Fullshare Holdings Limited
豐盛控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00607)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

The board (the "**Board**") of directors (the "**Directors**") of Fullshare Holdings Limited (the "**Company**") hereby announces the audited consolidated results of the Company and its subsidiaries (the "**Group**") for the year ended 31 December 2022 (the "**Year 2022**"), together with the comparative figures for the previous year prepared in accordance with the generally accepted accounting principles in Hong Kong as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2022

	Note	2022 *RMB'000*	2021 *RMB'000* (Restated)
Continuing operations			
Revenue	*5*	**21,718,371**	20,785,542
Cost of revenue	*9*	**(18,404,027)**	(17,490,747)
Gross profit		**3,314,344**	3,294,795
Selling and distribution expenses	*9*	**(559,709)**	(512,769)
Administrative expenses	*9*	**(887,866)**	(831,729)
Research and development costs	*9*	**(744,816)**	(667,782)
Net reversal of/(provision for) impairment losses recognised on financial assets and financial guarantee contracts	*3*	**990,838**	(85,878)
Other income	*7*	**430,385**	428,415
Net fair value changes in financial instruments	*6*	**(917,050)**	(1,812,574)
Other gains/(losses) – net	*8*	**36,180**	(61,482)
Operating profit/(loss)		**1,662,306**	(249,004)
Finance costs	*10*	**(872,179)**	(452,375)
Share of results of joint ventures		**11,915**	(6,826)
Share of results of associates		**(87,313)**	(1,387,153)

	Note	2022 RMB'000	2021 RMB'000 (Restated)
Profit/(loss) before tax		**714,729**	(2,095,358)
Income tax expenses	*11*	**(447,606)**	(272,149)
Profit/(loss) for the year from continuing operations		**267,123**	(2,367,507)
Profit for the year from discontinued operation	*20(a)*	**141,573**	31,749
Profit/(loss) for the year		**408,696**	(2,335,758)
Other comprehensive loss for the year:			
Items that may be reclassified to profit or loss:			
– Release of exchange fluctuation reserve upon disposal of subsidiaries		**(11,552)**	(192,753)
– Exchange differences on translation of foreign operations		**(89,369)**	50,245
– Changes in fair value of debt instruments at fair value through other comprehensive income		**10,810**	(6,552)
– Income tax relating to these items		**(779)**	933
– Share of other comprehensive income/(loss) of associates		**2,358**	(1,846)
Items that will not be reclassified to profit or loss:			
– Changes in fair value of equity instruments at fair value through other comprehensive income		**(446,442)**	(256,889)
– Income tax relating to these items		**103,048**	61,495
Other comprehensive loss for the year, net of tax		**(431,926)**	(345,367)
Total comprehensive loss for the year		**(23,230)**	(2,681,125)
Profit/(loss) for the year attributable to:			
– Equity shareholders of the Company		**(160,981)**	(2,685,344)
– Non-controlling interests		**569,677**	349,586
		408,696	(2,335,758)

	Note	2022 *RMB'000*	2021 *RMB'000* (Restated)
(Loss)/profit for the year attributable to equity shareholders of the Company arises from:			
– Continuing operations		**(302,480)**	(2,716,052)
– Discontinued operation		**141,499**	30,708
		(160,981)	(2,685,344)
Total comprehensive (loss)/income for the year attributable to:			
– Equity shareholders of the Company		**(517,541)**	(2,995,022)
– Non-controlling interests		**494,311**	313,897
		(23,230)	(2,681,125)
Total comprehensive (loss)/income for the year attributable to equity shareholders of the Company arises from:			
– Continuing operations		**(661,023)**	(3,036,341)
– Discontinued operation		**143,482**	41,319
		(517,541)	(2,995,022)
Loss per share for loss from continuing operations attributable to equity shareholders of the Company			
Basic and diluted loss per share	*13*	**RMB(0.013)**	RMB(0.138)
Loss per share for loss attributable to equity shareholders of the Company			
Basic and diluted loss per share	*13*	**RMB(0.007)**	RMB(0.136)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	Note	2022 RMB'000	2021 RMB'000
Non-current assets			
Property, plant and equipment		**8,804,277**	6,357,430
Investment properties		**5,047,272**	5,050,852
Right-of-use assets		**1,069,278**	1,352,508
Goodwill		**1,503,817**	1,880,169
Other intangible assets		**289,106**	359,018
Investments in joint ventures		**290,756**	281,468
Investments in associates		**379,330**	325,254
Financial assets at fair value through other comprehensive income		**2,096,621**	2,889,286
Financial assets at fair value through profit or loss		**422,676**	402,124
Consideration receivables		**150,507**	–
Loans receivables		**145,058**	46,837
Other financial assets at amortised cost		**–**	1,077,605
Other receivables		**–**	1,623
Prepayments		**5,890**	47,549
Deferred tax assets		**1,065,817**	776,758
		21,270,405	20,848,481
Current assets			
Inventories		**6,932,870**	5,210,362
Trade receivables	*14*	**7,128,370**	4,471,744
Consideration receivables		**199,989**	–
Loans receivables		**725,606**	1,395,998
Prepayments		**1,942,858**	1,451,285
Other receivables		**1,546,434**	1,722,823
Other financial assets at amortised cost		**1,110,905**	–
Income tax prepaid		**29,776**	12,272
Financial assets at fair value through other comprehensive income		**3,536,240**	3,332,234
Financial assets at fair value through profit or loss		**698,272**	845,913
Properties under development		**593,515**	811,872
Properties held for sale		**56,281**	112,809
Restricted cash		**4,924,505**	1,911,407
Cash and cash equivalents		**4,533,808**	3,473,102
		33,959,429	24,751,821

