豐盛
FULLSHARE

Fullshare Holdings Limited
豐盛控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00607)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

The board (the "**Board**") of directors (the "**Directors**") of Fullshare Holdings Limited (the "**Company**") announces the unaudited interim condensed consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2026 (the "**Period Under Review**"), together with comparative figures for the previous corresponding period prepared in accordance with generally accepted accounting principles in Hong Kong as follows. The unaudited interim financial information has been reviewed by the audit committee of the Company and CLA Prism Hong Kong Limited (formerly known as Prism Hong Kong Limited).

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

For the six months ended 30 June 2026
(Expressed in Renminbi)

		For the six months ended 30 June	
		2026	2025
		(Unaudited)	(Unaudited)
	Note	***RMB'000***	*RMB'000*
Revenue	*5*	**7,859,937**	10,265,102
Cost of sales and services provided	*9*	**(5,970,731)**	(8,334,913)
Gross profit		**1,889,206**	1,930,189
Selling and distribution expenses	*9*	**(336,367)**	(343,392)
Administrative expenses	*9*	**(409,809)**	(405,411)
Research and development costs	*9*	**(592,566)**	(451,528)
Net provision for impairment losses recognised on financial assets and financial guarantee contracts	*3(ii)*	**(205,523)**	(145,534)
Other income	*7*	**265,580**	219,563
Net fair value changes in financial instruments	*6*	**(88,208)**	(381,876)
Other (losses)/gains – net	*8*	**(239,084)**	129,127

	Note	For the six months ended 30 June **2026** **(Unaudited)** ***RMB'000***	2025 (Unaudited) *RMB'000*
Operating profit		**283,229**	551,138
Finance costs	*10*	**(197,815)**	(239,045)
Share of result of a joint venture		**3,671**	3,897
Share of results of associates		**(29,429)**	(61,107)
Profit before tax		**59,656**	254,883
Income tax expenses	*11*	**(75,695)**	(75,584)
(Loss)/profit for the period		**(16,039)**	179,299
Other comprehensive (loss)/income for the period:			
Items that may be reclassified subsequently to profit or loss:			
– Exchange differences on translation of foreign operations		**(22,380)**	(1,505)
– Changes in fair value of debt instruments at fair value through other comprehensive income		**2,959**	4,996
– Income tax relating to these items		**(450)**	(382)
– Share of other comprehensive loss of associates		**(1,696)**	(868)
		(21,567)	2,241
Items that will not be reclassified to profit or loss:			
– Changes in fair value of equity instruments at fair value through other comprehensive income		**(23,156)**	30,816
– Income tax relating to these items		**1,212**	812
		(21,944)	31,628
Other comprehensive (loss)/income for the period, net of tax		**(43,511)**	33,869
Total comprehensive (loss)/income for the period		**(59,550)**	213,168
(Loss)/profit for the period attributable to:			
– Equity shareholders of the Company		**(246,788)**	(147,988)
– Non-controlling interests		**230,749**	327,287
		(16,039)	179,299

	Note	For the six months ended 30 June **2026** **(Unaudited)** ***RMB'000***	2025 (Unaudited) *RMB'000*
Total comprehensive (loss)/income for the period attributable to:			
– Equity shareholders of the Company		**(244,922)**	(124,120)
– Non-controlling interests		**185,372**	337,288
		(59,550)	213,168

	Note	For the six months ended 30 June **2026** **(Unaudited)** ***RMB***	2025 (Unaudited) *RMB*
Loss per share			
Basic and diluted loss per share	*13*	**(0.388)**	(0.232)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2026
(Expressed in Renminbi)

	Note	**30 June 2026 (Unaudited)** *RMB'000*	31 December 2025 (Audited) *RMB'000*
Non-current assets			
Property, plant and equipment		**10,085,628**	10,329,094
Investment properties		**2,705,402**	2,756,100
Right-of-use assets		**1,259,521**	1,291,278
Goodwill		**1,503,817**	1,503,817
Other intangible assets		**31,572**	66,919
Investment in a joint venture		**149,268**	145,597
Investments in associates		**243,553**	276,188
Financial assets at fair value through other comprehensive income		**1,235,257**	1,258,943
Financial assets at fair value through profit or loss		**194,730**	277,397
Consideration receivables		**149,855**	149,587
Loan receivables		**100,246**	100,066
Deferred tax assets		**711,950**	670,498
		18,370,799	18,825,484
Current assets			
Inventories		**8,086,928**	6,529,969
Trade receivables	*14*	**5,783,090**	5,990,154
Consideration receivables		**262,351**	317,351
Loan receivables		**78,444**	51,599
Prepayments		**445,599**	448,871
Other receivables		**1,043,005**	1,073,582
Income tax prepaid		**32,675**	45,860
Financial assets at fair value through other comprehensive income		**2,605,967**	3,323,219
Financial assets at fair value through profit or loss		**497,504**	558,925
Restricted cash		**3,359,791**	3,159,681
Cash and cash equivalents		**5,028,539**	5,789,852
		27,223,893	27,289,063

	Note	**30 June 2026 (Unaudited)** *RMB'000*	31 December 2025 (Audited) *RMB'000*
Current liabilities			
Trade and bills payables	*15*	**10,145,021**	10,192,381
Other payables and accruals	*16*	**3,629,521**	3,619,698
Contract liabilities		**1,275,988**	1,262,663
Derivative financial instruments		**15,940**	32,833
Lease liabilities		**30,164**	29,323
Bank and other borrowings		**6,942,818**	6,838,187
Income tax payable		**201,240**	233,776
Warranty provision		**843,823**	864,364
Deferred income		**77,750**	75,470
		23,162,265	23,148,695
Net current assets		**4,061,628**	4,140,368
Total assets less current liabilities		**22,432,427**	22,965,852
Non-current liabilities			
Bank and other borrowings		**4,327,627**	4,783,020
Deferred income		**615,856**	632,872
Lease liabilities		**174,894**	190,185
Warranty provision		**1,357,151**	1,338,459
Deferred tax liabilities		**843,143**	848,010
		7,318,671	7,792,546
Net assets		**15,113,756**	15,173,306
Capital and reserves			
Share capital		**269,500**	269,500
Reserves		**7,165,975**	7,410,897
Equity attributable to equity shareholders of the Company		**7,435,475**	7,680,397
Non-controlling interests		**7,678,281**	7,492,909
Total equity		**15,113,756**	15,173,306

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

(Expressed in Renminbi)

1 GENERAL INFORMATION

Fullshare Holdings Limited (the "**Company**") was incorporated and registered as an exempted company with limited liability in the Cayman Islands under the Companies Law (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands, and its principal place of business is Unit C1, 26th Floor, United Centre, 95, Queensway, Admiralty, Hong Kong. The Company's shares are listed on The Stock Exchange of Hong Kong Limited (the "**SEHK**").

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

- Properties – investment, development and sale of properties, and provision of construction related services;

- Tourism – hotel operations, sale of tourist goods and provision of related services;

- Investment and financial services – holding and investing in a variety of investments and financial products with potential or for strategic purposes including but not limited to listed and unlisted securities, bonds, funds, derivatives, structured and other treasury products; and rendering the investment and financial related consulting services;

- Healthcare, education and others – sale of healthcare and education products and provision of related services and sale of other products; and

- New energy – manufacture and sale of mechanical transmission equipment products and trading of goods.

The interim condensed consolidated financial information was approved for issue by the board of directors of the Company on 31 August 2026.

2 BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2026 have been prepared in accordance with Hong Kong Accounting Standard ("**HKAS**") 34, Interim Financial Reporting, issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the SEHK.

The interim condensed consolidated financial information have been prepared in accordance with the same accounting policies adopted in the Group's 2025 annual consolidated financial statements, except for the adoption of amendments to HKFRS Accounting Standards, as set out in Note 2.1.

2 BASIS OF PREPARATION (Continued)

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

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

The interim condensed consolidated financial information contain interim condensed consolidated financial information and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the Group's 2025 annual consolidated financial statements. These interim condensed consolidated financial information and notes thereon do not include all of the information and disclosures required for a complete set of financial statements prepared in accordance with HKFRS Accounting Standards, and should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2025.

As at 30 June 2026, the Group failed to fulfil certain financial obligations as set out in an earnest money agreement and asset transfer agreement in respect of previous plan on disposal of equity interests of subsidiaries and certain assets (Note 16(ii),(iii)) and a number of loan agreements in respect of certain overdue and defaulted borrowings.

