pledged to secure certain banking and other facilities granted to the Group and the mortgage loans granted to the customers of the Group at the end of each reporting period.

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Properties under development	122,660	122,660
Properties for sale	172,781	172,781
	295,441	295,441

In addition, certain equity shares of the subsidiaries of the Group were pledged to several borrowings granted to the Group.

22. OTHER COMMITMENTS

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Commitments for property development contracted for but not provided in the condensed consolidated financial information	1,373	1,373

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

23. RELATED PARTY BALANCES AND TRANSACTIONS

- (a) During the six months ended 30 June 2025 and 2024, the following parties are identified as related parties to the Group for their transaction of balances with the Group and the respective relationships are set out below:

Name of related party	Relationship
Mr. Kenichi Yanase	Controlling shareholder since 26 July 2023
Kyosei Bank Co., Limited	Controlled by Mr. Kenichi Yanase
Mr. Pan Haoran	Former ultimate controlling shareholder, former executive director and former chief executive officer who resigned on 26 July 2023
Mr. Pan Weiming	Former ultimate controlling shareholder and former director who resigned on 7 September 2019 and is a close family member of Mr. Pan Haoran
Ms. Chen Weihong	Spouse of Mr. Pan Weiming
Fujian Liujian Group Co., Ltd. ("Fujian Liujian")	Mr. Pan Weiming is the former controlling shareholder
Fusheng Group	Mr. Pan Weiming is the former controlling shareholder
Changsha Fusheng Property Co., Ltd ("Changsha Fusheng")	Mr. Pan Weiming is the former controlling shareholder
Fujian Fullsun Group Co., Ltd. ("Fujian Fullsun Group")	Mr. Pan Weiming is the former controlling shareholder

- (b) Except as disclosed elsewhere in the condensed consolidated financial statements, the Group had no material balances with related parties as at 30 June 2025 and 31 December 2024.
- (c) The Group did not enter into any material transactions with its related parties during the six months ended 30 June 2025 and 2024.
- (d) Remuneration of key management personnel, who are the top five highest paid employees of the Group, is as follows:

	Six months ended 30 June	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Salaries and allowances	1,533	1,914
Performance related bonus	114	170
Retirement benefit contributions	21	22
	1,668	2,106

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

24. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

The following table gives information about how the fair values are determined (in particular, the valuation techniques and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Fair value as at		Fair value hierarchy	Valuation techniques and key inputs
	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)		
Equity instruments designated at FVTOCI	500	500	Level 3	Discounted cash flow-Future cash flows are estimated based on expected return, and the contracted investment costs, discounted at a rate that reflects the internal rate of return of various property projects. (note 1)

FAIR VALUE OF THE GROUP'S OTHER FINANCIAL ASSETS AND FINANCIAL LIABILITIES THAT ARE NOT MEASURED AT FAIR VALUE ON A RECURRING BASIS

Notes:

1. The significant unobservable input is discount rate and if the discount rate increases, the fair value would decrease and vice versa.
2. The significant unobservable input of the market price of properties for sale of the deconsolidated subsidiaries, which represents a substantial portion of the fair value of interests in deconsolidated subsidiaries, is the market price of observable transactions of similar properties for which price per square meter have been adjusted to reflect the location and other individual factors such as floor level, timing of transactions and size of property, etc. If the market price of properties for sale increases, the fair value would increase and vice versa.

The Directors consider that the carrying amounts of financial assets and financial liabilities recognised in the condensed consolidated financial statements approximate their fair values.

The management of the Group estimates the fair value of other financial assets and financial liabilities measured at amortised cost using the discounted cash flows analysis.

25. LITIGATIONS

The Group has been named in a number of lawsuits and other legal proceedings arising in the ordinary course of business. Provision has been made for the probable losses to the Group on those claims when management can reasonably estimate the outcome of the lawsuits based on management's judgements and the legal advice. No provision has been made for pending lawsuits when the outcome of the lawsuits cannot be reasonably estimated or management believes the outflow of resources is not probable.

26. EVENTS AFTER THE END OF THE REPORTING PERIOD

The Group does not have any material subsequent events after the reporting date and up to the date of this condensed consolidated financial statements.