	Note	2022 RMB'000	2021 RMB'000
Current liabilities			
Trade and bills payables	*15*	**10,387,604**	7,014,932
Other payables and accruals	*16*	**3,263,257**	4,344,394
Contract liabilities		**1,555,577**	872,789
Derivative financial instruments		**32,376**	1,825,964
Lease liabilities		**7,365**	46,805
Bank and other borrowings	*17*	**8,608,849**	7,357,209
Income tax payable		**805,127**	808,311
Warranty provision		**988,395**	863,250
Deferred income		**18,787**	14,242
Written put option liability	*19(a)(ii)*	**4,514,175**	–
		30,181,512	23,147,896
Net current assets		**3,777,917**	1,603,925
Total assets less current liabilities		**25,048,322**	22,452,406
Non-current liabilities			
Bank and other borrowings	*17*	**4,311,213**	1,936,872
Deferred income		**303,077**	200,477
Lease liabilities		**14,890**	307,953
Warranty provision		**1,114,729**	848,784
Deferred tax liabilities		**1,184,165**	1,162,465
		6,928,074	4,456,551
Net assets		**18,120,248**	17,995,855
Capital and reserves			
Share capital	*18*	**219,904**	160,872
Reserves		**11,819,139**	14,019,807
Equity attributable to equity shareholders of the Company		**12,039,043**	14,180,679
Non-controlling interests		**6,081,205**	3,815,176
Total equity		**18,120,248**	17,995,855

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

1 GENERAL INFORMATION

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

During the year ended 31 December 2022, as detailed in Note 20, the Group disposed of a subsidiary which represented a separate major line of the Group's education business in Australia and constituted a discontinued operation under HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Accordingly, the results of the discontinued operation were presented separately in the consolidated statement of profit or loss and other comprehensive income. The comparative information relating to the discontinued operation has been re-presented to conform to the current year's presentation.

In the opinion of the directors of the Company, the immediate and ultimate holding company of the Company is Magnolia Wealth International Limited ("**Magnolia**"), which is a company incorporated in the British Virgin Islands ("**BVI**") with limited liability.

The consolidated financial information were approved for issue by the board of directors of the Company on 31 March 2023.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the consolidated financial information are set out below. These policies have been consistently applied to all of the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial information of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). In addition, the consolidated financial information include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**") and the Hong Kong Companies Ordinance. The consolidated financial information have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets and financial liabilities and investment properties which are carried at fair value.

The preparation of consolidated financial information in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

During the year ended 31 December 2022, the Group failed to fulfill certain financial obligations as set out in an earnest money agreement in respect of previous plan on disposal of equity interests of subsidiaries (Note 16(a)), a number of loan agreements in respect of certain overdue borrowings (Note 17), and a financial guarantee contract provided to an independent third party which caused certain of the Group's investment properties to be frozen by the court order of the People's Republic of China (the "**PRC**") (Note 22(ii)).