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

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

These interim condensed consolidated financial information are unaudited, but have been reviewed by the audit committee.

2 BASIS OF PREPARATION (Continued)

Update on material uncertainty related to control over a material subsidiary of the Group

Nanjing High Speed Gear Manufacturing Co., Ltd. ("**Nanjing High Speed**"), principally engaged in the manufacturing and sales of wind and industrial gear transmission equipment, is a material subsidiary of China High Speed Transmission Equipment Group Co., Ltd. ("**CHS**", a listed subsidiary of the Company). Following the amendment to the articles of association of Nanjing High Speed on 29 September 2024, CHS could no longer retain definite control over its board of directors solely based on the then prevailing articles of association. The Group's consolidation of Nanjing High Speed relied on a concert agreement (the "**Concert Agreement**") entered into on the same date by two shareholders of Nanjing High Speed, namely Nanjing Gear Enterprise Management Co., Ltd. ("**Nanjing Gear**"), a wholly-owned subsidiary of CHS holding approximately 50.02% equity interest of Nanjing High Speed, and Jinhu Shifu Corporate Management Partnership (Limited Partnership) ("**Jinhu LP**"), another shareholder of Nanjing High Speed. Pursuant to the Concert Agreement, Jinhu LP shall procure its nominated directors to vote in the same manner as those nominated by Nanjing Gear at Nanjing High Speed's board meetings. Under such framework, there existed a material uncertainty that may cast significant doubt on the basis upon which CHS maintained control over Nanjing High Speed.

On 30 June 2026, all shareholders of Nanjing High Speed resolved to amend its articles of association. Pursuant to the amended articles of association, Nanjing Gear is entitled to nominate five out of the nine directors of Nanjing High Speed, and has the right to designate the chairman, director(s) responsible for executing Nanjing High Speed's affairs and its financial controller. Following such amendments, CHS is able to exercise robust control over Nanjing High Speed in respect of the appointment of the majority of its directors and the designation of key management personnel. Nanjing High Speed will remain a subsidiary of the Group even if the Concert Agreement is terminated in the future.

Accordingly, the material uncertainty relating to the Group's control over Nanjing High Speed has been resolved as at 30 June 2026. The management of CHS and the Company assess that the Group had the ability to direct the relevant activities of Nanjing High Speed throughout the interim period, and therefore the financial results of Nanjing High Speed have continued to be consolidated into the Group's interim condensed consolidated financial information.

Subsequent to the end of the interim period, Nanjing Gear completed the acquisition of 100% equity interest in Jinhu Shiji Enterprise Management Consultancy Co., Ltd. ("**Jinhu Shiji**") at a consideration of RMB2,400,000. Upon completion of the transaction, the Group's ultimate equity interest in Nanjing High Speed increased by approximately 0.028% to approximately 50.05%. Moreover, Jinhu Shiji is the sole general partner of Jinhu LP. Pursuant to the partnership agreement of Jinhu LP, Jinhu Shiji is responsible for the day-to-day partnership affairs of Jinhu LP and may represent Jinhu LP in external matters. According to the articles of association of Nanjing High Speed, Jinhu LP (as a shareholder of Nanjing High Speed) is entitled to recommend one director to the board of directors of Nanjing High Speed. Therefore, after completion of the transaction, the Group has the ability to direct Jinhu LP's recommendation of one director to the board of Nanjing High Speed.

2 BASIS OF PREPARATION (Continued)

2.1 New standards and amendments adopted by the Group

In the current period, the Group has applied the following amendments to HKFRS Accounting Standards (the "**Amendments**") issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2026 and applicable for the preparation of the Group's interim condensed consolidated financial information:

Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11

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

A number of new and amendments to HKFRS Accounting Standards are published that are not mandatory to be adopted for annual period beginning on 1 January 2026 and early application is permitted. The Group has not early adopted any of the forthcoming new or amended HKFRS Accounting Standards in preparing these interim condensed consolidated financial information.

3 FINANCIAL RISK MANAGEMENT

Credit risk

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

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

3 FINANCIAL RISK MANAGEMENT (Continued)

Credit risk (Continued)

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

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

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

(i) Financial guarantee contracts

As at 30 June 2026, financial guarantees included in new energy segment provided for in the consolidated financial information were as follows:

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

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

As a result, the Group measures expected credit losses ("**ECL**") on a lifetime basis. A full impairment loss of RMB205,352,000 was recognised for the year ended 31 December 2025, which comprised the guaranteed principal of RMB180,000,000 and accrued interest of RMB25,352,000. The corresponding financial guarantee liability of RMB205,352,000 (31 December 2025: RMB205,352,000) is included in "other payables" in the interim condensed consolidated statement of financial position as at 30 June 2026.

3 FINANCIAL RISK MANAGEMENT (Continued)

Credit risk (Continued)

(i) Financial guarantee contracts (Continued)

(b) In previous years, CHS provided a financial guarantee in respect of a borrowing of a third party (which was previously a related party of the Group prior to 1 December 2018). Details of which are set out in CHS's announcement dated 12 June 2026. Pursuant to an extension agreement, the repayment maturity date of the borrowing was extended to 30 October 2026, and CHS's guarantee remains enforceable and valid based on legal advice obtained. As at 30 June 2026, the guaranteed principal amount was RMB400,000,000 (31 December 2025: RMB400,000,000), and the corresponding accumulated interest was RMB295,815,000 (31 December 2025: RMB276,697,000).

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

Based on the results of the Group's assessment, an impairment loss of RMB23,529,000 (six months ended 30 June 2025: Nil) was recognised in profit or loss for the six months ended 30 June 2026, with a corresponding financial guarantee liability included in "other payables" in the interim condensed consolidated statement of financial position as at 30 June 2026. As at 30 June 2026, the carrying amount of the corresponding financial guarantee liability was RMB210,004,000 (31 December 2025: RMB186,475,000).

Other than the guarantee contracts mentioned above, as at 30 June 2026, the Group also provided financial guarantees to two associates (31 December 2025: two associates) and one independent third party (31 December 2025: one independent third party) in favour of bank loans of RMB1,850,634,000 (31 December 2025: RMB1,732,384,000) and RMB579,000,000 (31 December 2025: RMB579,000,000), respectively. These amounts represented the balances that the Group could be required to be paid if the guarantees were called upon in their entirety.

At the end of the reporting period, the management has performed impairment assessment by considering the borrower's financial position, the protection of the Group's interests (such as counter-guarantee and/or other pledged assets in relation to the guarantees) and any change in credit risk based on their understanding. Based on the results of the Group's assessment, an impairment loss of RMB96,039,000 (six months ended 30 June 2025: Nil) was recognised for financial guarantees to the associates in profit or loss during the six months ended 30 June 2026, with a corresponding financial guarantee liability included in "other payables" in the interim condensed consolidated statement of financial position. No provision was recognised for financial guarantee to the independent third party during the six months ended 30 June 2026 and 2025.

3 FINANCIAL RISK MANAGEMENT (Continued)

Credit risk (Continued)

(ii) For the six months ended 30 June 2026 and 2025, the summary of the net (provision for)/reversal of impairment losses on financial assets and financial guarantee contracts recognised in profit or loss was as follows:

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
(Provision for)/reversal of impairment losses on:		
– Trade receivables	**(92,475)**	(14,422)
– Loan receivables	**(5,281)**	53,955
– Consideration receivables	**7,050**	(125,120)
– Other receivables	**4,751**	(59,947)
– Financial guarantee contracts	**(119,568)**	–
	(205,523)	(145,534)

4 OPERATING SEGMENT INFORMATION

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

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

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

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

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

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

4 OPERATING SEGMENT INFORMATION (Continued)

	For the six months ended 30 June 2026 (Unaudited)					
	Properties *RMB'000*	Tourism *RMB'000*	Investment and financial services *RMB'000*	Healthcare, education and others *RMB'000*	New energy *RMB'000*	Total *RMB'000*
Segment revenue:						
Sales to external customers	77,320	153,899	10,830	98,663	7,519,225	7,859,937
Fair value changes in financial instruments	–	–	(7,203)	–	(81,005)	(88,208)
Segment results	(165,931)	20,590	(3,916)	(9,813)	404,539	245,469
Reconciliation:						
Unallocated bank interest income *(Note 7)*						67,981
Unallocated interest income on deferred consideration *(Note 7)*						4,589
Unallocated income and losses, net						(36,136)
Corporate and other unallocated expenses						(24,432)
Finance costs *(Note 10)*						(197,815)
Profit before tax						59,656
Segment assets as at 30 June 2026 (Unaudited)	2,968,206	456,907	1,851,560	234,912	30,517,642	36,029,227
Reconciliation:						
Corporate and other unallocated assets						9,565,465
Total assets as at 30 June 2026 (Unaudited)						45,594,692
Segment liabilities as at 30 June 2026 (Unaudited)	819,331	142,979	293,483	20,839	16,055,942	17,332,574
Reconciliation:						
Corporate and other unallocated liabilities						13,148,362
Total liabilities as at 30 June 2026 (Unaudited)						30,480,936

4 OPERATING SEGMENT INFORMATION (Continued)

	For the six months ended 30 June 2025 (Unaudited)					
	Properties *RMB'000*	Tourism *RMB'000*	Investment and financial services *RMB'000*	Healthcare, education and others *RMB'000*	New energy *RMB'000*	Total *RMB'000*
Segment revenue:						
Sales to external customers	109,643	133,870	1,344	41,264	9,978,981	10,265,102
Fair value changes in financial instruments	–	–	41,424	–	(423,300)	(381,876)
Segment results	16,007	(18,055)	79,480	(19,843)	377,112	434,701
Reconciliation:						
Unallocated bank interest income *(Note 7)*						42,603
Unallocated interest income on deferred consideration *(Note 7)*						4,378
Gain on disposal of subsidiaries *(Note 8)*						105,656
Unallocated income and losses, net						(67,033)
Corporate and other unallocated expenses						(26,377)
Finance costs *(Note 10)*						(239,045)
Profit before tax						254,883
Segment assets as at 31 December 2025 (Audited)	3,048,985	463,987	1,876,927	207,347	30,371,334	35,968,580
Reconciliation:						
Corporate and other unallocated assets						10,145,967
Total assets as at 31 December 2025 (Audited)						46,114,547
Segment liabilities as at 31 December 2025 (Audited)	709,421	156,037	308,570	3,095	16,262,478	17,439,601
Reconciliation:						
Corporate and other unallocated liabilities						13,501,640
Total liabilities as at 31 December 2025 (Audited)						30,941,241

4 OPERATING SEGMENT INFORMATION (Continued)

(i) Revenue from external customers by locations of customers

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
The People's Republic of China (the "**PRC**")	**6,605,907**	8,985,593
United States of America (the "**USA**")	**915,128**	722,901
Europe	**74,907**	108,380
Australia	**107,907**	91,865
Other countries	**156,088**	356,363
	7,859,937	10,265,102

5 REVENUE

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

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Revenue from contracts with customers		
Tourism segment:		
– Hotel operations	**153,899**	133,870
New energy segment:		
– Sales of gear products	**7,519,225**	9,978,981
Investment and financial services segment:		
– Investment and financial consulting services	**10,830**	1,344
Healthcare, education and others segment:		
– Education services	**5,735**	6,004
– Healthcare products and other services	**1,799**	679
– Trading of goods	**91,129**	34,581

5 REVENUE (Continued)

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

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
	98,663	41,264
	7,782,617	10,155,459
Revenue from other sources		
Properties segment:		
– Gross rental income	**77,320**	109,643
	7,859,937	10,265,102

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

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Timing of revenue recognition:		
– Recognised at a point in time	**7,622,860**	10,014,241
– Recognised over time	**159,757**	141,218
	7,782,617	10,155,459

6 NET FAIR VALUE CHANGES IN FINANCIAL INSTRUMENTS

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Fair value losses on financial assets at FVPL	**(104,148)**	(398,076)
Fair value gains on derivative financial instruments	**15,940**	16,200
	(88,208)	(381,876)

7 OTHER INCOME

		For the six months ended 30 June	
		2026	2025
		(Unaudited)	(Unaudited)
	Note	***RMB'000***	*RMB'000*
Bank interest income	*(i)*	**67,981**	42,603
Interest on deferred consideration		**4,589**	4,378
Other interest income	*(ii)*	**3,069**	2,928
Dividend income		**3,660**	633
Management fees income		**14,534**	2,197
Government grants	*(iii)*	**78,670**	78,263
Sales of scraps and materials		**88,764**	60,652
Others		**4,313**	27,909
		265,580	219,563

Note:

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

(ii) Other interest income is principally derived from loan receivables.

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

8 OTHER (LOSSES)/GAINS – NET

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Gain on disposal of subsidiaries	**–**	105,656
Fair value losses on investment properties	**(50,699)**	–
(Losses)/gains on disposal of property, plant and equipment	**(2,029)**	2,035
Loss on swap contracts	**(17,205)**	(18,081)
Reversal of/(provision for) impairment losses on property, plant and equipment	**3,116**	(7,284)
Foreign exchange (losses)/gains – net	**(177,212)**	50,867
Others	**4,945**	(4,066)
	(239,084)	129,127

9 EXPENSES BY NATURE

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Cost of inventories sold	**4,927,587**	7,320,775
Amortisation of other intangible assets	**39,045**	39,722
Depreciation of right-of-use assets	**30,692**	9,315
Depreciation of property, plant and equipment	**536,325**	398,575
Employee benefit expenses	**1,059,248**	977,869
Write-down of inventories	**88,725**	129,060
Others	**627,851**	659,928
	7,309,473	9,535,244
Represented by:		
– Cost of sales and services provided	**5,970,731**	8,334,913
– Selling and distribution expenses	**336,367**	343,392
– Administrative expenses	**409,809**	405,411
– Research and development costs	**592,566**	451,528
	7,309,473	9,535,244

10 FINANCE COSTS

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Interest on bank and other borrowings	**194,024**	230,147
Interest on lease liabilities	**3,791**	8,898
	197,815	239,045

11 INCOME TAX EXPENSES

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

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Current tax – charge for the period		
– The PRC	**96,880**	130,147
– Hong Kong	**10,750**	9,539
– Australia	**307**	293
– The USA	**14,302**	14,498
– Others	**1,342**	675
Over-provision in respect of prior years	**(2,119)**	(20,975)
Deferred tax	**(45,767)**	(58,593)
	75,695	75,584

11 INCOME TAX EXPENSES (Continued)

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

PRC CIT has been provided at the rate of 25% (six months ended 30 June 2025: 25%) on the taxable profits of the Group's PRC subsidiaries, except those listed below, for the six months ended 30 June 2026.

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

Name of company	Year ended during which approval was obtained	Year ending during which approval will expire
NGC (Huai'an) High Speed Gear Manufacturing Co., Ltd.	31 December 2024	31 December 2027
NGC (Baotou) Transmission Equipment Co., Ltd.	31 December 2024	31 December 2027
Nanjing High Speed Gear Manufacturing Co., Ltd.	31 December 2023	31 December 2026
Nanjing High Speed & Accurate Gear (Group) Co., Ltd.	31 December 2023	31 December 2026
Nanjing High Accurate Rail Transportation Equipment Co., Ltd.	31 December 2023	31 December 2026

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

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

(c) Other corporate income tax

Enterprises incorporated in places other than the PRC are subject to income tax rates of 8.25% to 30% (six months ended 30 June 2025: 8.25% to 30%) prevailing in the places in which these enterprises operated for the six months ended 30 June 2026.

11 INCOME TAX EXPENSES (Continued)

(d) Pillar Two Model Rules

The Group is within the scope of the Pillar Two Model Rules published by the Organisation for Economic Co-operation and Development. As at 30 June 2026, Pillar Two legislation has been enacted and is in effect in certain jurisdictions where the Group operates. During the six months ended 30 June 2026, based on the information currently available, the management of the Group considers that the overall impact of Pillar Two rules on the Group's income tax position is not expected to be material. The Group will continue to monitor developments in Pillar Two legislation across relevant jurisdictions and assess the potential future impact on its financial statements.

12 DIVIDENDS

The board of directors has resolved not to declare any interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

13 LOSS PER SHARE

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

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
Loss attributable to equity shareholders of the Company (in RMB'000)	**(246,788)**	(147,988)
Weighted average number of ordinary shares in issue	**636,763,934**	636,763,934
Basic loss per share (in RMB)	**(0.388)**	(0.232)

No diluted loss per share for both the six months ended 30 June 2026 and 2025 was presented as there were no potential dilutive ordinary shares in issue.