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 31 December 2022. The directors are of the opinion that, based on the cash flow projections and taking into account the expected operation results, the Group's assets available for realisation if necessary, the adequate collaterals of the relevant loans, and the continuing liaison and renegotiation with relevant parties in respect of timing of repayment of the Group's financial obligations, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due in the next twelve months. Accordingly, the directors of the Company are satisfied that it is appropriate to prepare the consolidated financial information under the going concern basis.

(a) Amendments to HKFRSs adopted by the Group

In the current year, the Group has applied the following amendments to HKFRSs (the "**Amendments**") issued by the HKICPA, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2022 for the preparation of the consolidated financial information:

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Annual Improvements to HKFRSs 2018-2020	Amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

(b) New standards and amendments to HKFRSs not yet adopted

Certain new accounting standards and amendments listed below have been published but are not mandatory to be adopted for the year ended 31 December 2022 and have not been early adopted by the Group. The standards and amendments are either currently not relevant to the Group or had no material impact on the Group's consolidated financial information.

- Amendments to HKAS 1, 'Classification of liabilities as current or non-current', effective for the accounting period beginning on 1 January 2024

- Amendments to HKAS 1, 'Non-current liabilities with covenants', effective for the accounting period beginning on 1 January 2024

- Amendments to HKAS 1 and HKFRS Practice Statement 2, 'Disclosure of accounting policies', effective for the accounting period beginning on or after 1 January 2023

- HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17), 'Insurance contracts', effective for the accounting period beginning on or after 1 January 2023

- Amendments to HKFRS 17, 'Initial application of HKFRS 17 and HKFRS 9 – Comparative information', effective for the accounting period beginning on or after 1 January 2023

- Amendments to HKAS 8, 'Definition of accounting estimates', effective for the accounting period beginning on or after 1 January 2023

- Amendments to HKAS 12, 'Deferred tax related to assets and liabilities arising from a single transaction', effective for the accounting period beginning on or after 1 January 2023

- Amendments to HKFRS 10 and HKAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture', the effective date is to be determined

- Amendments to HKFRS 16, 'Lease liability in a sale and leaseback', effective for the accounting period beginning on or after 1 January 2024

3 FINANCIAL RISK MANAGEMENT

Credit risk

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

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk (Continued)

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

To assess whether there is a significant increase in credit risk, the Group compares the risk of a 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.

During the years ended 31 December 2022 and 2021, the summary of the net impairment losses on financial assets and financial guarantee contracts recognised in profit or loss for continuing operations was as follows:

	2022	2021
	RMB'000	*RMB'000*
		(Restated)
(Reversal of)/provision for impairment loss on		
– Trade receivables	**126,202**	29,561
– Loans receivables	**(1,100,802)**	74,200
– Consideration receivables	**11**	(5,604)
– Other receivables	**(15,450)**	(863)
– Other financial assets at amortised cost	**(799)**	584
– Financial guarantee contracts	**–**	(12,000)
	(990,838)	85,878

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.

The Group disposed of a subsidiary which represented a separate major line of education business in Australia during the year ended 31 December 2022 and was classified as a discontinued operation. Although the Group still holds a shareholding of the entity which has significant influence and will closely monitor and assess the performance of the business as part of healthcare, education and others segment, the segment information reported does not include any amounts for the discontinued operation separately presented, which are described in more details in Note 20. Accordingly, certain comparative information related to the discontinued operation are re-presented in these consolidated financial information.

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

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

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

Segment liabilities exclude income tax and other tax payable, bank and other borrowings, deferred tax liabilities, written put option liability, consideration and deposit received for partial 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 year ended 31 December 2022					
	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	**225,713**	**397,495**	**6,177**	**9,332**	**21,079,654**	**21,718,371**
Fair value changes in financial instruments	**(32,675)**	**(867,691)**	**(17,666)**	**–**	**982**	**(917,050)**
Segment results	**(195,906)**	**(845,929)**	**1,013,898**	**(5,325)**	**1,229,964**	**1,196,702**
Reconciliation:						
Unallocated bank interest income *(Note 7)*						**85,381**
Unallocated extension interest income *(Note 7)*						**21,373**
Unallocated interest income on deferred consideration *(Note 7)*						**7,096**
Gains on disposal of subsidiaries *(Note 8)*						**8,026**
Unallocated income and losses						**331,685**
Corporate and other unallocated expenses						**(63,355)**
Finance costs *(Note 10)*						**(872,179)**
Profit before tax from continuing operations						**714,729**
Segment assets as at 31 December 2022	**6,971,381**	**1,525,309**	**3,339,118**	**254,871**	**32,168,032**	**44,258,711**
Reconciliation:						
Corporate and other unallocated assets						**10,971,123**
Total assets as at 31 December 2022						**55,229,834**
Segment liabilities as at 31 December 2022	**1,356,548**	**88,622**	**170,512**	**2,165**	**15,308,104**	**16,925,951**
Reconciliation:						
Corporate and other unallocated liabilities						**20,183,635**
Total liabilities as at 31 December 2022						**37,109,586**

4 OPERATING SEGMENT INFORMATION (CONTINUED)

	For the year ended 31 December 2022						
	Properties	**Tourism**	**Investment and financial services**	**Healthcare, education and others**	**New energy**	**Unallocated**	**Total**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***	***RMB'000***	***RMB'000***	***RMB'000***
Other segment information:							
Share of profit of joint ventures	**4,598**	**–**	**7,317**	**–**	**–**	**–**	**11,915**
Share of loss of associates	**(321)**	**(159)**	**–**	**(2,984)**	**83,849**	**–**	**87,313**
Impairment losses on property, plant and equipment *(Note 8)*	**–**	**–**	**–**	**–**	**(18,331)**	**–**	**(18,331)**
Net reversal of/(provision for) impairment losses of financial assets and financial guarantee contracts *(Note 3)*	**98,534**	**–**	**1,099,336**	**–**	**(212,812)**	**5,780**	**990,838**
Depreciation and amortisation *(Note 9)*	**905**	**75,092**	**412**	**267**	**519,641**	**10,982**	**607,299**
Investments in joint ventures	**169,595**	**–**	**121,161**	**–**	**–**	**–**	**290,756**
Investments in associates	**179**	**19,906**	**–**	**139,222**	**220,023**	**–**	**379,330**
Capital expenditure*	**154**	**17,744**	**10**	**3,880**	**3,056,162**	**5,001**	**3,082,951**

	For the year ended 31 December 2021 (Restated)					
	Properties	Tourism	Investment and financial services	Healthcare, education and others	New energy	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Segment revenue:						
Sales to external customers	312,719	245,425	12,024	4,848	20,210,526	20,785,542
Fair value changes in financial instruments	–	(1,878,767)	67,583	–	(1,390)	(1,812,574)
Segment results	(1,420,338)	(1,772,958)	(99,836)	(52,972)	1,622,201	(1,723,903)
Reconciliation:						
Unallocated bank interest income *(Note 7)*						69,291
Unallocated extension interest income *(Note 7)*						94,118
Gains on disposal of subsidiaries *(Note 8)*						217,989
Loss on disposal of a joint venture *(Note 8)*						(16,984)
Unallocated income and losses						(235,261)
Corporate and other unallocated expenses						(48,233)
Finance costs *(Note 10)*						(452,375)
Loss before tax from continuing operations						(2,095,358)
Segment assets as at 31 December 2021	6,443,280	2,231,808	5,561,710	804,333	24,275,802	39,316,933
Reconciliation:						
Corporate and other unallocated assets						6,283,369
Total assets as at 31 December 2021						45,600,302
Segment liabilities as at 31 December 2021	1,265,502	1,896,447	128,503	380,546	10,536,902	14,207,900
Reconciliation:						
Corporate and other unallocated liabilities						13,396,547
Total liabilities as at 31 December 2021						27,604,447

4 OPERATING SEGMENT INFORMATION (CONTINUED)

	For the year ended 31 December 2021 (Restated)						
	Properties	Tourism	Investment and financial services	Healthcare, education and others	New energy	Unallocated	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Other segment information:							
Share of profit/(loss) of joint ventures	15,418	–	–	–	(22,244)	–	(6,826)
Share of loss and impairment losses of associates	(1,332,374)	(1)	–	(46,569)	(8,209)	–	(1,387,153)
Impairment losses on property, plant and equipment *(Note 8)*	–	–	–	–	82,232	–	82,232
Net reversal of/(provision for) impairment losses of financial assets and financial guarantee contracts *(Note 3)*	–	5,463	(130,017)	–	42,823	(4,147)	(85,878)
Depreciation and amortisation *(Note 9)*	49,593	21,609	1,506	5,879	522,946	7,441	608,974
Investments in joint ventures	281,468	–	–	–	–	–	281,468
Investments in associates	500	20,065	–	80,906	223,783	–	325,254
Capital expenditure*	38,210	8,784	–	–	1,245,771	14	1,292,779

* Capital expenditure consists of additions to property, plant and equipment, right-of-use assets, investment properties and other intangible assets including assets from acquisition of subsidiaries.