14 TRADE RECEIVABLES

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
	RMB'000	*RMB'000*
Trade receivables		
– Relevant Trading Business	**3,182,599**	3,188,981
– Businesses other than Relevant Trading Business	**9,662,453**	6,655,828
Less: Loss allowance		
– Relevant Trading Business	**(3,182,599)**	(3,188,981)
– Businesses other than Relevant Trading Business	**(3,879,363)**	(665,674)
	5,783,090	5,990,154

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

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
	RMB'000	*RMB'000*
Within 90 days	**3,647,270**	4,146,516
91 to 180 days	**477,031**	795,033
181 to 365 days	**989,332**	402,867
Over 365 days	**669,457**	645,738
	5,783,090	5,990,154

The Group generally allows a credit period of 45 days to 180 days (31 December 2025: 45 days to 180 days) to its trade customers and 180 days (31 December 2025: 180 days) for sales of gear products. Apart from that, the Group does not have a standardised and universal credit period granted to its customers for other sales, and the credit period of individual customers is considered on a case-by-case basis and stipulated in the relevant contracts, as appropriate.

15 TRADE AND BILLS PAYABLES

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
	RMB'000	*RMB'000*
Trade payables		
– Amounts due to third parties	**4,844,491**	4,398,857
– Amount due to an associate	**18**	9,200
Bills payables	**5,300,512**	5,784,324
	10,145,021	10,192,381

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

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
	RMB'000	*RMB'000*
Within 90 days	**5,977,084**	6,421,371
91 to 180 days	**3,807,083**	3,171,888
181 to 365 days	**39,750**	261,805
Over 365 days	**321,104**	337,317
	10,145,021	10,192,381

Amount due to an associate included in trade and bills payables is repayable within 90 days (31 December 2025: 90 days), which represents credit terms similar to those offered by the associate to its major customers.

Trade payables are normally settled on terms of 90 to 180 days (31 December 2025: 90 to 180 days).

16 OTHER PAYABLES AND ACCRUALS

	Note	**30 June 2026 (Unaudited)** *RMB'000*	31 December 2025 (Audited) *RMB'000*
Accruals		**828,526**	926,640
Amounts due to associates	*(i)*	**2,812**	4,635
Refundable deposit received	*(ii)*	**644,000**	644,000
Other tax payables		**109,328**	42,465
Other payables	*(iii)*	**1,150,263**	1,059,673
Payroll and welfare payables		**146,268**	317,653
Liability arising from financial guarantee contracts		**511,396**	391,827
Payables for purchase of property, plant and equipment		**236,928**	232,805
		3,629,521	3,619,698

Note:

(i) All of the amounts due to associates are non-trade nature, unsecured, interest-free and repayable on demand.

(ii) It represented refundable deposit received from Neoglory Prosperity Inc.(新光圓成股份有限公司) for the possible sale and purchase of the shares of CHS held by the Group in 2018. Details of the transaction, the legal action taken by Neoglory Prosperity Inc. to seek for the refund of the deposit and the settlement arrangement are set out in Note 35(ii) of the Group's 2025 annual consolidated financial statements. No repayment was made by the Group during the six months ended 30 June 2026. Management considers that the repayments of the outstanding balance could be fulfilled through internal funding or sale of certain non-major assets and will not have a significant impact to the Group's operations.

(iii) In June 2019, the Group and an independent third party, Jiangsu Anke Technology Development Co., Limited ("**Jiangsu Anke**") entered into a framework asset transfer agreement (the "**Asset Transfer Agreement**") to dispose of certain investment properties and received the partial consideration of RMB200,000,000 (the "**Asset Consideration**"). Pursuant to the Asset Transfer Agreement, if the transfer of the assets was not completed within a specified period, the Group shall refund the Asset Consideration as well as bear the respective penalty. The transfer had not been completed and the Group failed to refund the full amount of the Asset Consideration to Jiangsu Anke.

16 OTHER PAYABLES AND ACCRUALS (Continued)

Note: (Continued)

(iii) (Continued)

In 2020, Jiangsu Anke took legal action to the court in the PRC and pursuant to the court judgement in 2022, the Group had to refund the Asset Consideration, penalty and overdue interests to Jiangsu Anke based on the terms of the Asset Transfer Agreement. During the year ended 31 December 2022, Jiangsu Anke applied the court order to freeze certain bank accounts and investment properties. During the year ended 31 December 2023, a settlement agreement was entered into with Jiangsu Anke. However, the Group failed to meet the repayment schedule of the settlement agreement. On 5 January 2024, Jiangsu Anke reapplied the execution of court order.

As at 30 June 2026, certain bank accounts with accumulated balances of RMB16,905,000 (31 December 2025: RMB15,212,000) and the legal title of certain of investment properties with carrying value of RMB2,368,000,000 as at 30 June 2026 (31 December 2025: RMB2,368,000,000) were frozen by the court order in the PRC.

Up to the date of these interim condensed consolidated financial information, the Group is still liaising with Jiangsu Anke to extend the repayment period. Management considers that the Asset Consideration, together with the respective default interest payable and past late penalty payable with carrying value of RMB328,487,000 (31 December 2025: RMB322,064,000) recognised in other payables as at 30 June 2026 could be repaid through internal funding or sale of certain non-major assets and will not have a significant impact to the Group's operations.

The remaining other payables mainly comprised outstanding amounts due to independent third parties, which are unsecured, interest-free and repayable on demand.

17 CONTINGENT LIABILITIES

As at 30 June 2026, contingent liabilities not provided for in the interim condensed consolidated financial information were as follows:

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

17 CONTINGENT LIABILITIES (Continued)

On the same day, in order to facilitate the conclusion of the sales, the Company entered into a deed of guarantee with the Purchaser, pursuant to which, the Company agreed to guarantee to the Purchaser the due and punctual performance and observance by the Vendor of the Vendor's obligations under the sale and purchase agreement, subject to a maximum liability of up to SGD169,822,000 (equivalent to approximately RMB893,349,000) (31 December 2025: SGD169,822,000 (equivalent to approximately RMB924,171,000)) (the "**Guarantee Money**") as at 30 June 2026. The Guarantee Money is used to compensate the Purchaser for any adverse effect of the legal cases. These Guarantee Money would be reimbursed by the former owner.

In the opinion of the directors, based on the claim history from the Purchaser to the Group and the reimbursement history from the former owner to the Group, the possibility of default or inability of discharging the relevant obligations by the Group is remote. Accordingly, no provision in relation to the guarantee has been made as at 30 June 2026 and 31 December 2025.

18 CAPITAL COMMITMENTS

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

	30 June 2026 (Unaudited) ***RMB'000***	31 December 2025 (Audited) *RMB'000*
Contracted but not provided for:		
– property, plant and equipment	**382,718**	526,107

19 PLEDGE OF ASSETS

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

	30 June 2026 (Unaudited) ***RMB'000***	31 December 2025 (Audited) *RMB'000*
Property, plant and equipment	**2,870,306**	2,676,759
Investment properties	**2,684,042**	2,734,741
Investment in associate	**–**	19,124
Right-of-use assets	**343,980**	273,670
Financial assets at FVOCI	**128,111**	579,871
Pledged bank deposits	**3,341,251**	3,143,328
	9,367,690	9,427,493

20 IMPAIRMENT LOSSES ON TRADE RECEIVABLES AND PREPAYMENTS IN RELATION TO TRADING BUSINESS INCLUDED IN NEW ENERGY SEGMENT

Three subsidiaries of CHS (the "**Relevant Subsidiaries**") carried out transactions in trading business included in new energy segment mainly with 13 customers (the "**Customers**") and 3 suppliers (the "**Suppliers**") ("**Relevant Trading Business**"). As at 30 June 2026, the Group's trade receivables and prepayments relating to the Relevant Trading Business amounted to RMB3,182,599,000 (31 December 2025: RMB3,188,981,000) and RMB3,450,531,000 (31 December 2025: RMB3,450,531,000) respectively, are recorded in the interim condensed consolidated financial statements.

Under the Relevant Trading Business, the Relevant Subsidiaries entered into procurement and cooperation agreements (the "**Procurement and Cooperation Agreements**") and/or a number of purchase agreements (collectively referred to as the "**Purchase Agreements**") with the Suppliers in prior years.

As stipulated in the Procurement and Cooperation Agreements and the Purchase Agreements, the Relevant Subsidiaries were required to pay a lump sum payment (the "**Upfront Payments**") and the contract sum for the respective purchase transactions (the "**Purchase Prepayments**"), respectively, before the Relevant Subsidiaries purchased goods from the Suppliers. Upon expiry of the Procurement and Cooperation Agreements, the Relevant Subsidiaries had the right to set-off such lump sum payment against the trade payables arising from designated purchases from the Suppliers. The Upfront Payments are interest-bearing at 8% per annum from the date the Upfront Payments were placed, and until the goods are delivered by the Suppliers.