(i) Revenue from external customers by locations of customers

	2022	2021
	RMB'000	*RMB'000*
		(Restated)
The PRC	**19,604,689**	17,737,507
United States of America	**1,158,478**	1,722,418
Europe	**112,253**	120,176
Australia	**314,199**	181,904
Other countries	**528,752**	1,023,537
	21,718,371	20,785,542

4 OPERATING SEGMENT INFORMATION (CONTINUED)

(ii) Non-current assets by locations of assets

	2022	2021
	RMB'000	*RMB'000*
The PRC	**16,049,150**	13,731,587
Australia	**352,929**	1,043,284
United States of America	**158,367**	131,446
Other countries	**159,194**	141,209
	16,719,640	15,047,526

The non-current assets information above is based on the locations of the assets and excludes financial instruments, loans receivables, other receivables, other financial assets at amortised cost, consideration receivables, deferred tax assets and investments in joint ventures and associates.

(iii) Information about major customers

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

	2022	2021
	RMB'000	*RMB'000*
Customer A*	**2,598,435**	2,739,526
Customer B*	**N/A#**	2,207,333

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

\# The revenue from this customer for the year ended 31 December 2022 did not contribute over 10% of the total sales of the Group.

5 REVENUE

Revenue from contracts

An analysis of revenue from continuing operations is as follows:

	2022 *RMB'000*	2021 *RMB'000* (Restated)
Revenue from contracts with customers		
Properties segment:		
– Property development and sales	**1,451**	62,771
– Construction services	**2,017**	5,349
	3,468	68,120
Tourism segment:		
– Hotel operations	**390,006**	230,968
– Sales of tourist goods and services	**7,489**	14,457
	397,495	245,425
New energy segment:		
– Sales of gear products	**15,733,627**	14,446,895
– Trading of goods	**5,346,027**	5,763,631
	21,079,654	20,210,526
Investment and financial services segment:		
– Investment and financial consulting services	**6,177**	12,024
Healthcare, education and others segment:		
– Education services	**9,307**	4,848
– Healthcare products and other services	**25**	–
	9,332	4,848
	21,496,126	20,540,943
Revenue from other sources		
Properties segment:		
– Gross rental income	**222,245**	244,599
	21,718,371	20,785,542

The revenue from contracts with customers disaggregated by timing of revenue recognition as follows:

Timing of revenue recognition:		
– Recognised at a point in time	**21,088,619**	20,287,754
– Recognised over time	**629,752**	497,788
	21,718,371	20,785,542

6 NET FAIR VALUE CHANGES IN FINANCIAL INSTRUMENTS

	2022	2021
	RMB'000	*RMB'000*
From continuing operations:		
Fair value (losses)/gains in financial assets at FVPL	**(15,888)**	29,609
Fair value losses in derivative financial instruments *(Note)*	**(901,162)**	(1,842,183)
	(917,050)	(1,812,574)

Note:

The fair value changes from derivative financial instruments for the years ended 31 December 2022 and 2021 were mainly derived from the fair value change of a Revised Forward Purchase Agreement to acquire certain equity interests. Details of the transaction are set out in Note 21.

7 OTHER INCOME

		2022	2021
	Note	***RMB'000***	*RMB'000*
			(Restated)
From continuing operations:			
Bank interest income	*(i)*	**85,381**	69,291
Extension interest income	*(v)*	**21,373**	94,118
Interest on deferred consideration	*(vi)*	**7,096**	–
Other interest income	*(ii)*	**103,580**	39,608
Dividend income		**19,005**	25,207
Management fees income	*(iii)*	**34,793**	46,137
Government grants	*(iv)*	**67,334**	70,311
Sales of scraps and materials		**63,713**	63,302
Others		**28,110**	20,441
		430,385	428,415

7 OTHER INCOME (CONTINUED)

Note:

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

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

(iii) Management fees income consist of management fees income for leased shops, carparking fees income and other ancillary service income in relation to leases of property.

(iv) 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.

(v) The amount represents extension interest received from deferred payment of consideration for the Group's disposal of 43% equity interest in Nanjing High Speed Gear Manufacturing Co., Ltd. (南京高速齒輪製造有限公司) ("**Nanjing High Speed**") during the year. Details of the disposal are set out in Note 19(a).

(vi) The amount represents interest income on Deferred Consideration (as defined in Note 20) for disposal of 72.71% equity interest in Sparrow Early Learning Pty Ltd ("**Sparrow**"). Details of the disposal are set out in Note 20.

8 OTHER GAINS/(LOSSES) - NET

	Note	**2022**	2021
		RMB'000	*RMB'000*
From continuing operations:			
Gains on disposal of subsidiaries		**8,026**	217,989
Fair value (losses)/gains of investment properties		**(1,540)**	38,768
Gains on disposal of property, plant and equipment		**1,123**	5,196
Loss on disposal of a joint venture		**–**	(16,984)
Gain on remeasurement of contingent consideration		**–**	147
Loss on swap contracts		**(34,805)**	(32,096)
Impairment losses on property, plant and equipment		**(18,331)**	(82,232)
Waiver of interest on loan receivables	*(i)*	**(73,711)**	–
Impairment losses on prepayments		**(41,896)**	(7,710)
Foreign exchange gains/(losses) – net		**200,387**	(178,680)
Others		**(3,073)**	(5,880)
		36,180	(61,482)

Note:

(i) It represented waiver of certain overdue loan interests as an inducement for the loan principal repayments from the borrowers.

9 EXPENSES BY NATURE

	2022	2021
	RMB'000	*RMB'000*
		(Restated)
From continuing operations:		
Employee benefit expenses:		
Directors' remuneration		
– Fees	**2,015**	1,794
– Salaries, allowances and benefits in kind	**2,179**	1,718
– Discretionary bonuses	**502**	320
– Pension scheme contributions	**291**	184
	4,987	4,016
Other staff costs		
– Salaries and other benefits	**1,745,078**	1,611,171
– Pension scheme contributions	**139,069**	125,344
	1,884,147	1,736,515
	1,889,134	1,740,531
Other items:		
Cost of inventories sold	**16,232,978**	15,513,092
Depreciation of property, plant and equipment	**504,053**	505,261
Cost of properties sold	**1,350**	82,006
Advertising expenses	**73,874**	71,266
Office expenses	**134,886**	145,962
Amortisation of other intangible assets	**69,912**	70,996
Depreciation of right-of-use assets	**33,334**	32,717
Write-down of inventories	**217,632**	165,091
Write-down of properties under development	**218,357**	–
Write-down of property held for sale	**2,909**	2,554
Expenses relating to short-term leases	**37,323**	9,836
Expenses relating to leases of low-value assets	**2,411**	1,437
Auditors' remuneration		
– Audit services	**7,367**	7,054
– Non-audit services	**4,970**	7,458
Sundry taxes	**43,336**	62,729
Others *(Note (a))*	**1,122,592**	1,085,037
Total expenses	**20,596,418**	19,503,027
Represented by:		
– Cost of revenue	**18,404,027**	17,490,747
– Selling and distribution expenses	**559,709**	512,769
– Administrative expenses	**887,866**	831,729
– Research and development costs	**744,816**	667,782
	20,596,418	19,503,027

Note:

(a) The "Other expenses" items were mainly indirect production expenses, other consulting fees, technical service fees and public welfare expenses.

10 FINANCE COSTS

	Note	2022 *RMB'000*	2021 *RMB'000* (Restated)
From continuing operations:			
Interest on bank and other borrowings		**672,678**	506,412
Less: Interest capitalised at a rate of 4.35% (2021: 9%) per annum		**(15,888)**	(55,771)
		656,790	450,641
Interest on lease liabilities		**1,214**	1,734
Unwinding of discount on written put option liability	*19(a)(ii)*	**214,175**	–
		872,179	452,375

11 INCOME TAX

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

	2022 *RMB'000*	2021 *RMB'000* (Restated)
From continuing operations:		
Current tax – charge for the year		
– The PRC	**643,369**	308,535
– Hong Kong	**77**	16,609
– Australia	**477**	–
– Others	**782**	1,077
Current tax – (over)/under provision in respect of prior years	**(3,055)**	1,673
Deferred tax	**(194,044)**	(55,745)
	447,606	272,149

11 INCOME TAX (CONTINUED)

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

PRC CIT has been provided at the rate of 25% (2021: 25%) on the taxable profits of the Group's PRC subsidiaries, except those listed below, for the year ended 31 December 2022. The increase in PRC corporate income tax is attributable to an one-off tax of RMB315,140,000 (2021: Nil) arising from the partial disposal of a subsidiary during the year. Refer to Note 19(a) for details.