During the six months ended 30 June 2026, no transaction were entered into by the Relevant Subsidiaries with the Customers and the Suppliers.

With the assistance of the legal counsel, the Group has initiated recovery actions over the outstanding trade receivables and prepayments balances relating to the trading business in 2024. However, during the course of the recovery actions, management noted that the Customers and the Suppliers either could not be reached or advised that the amounts owed to the Group had already been settled.

As detailed in CHS's announcements dated 24 November 2024, 6 February 2025 and 2 March 2025, 16 March 2025 and 24 November 2025, an independent investigation (the "**Independent Investigation**") on matters relating to certain sales and purchase agreements of the Relevant Subsidiaries' trading business, and the corresponding outstanding trade receivables and prepayments, was carried out, and the Nanjing Public Security Bureau, Jiangning Branch has also initiated a formal investigation (the "**Criminal Investigation**") into a criminal case involving suspected embezzlement and misappropriation of Relevant Subsidiaries' funds and assets.

In view of these circumstances, management of CHS considered that the recoverability of the outstanding trade receivables and prepayments of RMB6,639,512,000 in total as at 31 December 2025 was in doubt. For the sake of prudence, full impairment had been recognised in previous years. During the six months ended 30 June 2026, partial collections were received in respect of the trade receivables and the Group accordingly reversed impairment losses of RMB6,382,000 for the current period. The recoverability of the remaining outstanding trade receivables and the realisability of prepayments continues to be subject to significant doubt, and the relevant balances remain fully impaired.

20 IMPAIRMENT LOSSES ON TRADE RECEIVABLES AND PREPAYMENTS IN RELATION TO TRADING BUSINESS INCLUDED IN NEW ENERGY SEGMENT (Continued)

During the six months ended 30 June 2026, there was no material progress in recovering these balances other than the partial receipts as stated above or obtaining sufficient underlying documentation. The initial third-party independent investigation carried out during the 2025 reporting period did not obtain sufficient appropriate evidence to resolve the uncertainties surrounding these transactions, and the Criminal Investigation was still in progress. A follow-up third-party independent investigation was commenced during the six months ended 30 June 2026 and remained ongoing as at 30 June 2026.

21 EVENTS AFTER THE REPORTING PERIOD

Reference is made to the announcements of the Company dated 26 January 2026, 27 January 2026, 16 March 2026, 2 July 2026, 17 July 2026 and 31 July 2026 regarding the subscription of new shares under general mandate.

On 2 July 2026, a deed of novation was entered into, pursuant to which the rights and obligations of the original subscriber under the subscription agreement for 72,000,000 new shares were novated to a new subscriber (a wholly-owned subsidiary of the original subscriber). On 17 July 2026, the subscription agreement for 55,000,000 new shares was terminated by mutual agreement. Consequently, the total subscription proceeds were reduced from HK$133,350,000 to HK$75,600,000, with net proceeds of approximately HK$75,000,000 to be used for repayment of part of the Group's loan and amounts payable and replenishment of the Group's general working capital.

On 31 July 2026, all conditions precedent to the subscription of 72,000,000 new shares were satisfied and the subscription was completed. The shares were allotted and issued at HK$1.05 per share, and the subscriber became a substantial shareholder holding approximately 10.16% of the enlarged issued share capital of the Company.

BUSINESS REVIEW

During the Period Under Review and the six months ended 30 June 2025 (the "**Corresponding Period of 2025**"), the revenue of the Group was derived from property, tourism, investment and financial services, healthcare and education and new energy businesses.

(1) Property business

The Group is engaged in the property investment in the People's Republic of China (the "**PRC**") and utilises its resources and experience to explore asset-light property businesses such as provision of services for commercial property management and property development.

Property investment

(i) Investment properties held by the Group

As at 30 June 2026, the investment properties of the Group included Wonder City*(虹悅城), Liuhe Happy Plaza Project*(六合歡樂廣場項目)and Weihai Project*(威海項目).

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

GFA of carparks is not included

(ii) Investment properties leased by the Group

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

(2) Tourism business

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

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

The Sheraton project is located in Port Douglas, Queensland, Australia, a globally renowned tourist resort. The project comprises the Sheraton Mirage Resort and the Golf Club and has a total of 295 guest rooms, 7 restaurants and bars, and an 18-hole golf course, with a total land lot site area of approximately 1,108,297 sq.m., and a total GFA of approximately 62,328 sq.m.. During the Period Under Review, the average room price was approximately AUD400.29, with an occupancy rate of 59.98%.

Nanjing Five Seasons Hotel, the Group's previous hotel property, has been leased to the Group by a former subsidiary for a lease term from March 2024 to February 2031 (the "**Five Seasons Hotel Lease**"). Upon the disposal of the then subsidiary, the Group and the purchaser agreed to continue the existing lease arrangement under the Five Seasons Hotel Lease. Accordingly, the Group continues to manage the operation of the Nanjing Five Seasons Hotel.

Nanjing Five Seasons Hotel is located in the Software Valley, Nanjing, Jiangsu Province, the PRC with a land lot site area of approximately 30,416.26 sq.m. and a total GFA of approximately 81,379.8 sq.m.. During the Period Under Review, the hotel's Building 9 (Dongshu Lou), Building 6 (Nansheng Lou), Building 8 (part of Beiji Lou) and Building 7 (Qinyangzhai) have all been put into operation. The project currently has a total of 272 guest rooms, 3 restaurants and 2 banquet halls. During the Period Under Review, the average room price was approximately RMB659.22 (excluding tax) with an occupancy rate of approximately 77.53%.

(3) Investment and financial services business

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

During the Period Under Review, this segment recorded a loss of approximately RMB 3,916,000 (2025: profit of RMB79,480,000). The loss incurred during the Period Under Review was mainly due to fair value loss recognised for certain investments.

(a) Listed equity investments held for trading

The portfolio of listed equity investments of the Group held for trading as at 30 June 2026 and 31 December 2025 is set out as below:

	As at 30 June 2026	As at 31 December 2025
	RMB'000	*RMB'000*
Hong Kong listed equities securities	**2,555**	2,247
Singapore listed equities securities	**741**	799
United States listed equities securities	**5,163**	9,644
	8,459	12,690

Note:

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

(b) Other investments

Apart from the above listed equity investments, the Group also held unlisted equity investments. The material unlisted equity investment of the Group classified as financial assets at fair value through other comprehensive income as at 30 June 2026 and 31 December 2025 is set out as below:

As at 30 June 2026

Name of investee	**Cost of investment** *RMB'000*	**Carrying amount** *RMB'000*	**Unrealised holding loss arising on revaluation for the period** *RMB'000*	**Realised loss arising from the disposal for the period** *RMB'000*	**Dividend received/ receivable for the period** *RMB'000*
Zhejiang Zheshang Chanrong Investment Partnership (Limited Partnership)* ("**Zheshang Fund**") (浙江浙商產融投資合夥企業(有限合夥))*(Note 1)*	2,000,000	1,186,000	(11,000)	–	–

Note:

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

As at 31 December 2025

Name of investee	Cost of investment *RMB'000*	Carrying amount *RMB'000*	Unrealised holding loss arising on revaluation for the year *RMB'000*	Realised loss arising from the disposal for the year *RMB'000*	Dividend received/ receivable for the year *RMB'000*
Zheshang Fund	2,000,000	1,197,000	(72,000)	–	–

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

As at 30 June 2026 and 31 December 2025, the Group did not hold any significant investment with a value greater than 5% of the Group's total assets.

(c) Investment and financial related consulting services

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

(4) Healthcare and education business and others

During the Period Under Review, the Group continued to identify appropriate investment opportunities to inject new impetus for the sustainable development of healthcare, education and other businesses. The revenue of healthcare, education and other segment was approximately RMB98,663,000 (2025: RMB41,264,000).