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

Name of company	**Year end during which approval was obtained**
Nanjing High Speed	31 December 2020
Nanjing High Speed & Accurate Gear (Group) Co., Ltd.	31 December 2020
Nanjing High Accurate Rail Transportation Equipment Co., Ltd.	31 December 2020
NGC (Baotou) Transmission Equipment Co., Ltd.	31 December 2021
Jiangsu Green Lighting Engineering Co., Ltd.	31 December 2021

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

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

(c) Other corporate income tax

Enterprises incorporated in other places other than the PRC are subject to income tax rates of 8.25% to 30% (2021: 8.25% to 30%) prevailing in the places in which these enterprises operated for the year ended 31 December 2022.

12 DIVIDENDS

The board has resolved not to declare a final dividend for the years ended 31 December 2022 and 2021.

13 (LOSS)/EARNINGS PER SHARE

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

	2022 *RMB'000*	2021 *RMB'000* (Restated)
Loss from continuing operations attributable to equity shareholders of the Company	**(302,480)**	(2,716,052)
Profit from discontinued operation attributable to equity shareholders of the Company	**141,499**	30,708
Net loss attributable to equity shareholders of the Company	**(160,981)**	(2,685,344)
Weighted average number of ordinary shares in issue	**22,610,653,427**	19,687,870,331
Basic and diluted (loss)/earnings per share (RMB per share)		
– From continuing operations attributable to equity shareholders of the Company	**RMB(0.013)**	RMB(0.138)
– From discontinued operation attributable to equity shareholders of the Company	**RMB0.006**	RMB0.002
	RMB(0.007)	RMB(0.136)

There were no potential dilutive ordinary shares outstanding due to outstanding share options for both the years ended 31 December 2022 and 2021. For the year ended 31 December 2021, the weighted average number of ordinary shares in issue was adjusted by 17,521,400 shares which are held for the Group's share award scheme, whilst for the year ended 31 December 2022, in addition to the adjustment of 17,521,400 shares held for the Group's share award scheme, the weighted average number of ordinary shares in issue was also adjusted by 6,826,805,000 new shares allotted upon the completion of share placing on 9 June 2022 and 24 August 2022 and the completion of the share subscriptions on 16 September 2022.

14 TRADE RECEIVABLES

	2022 *RMB'000*	2021 *RMB'000*
Trade receivables		
– Amounts due from third parties	**7,841,003**	5,076,434
– Amounts due from joint ventures	**1,953**	1,003
Less: Loss allowance	**(714,586)**	(605,693)
	7,128,370	4,471,744

14 TRADE RECEIVABLES (CONTINUED)

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:

	2022 *RMB'000*	2021 *RMB'000*
Within 90 days	**5,933,756**	3,430,435
91 to 180 days	**419,413**	443,734
181 to 365 days	**417,462**	409,369
Over 365 days	**357,739**	188,206
	7,128,370	4,471,744

The Group generally allows a credit period of 90 days (2021: 90 days) to its trade customers and 180 days (2021: 180 days) for sales of gear products. Apart from that, the Group does not have a standardised and universal credit period granted to its customers for other sales, and the credit period of individual customers is considered on a case-by-case basis and stipulated in the relevant contracts, as appropriate.

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

As at 31 December 2022, trade receivables with carrying amount of RMB398,826,000 (2021: RMB398,803,000) were pledged as collateral for the Group's borrowings (Note 24).

15 TRADE AND BILLS PAYABLES

	2022 *RMB'000*	2021 *RMB'000*
Trade payables		
– Amounts due to third parties	**4,471,334**	3,181,423
– Amount due to an associate	**18**	18
Bills payables	**5,916,252**	3,833,491
	10,387,604	7,014,932

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

	2022 *RMB'000*	2021 *RMB'000*
Within 90 days	**6,149,987**	4,657,110
91 to 180 days	**2,036,127**	100,914
181 to 365 days	**1,843,449**	1,836,023
Over 365 days	**358,041**	420,885
	10,387,604	7,014,932

Amount due to an associate included in the trade and bills payables are repayable within 90 days (2021: 90 days), which represents credit terms similar to those offered by the associate to their major customers.