(5) New Energy segment

a) Wind gear transmission equipment

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

Up to now, the Group has maintained a high-quality and stable customer portfolio. The customers of the Group's wind gear transmission equipment products include major wind turbine manufacturers in the People's Republic of China (the "**PRC**"), such as Goldwind Science & Technology, Windey Energy Technology, Dongfang Electric Wind Power and SANY Renewable Energy, as well as internationally renowned wind turbine manufacturers such as GE Vernova, Siemens Energy Wind Power, Nordex acciona and Suzlon, etc. In the course of proactively expanding its overseas customer base, leveraging the overseas expansion of domestic wind turbine manufacturers, the wind gear transmission equipment products of the Group will further broaden its overseas market footprint. Meanwhile, a global market layout also facilitates diversification of operational risks. The Group has been committed to building closer communication, cooperation and development relationships with existing and potential overseas customers through its subsidiaries in the United States (the "**U.S.**"), Germany, India and Singapore.

b) Industrial gear transmission equipment

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

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

c) Rail transportation gear transmission equipment

The Group's rail transportation gear transmission equipment products are widely used in the rail transportation fields such as high-speed rails, metro lines, urban trains and trams. The Group has established long-term and stable cooperative relationships with many well-known domestic and foreign companies in the industry, such as CRRC, Alstom and Hyundai Rotem. Currently, the Group's rail transportation transmission equipment products have been successfully applied to rail transportation equipment in 26 cities in Mainland China, including Beijing, Shanghai, Shenzhen and Nanjing, as well as Hong Kong, China and Taipei, China; meanwhile, the products have also been exported overseas and successfully put into use in rail transportation projects in 22 countries, including Singapore, India, the Netherlands, France, Australia, Brazil, Argentina, Canada, Mexico, South Africa, Tunis and Egypt. Nanjing High Accurate Rail Transportation Equipment Co., Ltd. of the Group has obtained the ISO/TS 22163 (IRIS) Certificate for the Quality Management System of International Railway Industry, and its rail transportation gear transmission equipment products have also obtained the CRCC Certification for Railway Products and have been awarded the "Silver" performance rating under the IRIS system for four consecutive years, achieving industry access and deep cultivation in the field of rail transportation transmission equipment, which has laid a solid foundation for further expansion in the domestic and overseas rail transportation markets. In recent years, the Group has actively expanded the maintenance market for rail transportation gear transmission equipment products, cooperated with customers to establish maintenance bases in Shanghai, Nanjing and other places, and has cumulatively maintained more than 10,000 sets of gear transmission equipment products of various brands. With optimised gearbox design technology, excellent sealing technology and effective control of the production process, the Group's rail transportation gear transmission equipment products demonstrate outstanding environmental friendliness and are well received by users.

FINANCIAL REVIEW

Revenue

The revenue of the Group decreased by approximately RMB2,405,165,000, or 23%, from approximately RMB10,265,102,000 for the Corresponding Period of 2025 to approximately RMB7,859,937,000 for the Period Under Review. The revenue and the changes for the Period Under Review and Corresponding Period of 2025 derived from different segments are listed as below:

Segment	Period Under Review	Corresponding Period of 2025	Changes	
	RMB'000	*RMB'000*	*RMB'000*	*percentage*
Properties	77,320	109,643	(32,323)	(29)%
Tourism	153,899	133,870	20,029	15%
Investment and financial services	10,830	1,344	9,486	706%
Healthcare, education and others	98,663	41,264	57,399	139%
New Energy	7,519,225	9,978,981	(2,459,756)	(25)%
Total Revenue	7,859,937	10,265,102	(2,405,165)	(23)%

The decrease of the revenue of the Group mainly derived from new energy segment which contributed the largest decrease to the revenue of the Group amounting to approximately RMB2,459,756,000. It was mainly due to the decrease in deliveries of wind gear transmission equipment.

Cost of sales and services

The cost of sales and services of the Group decreased by approximately RMB2,364,182,000, or 28%, from approximately RMB8,334,913,000 for the Corresponding Period of 2025 to approximately RMB5,970,731,000 for the Period Under Review. The cost and the changes for the Period Under Review and Corresponding Period of 2025 derived from different segments are listed as below:

Segment	Period Under Review	Corresponding Period of 2025	Changes	
	RMB'000	*RMB'000*	*RMB'000*	*percentage*
Properties	25,018	37,493	(12,475)	(33)%
Tourism	138,498	126,128	12,370	10%
Investment and financial services	4,778	31	4,747	15,313%
Healthcare, education and others	94,437	37,617	56,820	151%
New energy	5,708,000	8,133,644	(2,425,644)	(30)%
Total cost	5,970,731	8,334,913	(2,364,182)	(28)%

Gross profit and gross profit margin

The gross profit of the Group decreased by approximately RMB40,983,000, or 2%, from approximately RMB1,930,189,000 in the Corresponding Period of 2025 to approximately RMB1,889,206,000 for the Period Under Review. The gross profit margin increased from approximately 19% in the Corresponding Period of 2025 to 24% for the Period Under Review. The gross profit of the Group was mainly derived from new energy segment. The gross profit and gross profit margin for the Period Under Review derived from new energy segment was approximately RMB1,811,225,000 and 24% (Corresponding Period of 2025: RMB1,845,337,000 and 18%) respectively. The decrease in gross profit of new energy segment was mainly due to decrease in gross profit generated from the wind and industrial gear transmission equipment, and the increase in gross profit margin was because of the new products launched and efforts to acquire new customers.

Selling and distribution expenses

Selling and distribution expenses of the Group decreased by approximately RMB7,025,000, or 2%, from approximately RMB343,392,000 in the Corresponding Period of 2025 to approximately RMB336,367,000 for the Period Under Review. The selling and distribution expenses comprised mainly of product packaging expenses, transportation expenses, staff costs and business expenses. The decrease in selling and distribution expenses in the Period Under Review was mainly in line with the decrease in sales of wind gear transmission equipment from new energy segment.

Administrative expenses

Administrative expenses of the Group increased by approximately RMB4,398,000, or 1%, from approximately RMB405,411,000 in the Corresponding Period of 2025 to approximately RMB409,809,000 for the Period Under Review. The administrative expenses for the Period Under Review mainly included salaries and staff welfare, depreciation and amortisation of tangible and intangible assets.

Research and development costs

Research and development costs of the Group increased by approximately RMB141,038,000, or 31%, from approximately RMB451,528,000 in the Corresponding Period of 2025 to approximately RMB592,566,000 for the Period Under Review. The increased in research and development costs was mainly due to increase in efforts put on research and development of new products in new energy segment.

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

A net impairment loss on the financial assets and financial guarantee contracts of the Group in the Period Under Review increased by approximately RMB59,989,000 or 41%, from approximately RMB145,534,000 for the Corresponding Period of 2025 to approximately RMB205,523,000 for the Period Under Review. The impairment losses on trade receivables and financial guarantee contracts recognised during the Period Under Review was mainly due to the financial condition of certain customers and borrowers exhibited a trend/sign of deterioration, which resulted in default in repayments in these receivables or respective loans covered by the guarantees provided by the Group as at the end of the reporting period.

Other income

Other income increased by approximately RMB46,017,000, or 21%, from approximately RMB219,563,000 in the Corresponding Period of 2025 to approximately RMB265,580,000 for the Period Under Review. Other income for the Period Under Review mainly included bank and other interest income of approximately RMB71,050,000, government grants of approximately RMB78,670,000 and sales of scraps and materials of approximately RMB88,764,000. Other income in the Corresponding Period of 2025 mainly included bank and other interest income of approximately RMB45,531,000, government grants of approximately RMB78,263,000 and sales of scraps and material of approximately RMB60,652,000.

Net fair value change in financial instruments

The Group maintains its investment segment through processing and investing in various investment and financial products for potential or strategic use purposes. The Group recorded a loss on change in fair value of financial instruments of approximately RMB88,208,000 and RMB381,876,000 in the Period Under Review and Corresponding Period of 2025 respectively. During the Corresponding Period of 2025, the significant fair value loss was mainly derived from three limited partnerships invested by new energy segment of which the fair value was dropped from RMB423,300,000 as at 31 December 2024 to Nil as at 30 June 2025. The fair value change mainly reflected the stock market volatility and change in the expectations on the financial status of investees.

Other (losses)/gains – net

During the Period Under Review, other losses mainly included exchange losses of approximately RMB177,212,000 and fair value losses of investment properties of approximately RMB50,699,000. The decrease in fair value of investment properties reflected the ongoing weakness in PRC property market.

During the Corresponding Period of 2025, other gains mainly included gain on disposal of subsidiaries of approximately RMB105,656,000 and exchange gains of approximately RMB50,867,000.

Finance costs

Finance costs of the Group decreased by approximately RMB41,230,000, or 17%, from approximately RMB239,045,000 in the Corresponding Period of 2025 to approximately RMB197,815,000 for the Period Under Review, which was mainly due to the lower average borrowing amount of the Group for the Period Under Review than in the Corresponding Period of 2025 and a decrease in loan interest rates.

Share of result of joint venture and associates

The Group's share of net losses from its joint venture and associates amounted to approximately RMB25,758,000 (Corresponding Period of 2025: RMB57,210,000) The share of losses was mainly due to the performances of certain investees being less satisfying during the Period Under Review.

Income tax expense/credit

For the Period Under Review, the current tax expense and the deferred tax credit of the Group amounted to approximately RMB121,462,000 and RMB45,767,000 respectively, and in the Corresponding Period of 2025, the current tax expense and the deferred tax credit of the Group amounted to approximately RMB134,177,000 and RMB58,593,000 respectively.

The decrease in current tax expense in the Period Under Review was mainly because the decrease in profits derived from new energy segment.

Loss for the Period Under Review

In the Period Under Review, the Group recorded a loss after tax of approximately RMB16,039,000 (Corresponding Period of 2025: profit after tax of approximately RMB179,299,000). The loss incurred in the Period Under Review was mainly because of the non-recurring of one-off gain on disposal of a subsidiary recorded during the Corresponding Period of 2025; the increase in the net provision for impairment losses recognised on financial assets and financial guarantee contracts; and the fair value losses of investment properties recognised during the Period Under Review.

LIQUIDITY, FINANCIAL RESOURCES AND GEARING RATIO

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

Cash position

As at 30 June 2026, the Group had cash and cash equivalents (excluding the restricted cash) of approximately RMB5,028,539,000 (31 December 2025: RMB5,789,852,000), representing a decrease of approximately RMB761,313,000 or 13% as compared to 31 December 2025. The Group's cash and cash equivalents remain stable. The Group regularly and closely monitors its funding and treasury position to meet the funding requirements of the Group.

Bank and other borrowings and corporate bonds

As at 30 June 2026, the debt profile of the Group was analysed as follows:

	As at 30 June 2026 *RMB'000*	As at 31 December 2025 *RMB'000*
Bank and other borrowings repayable:		
Within one year or on demand	**6,942,818**	6,838,187
Between one and two years	**1,752,052**	2,297,620
Between two to five years	**2,539,897**	2,337,453
Over five years	**35,678**	147,947
Total debts	**11,270,445**	11,621,207

As at 30 June 2026, the total debt of the Group decreased by approximately RMB350,762,000 or 3%, as compared with 31 December 2025.

Leverage

The gearing ratio of the Group as at 30 June 2026, calculated as a ratio of the sum of bank and other borrowings to total assets, was approximately 25% (31 December 2025: 25%). The net equity of the Group as at 30 June 2026 was approximately RMB15,113,756,000 (31 December 2025: RMB15,173,306,000).

As at 30 June 2026, the Group recorded total current assets of approximately RMB27,223,893,000 (31 December 2025: RMB27,289,063,000) and total current liabilities of approximately RMB23,162,265,000 (31 December 2025: RMB23,148,695,000). The current ratio of the Group, calculated by dividing total current assets by total current liabilities, was about 1.2 as at 30 June 2026 (31 December 2025: 1.2).

FOREIGN EXCHANGE EXPOSURE

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

TREASURY POLICIES

As at 30 June 2026, bank and other borrowings of approximately RMB10,608,347,000, RMB381,354,000 and RMB280,744,000 (31 December 2025: RMB10,878,786,000, RMB459,597,000, and RMB282,824,000) were denominated in RMB, US dollars and Australian dollars respectively. The debts in various currencies were mainly made to finance the operation of the Group's entities in different jurisdictions.

Bank and other borrowings of approximately RMB3,685,386,000 (31 December 2025: RMB3,592,043,000) were at fixed interest rates, the remaining balances were either at variable rates or non-interest bearing. Cash and cash equivalents held by the Group were mainly denominated in RMB, Hong Kong and Australia dollars. The Group currently does not have foreign exchange and interest rate hedging policies. However, the management of the Group monitors the foreign exchange and interest rate exposure from time to time and will consider hedging significant foreign exchange and interest rate exposure if needed.

PLEDGE OF ASSETS

Details of the Group's pledged assets as at 30 June 2026 are set out in note 19 to the interim condensed consolidated financial information disclosed in this announcement.

OPERATING SEGMENT INFORMATION

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

CAPITAL COMMITMENTS

Details of the capital commitments of the Group as at 30 June 2026 are set out in note 18 to the interim condensed consolidated financial information disclosed in this announcement.

CONTINGENT LIABILITIES

Details of contingent liabilities of the Group as at 30 June 2026 are set out in note 17 to the interim condensed consolidated financial information disclosed in this announcement.

SUBSEQUENT EVENTS

Strengthened control over Nanjing High Speed Gear Manufacturing Co., Ltd.

Reference is made to the section headed "Material Risk Warning" in the annual report of the Company for the year ended 31 December 2025. Unless otherwise defined, capitalised terms used in this section shall have the same meanings as those set out therein.

The Board noted that the articles of association of Nanjing High Speed were amended with the approval of all its shareholders on 30 June 2026. These amendments allow Nanjing Gear to exercise robust control over Nanjing High Speed in terms of the appointment of the majority of its directors and designation of persons responsible for its affairs, and thus effectively mitigate the potential risk of deconsolidation, even if the Concert Agreement is terminated in the future.

For further details, please refer to the Company's announcements dated 7 March 2025, 13 March 2025, 16 September 2025, 10 October 2025, 14 October 2025 and 3 July 2026.

Acquisition of all equity interest in Jinhu Shiji

Subsequent to the reporting date of 30 June 2026, the Board noted that Nanjing Gear completed the acquisition of 100% equity interest in Jinhu Shiji Enterprise Management Consultancy Co., Ltd. ("**Jinhu Shiji**"). Upon completion of the transaction, the CHS Group's ultimate equity interest in Nanjing High Speed increased by approximately 0.028% to approximately 50.05%. Moreover, Jinhu Shiji is the sole general partner of Jinhu LP. Pursuant to the partnership agreement of Jinhu LP, Jinhu Shiji is responsible for the day-to-day partnership affairs of Jinhu LP and may represent Jinhu LP in external matters. According to the articles of association of Nanjing High Speed, Jinhu LP (as a shareholder of Nanjing High Speed) is entitled to recommend one director to the board of directors of Nanjing High Speed. Therefore, after completion of the transaction, the CHS Group's has the ability to direct Jinhu LP's recommendation of one director to the board of Nanjing High Speed.

Further investigation on trade receivables, prepayments and related impairment arising from trading business and related party balances of CHS

The Board noted that on 10 June 2026, CHS announced the appointment of a New Independent Investigator to conduct a Further Investigation into the Relevant Transactions. This review focuses on tracing cash flows and documentation to assess commercial substance, identifying participants and processes to detect irregularities or conflicts of interest, and examining the causes of bad debts together with recovery efforts. While the scope is broadly consistent with the earlier FTI Consulting investigation, the Further Investigation was initiated to address limitations in the FTI Final Report and to reassess matters with more reliable evidence. Commenced in June 2026, the investigation is expected to take five to six months. For further details, please refer to the Company's announcement dated 5 August 2026 and CHS's announcements dated 10 June 2026 and 5 August 2026. Capitalised terms used herein shall have the same meanings as those defined in the aforementioned announcements.

Internal control review of CHS's internal control systems

On 14 August 2026, the Board noted that CHS announced the appointment of Lixin Certified Public Accountants (Special General Partnership) as its internal control consultant to conduct a further overall review of the effectiveness of the Group's internal control system. The consultant will evaluate the Group's existing internal control policies and identify irregularities, systems, potential conflicts of interest and internal control deficiencies, and provide recommendations for enhancement measures.

Save as disclosed above and in note 21 to the interim condensed consolidated financial information disclosed in this announcement and elsewhere in this announcement, there are no other material subsequent events occurred after 30 June 2026.

EXTRACT OF INDEPENDENT AUDITOR'S REVIEW REPORT TO THE BOARD OF DIRECTORS

The following is an extract of the Independent Auditor's Review Report to the Board of Directors on the interim condensed consolidated financial information of the Group for the six months ended 30 June 2026.

BASIS FOR QUALIFIED CONCLUSION

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

The consolidated financial statements of the Group for the year ended 31 December 2025 were audited by us, whose report dated 17 June 2026 expressed a qualified opinion on those statements. The qualification was in respect of, among other things, the inability to obtain sufficient appropriate audit evidence regarding the trade receivables and prepayments and related impairment for purchases of bulk commodities arising from the trading business included in the new energy segment. As fully explained in note 28 to the Interim Financial Statements, as at 31 December 2025 trade receivables and prepayments with gross balances amounted to RMB3,188,981,000 and RMB3,450,531,000 respectively, both of which were fully impaired. As at 30 June 2026, the gross balance of trade receivables decreased to RMB3,182,599,000 as partial collections were received during the period, with a corresponding impairment reversal of RMB6,382,000 recognised. The remaining trade receivables balance and the prepayments balance continued to be fully impaired. This scope limitation remained unresolved as at the date of this report.

During the six months ended 30 June 2026, the Group commenced a further independent investigation in relation to the relevant transactions, and such investigation was ongoing as at 30 June 2026. No further transactions arising from the trading business and no further impairment losses were recognised for these balances, with no other substantive progress made on the relevant matters other than the partial receipts as stated above. As we were still unable to perform effective review procedures or obtain sufficient documents and explanations, we could not satisfy ourselves as to the nature, existence, accuracy, valuation and completeness of the gross amounts of these trade receivables and prepayments, nor could we verify the related accumulated impairment balances and the impairment losses reversed during the period recorded in the interim condensed consolidated statement of financial position as at 30 June 2026.

As this scope limitation remained unresolved during our review of the Interim Financial Statements for the six months ended 30 June 2026, we were unable to carry out review procedures necessary to satisfy ourselves that the disclosure of related party balances as at 30 June 2026 in the Interim Financial Statements is complete and accurate.

Transactions under the Group's engineering, procurement and construction project (the "EPC project") included in the new energy segment

The consolidated financial statements of the Group for the year ended 31 December 2025 were audited by us, whose report dated 17 June 2026 expressed a qualified opinion on those statements. The qualification was in respect of, among other things, the inability to obtain sufficient appropriate audit evidence regarding the transactions under the Group's EPC project included in the new energy segment.

The Group acts as the main contractor of the EPC project. As at 30 June 2026, advance receipts from the customer for the EPC project of RMB467,760,000 were recognised as contract liabilities, and the corresponding payments to subcontractors of RMB297,212,000 and RMB997,721,000 were recognised as prepayments and inventories respectively, and no related revenue or costs were recognised in profit or loss during the six months ended 30 June 2026. During the six months ended 30 June 2026 and up to the date of this review report, the management is still in discussion with the relevant parties (including but not limited to customer and subcontractors) involved in the EPC project and matters remain ongoing. The Group plans to engage a professional institution to conduct an assessment of the EPC project, and intends to liaise with the customer and subcontractors to reach a settlement based on the assessment results. Save for the foregoing, no substantive new progress has been made. Accordingly, the management was unable to provide sufficient information to substantiate the progress of the EPC project and subcontracting costs incurred by subcontractors as at 30 June 2026. We were unable to obtain sufficient appropriate review evidence about the accuracy, valuation and completeness of the contract liabilities and of the gross carrying amounts of the prepayments and inventories in relation to the EPC project as at 30 June 2026, and accordingly we were unable to determine whether any revenue and subcontracting costs in relation to the EPC project should be recognised in profit or loss for the six months ended 30 June 2026 and the corresponding six months ended 30 June 2025.

As we were unable to obtain sufficient appropriate review evidence to satisfy ourselves as to whether the prepayments, inventories and contract liabilities related to the EPC project were free from material misstatements as at 30 June 2026. Any adjustments found to be necessary to these amounts would have a consequential effect on the Group's net assets as at 30 June 2026, the corresponding figures for the six months ended 30 June 2025, and the related disclosures in the Interim Financial Statements.

QUALIFIED CONCLUSION

Based on our review, except for the possible effects of the matters described in the Basis for Qualified Conclusion section, nothing has come to our attention that causes us to believe that the Interim Financial Statements for the six months ended 30 June 2026 are not prepared, in all material respects, in accordance with IAS 34.

The Company's and the Audit Committee's View on the Qualified Conclusion

Reference is made to the section headed "The Company's and the Audit Committee's View on the Qualified Conclusion" in the interim results announcement of CHS for the six months ended 30 June 2026 (the "**CHS Interim Results Announcement**"). In summary, to address the matters giving rise to the qualified conclusion:

- CHS's management acknowledges that sufficient appropriate evidence remains unavailable in respect of certain transactions and balances, including trade receivables and prepayments arising from the trading business and related-party balances, due to historical limitations in obtaining complete supporting documentation. During the period, other than partial collections of certain trade receivables and the corresponding reversals of impairment losses, no material progress was made in resolving these matters. CHS commissioned a further independent investigation into the relevant transactions, which remained ongoing as at the date of this interim report; and

- CHS's management will continue to use all reasonable efforts to verify and reconcile the accounts relating to the EPC project undertaken by Nanjing High Accurate Drive Equipment Manufacturing Group Co., Ltd. and obtain the requisite financial and project information from the project owner and subcontractors. Where necessary, CHS will consider appropriate legal and commercial actions.

As the matters giving rise to the qualified conclusion arose from CHS's historical operations, the management of the Company and the audit committee of the Company (the "**Audit Committee**") concur with the views of CHS's management and the Company's auditor. The Company will continue to work closely with CHS's management and the Company's auditor with a view to resolving these legacy matters as soon as practicable.

Further details of CHS's views and actions are set out in the CHS Interim Results Announcement and CHS's interim report for the six months ended 30 June 2026.

The Company's Action Plan to Address the Qualified Conclusion

Following the restructuring of CHS's board of directors in the first quarter of 2026, the Company has maintained close collaboration with CHS's current board and management. The Company will continue to monitor CHS's progress in conducting the further independent investigation, recovering and reconciling the relevant outstanding balances, obtaining the requisite supporting documentation, and resolving the matters relating to the EPC project.

The Company will also continue to oversee the implementation of enhanced internal control measures at CHS to prevent the recurrence of similar historical limitations and strengthen corporate governance across the Group. The Company will work closely with CHS's management and the Company's auditor to address the matters giving rise to the qualified conclusion as soon as practicable.

PROSPECT

In the second half of 2026, the Group will continue to maintain the stable development of each segment while paying attention to the market, especially major domestic high-quality projects in healthcare segment, explore the asset-light model and invest with a cautious attitude in order to achieve a considerable comprehensive return. The Group will continue to pay attention to and exit some projects with low-return or poor cash flow to improve the Group's business portfolio structure and cash flow. The Group firmly believes that a diversified business portfolio can bring sustainable and stable revenue, and that the synergies between the businesses will be fully utilised, thus laying a solid foundation for the Group's development.

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

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES OR JOINT VENTURES

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

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities (including sale of treasury shares (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"))) of the Group during the Period Under Review. As at 30 June 2026, the Company did not own any treasury shares (including any treasury shares held or deposited with CCASS (as defined in the Listing Rules)).

EMPLOYEES

As at 30 June 2026, the Group had 9,258 employees (31 December 2025: 9,077 employees). The Group's total staff costs (including executive directors' remuneration) amounted to approximately RMB1,059,248,000 for the Period Under Review (for the six months ended 30 June 2025: approximately RMB977,869,000). Employees' remunerations are determined according to the Group's operating results, job requirements, market salary level and ability of individuals. The Group regularly reviews its remuneration policy and additional benefit programs and makes necessary adjustments to bring them in line with the industry level. In addition to basic salaries, the Group has established revenue sharing programs and performance appraisal plans to provide rewards according to the Group's results and employees' individual performance.

CORPORATE GOVERNANCE CODE

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

Under the Code Provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. During the Period Under Review, the positions of chairman and chief executive officer (the "**CEO**") of the Company were held by Mr. Ji Changqun. The Board believes that the holding of both positions of chairman and CEO by the same individual allows more effective planning and execution of business strategies. In addition, the Board is of the view that the balanced composition of the executive and independent non-executive Directors on the Board and the various committees of the Board in overseeing different aspects of the Company's affairs would provide adequate safeguards to ensure a balance of power and authority. The Board will review regularly to ensure that this structure will not impair the balance of power and authority between the Board and the management of the Group.

AUDIT COMMITTEE REVIEW

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

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

By Order of the Board
Fullshare Holdings Limited
JI CHANGQUN
Chairman

Hong Kong, 31 August 2026

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

* *For identification purposes only*