Trade payables are normally settled on terms of 90 to 180 days (2021: 90 to 180 days).

16 OTHER PAYABLES AND ACCRUALS

	2022	2021
	RMB'000	*RMB'000*
Accruals	**1,181,546**	998,629
Amounts due to associates	**17,636**	15,000
Refundable deposit received *(Note (a))*	**644,000**	1,000,000
Consideration received for partial disposal of a subsidiary *(Note 19(a))*	**–**	1,000,000
Dividends payable to non-controlling interests	**–**	89,002
Other tax payables	**213,329**	149,113
Other payables	**419,133**	661,428
Payroll and welfare payables	**261,695**	266,674
Liability arising from financial guarantee contracts	**3,417**	6,359
Payables for purchase of property, plant and equipment	**522,501**	158,189
	3,263,257	4,344,394

All of the amounts due to associates are non-trade nature, unsecured, interest-free and repayable within 180 days (2021: 180 days).

Note:

(a) On 17 January 2018, each of Five Seasons XVI Limited (a wholly-owned subsidiary of the Company) ("**Five Seasons XVI**") and Mr. Ji Changqun ("**Mr. Ji**") entered into a non-legally binding memorandum of understanding ("**MOU**") with an independent third party, Neoglory Prosperity Inc.(新光圓成股份有限公司), a PRC company listed on SZSE (002147.SZSE) ("**Potential Offeror**"), in relation to a possible conditional voluntary partial cash offer for more than 50% but not exceeding 75% of the issued capital of China High Speed Transmission Equipment Group Co., Ltd ("**CHS**"), one of the major subsidiaries of the Company whose shares are listed on SEHK, and subsequently changing to a possible sale and purchase of Five Seasons XVI's direct shareholding interests in CHS that would represent more than 50% but not exceeding 73.91% of the issued capital of CHS ("**Possible Sale and Purchase**").

On 24 April 2018, the Company, Five Seasons XVI and the Potential Offeror entered into an earnest money agreement (the "**Earnest Money Agreement**"), pursuant to which, the Potential Offeror shall provide an amount in cash or cash equivalents of RMB1,000,000,000 to the Company (or its subsidiaries) as refundable earnest money ("**Earnest Money**") within 30 days from the date of the Earnest Money Agreement. On 28 September 2018, the relevant parties entered into a supplemental earnest money agreement ("**Supplemental Earnest Money Agreement**", together with the Earnest Money Agreement, collectively referred as "**Earnest Money Agreements**") to extend the term of the Earnest Money Agreement, and pursuant to which if, among others, no definitive agreement in respect of the Possible Sale and Purchase was entered into on or before 31 October 2018, the Company shall refund and return in full the Earnest Money (without any income accrued thereon) to the Potential Offeror (or its nominee) within 15 business days. As at 31 October 2018, no definitive agreement(s) has been entered into among the parties. As such, the Earnest Money Agreements have been automatically terminated.

16 OTHER PAYABLES AND ACCRUALS (CONTINUED)

Note: (Continued)

(a) (Continued)

On 18 August 2021, the Company received a copy of a notice of arbitration (the "**Notice of Arbitration**"), filed by the Potential Offeror as claimant, pursuant to which the Potential Offeror purports to commence arbitration (the "**Arbitration**") administered by the Hong Kong International Arbitration Centre against the Company and Five Seasons XVI. In the Notice of Arbitration, the Potential Offeror seeks refund of the Earnest Money to it.

On 24 December 2021, parties including the Company, Five Seasons XVI and Potential Offeror entered into a settlement agreement (the "**Settlement Agreement**") in relation to settlement of the Earnest Money. Pursuant to the Settlement Agreement, the parties agree that, subject to certain conditions, they will not commence arbitration or other legal proceedings against each other. In particular, the Potential Offeror, the Company and Five Seasons XVI shall terminate the pending Arbitration within three working days after the Settlement Agreement becomes effective. Also, the Earnest Money Agreements will be terminated on the effective date of the Settlement Agreement and upon satisfaction of certain conditions.

During the year ended 31 December 2022, the conditions as stated in the Settlement Agreement have been fulfilled and the Arbitration has been terminated. In addition, RMB356,000,000 had been repaid by cash and other settlement arrangement up to 31 December 2022. It is considered that the repayments of the remaining outstanding Earnest Money could be fulfilled through internal funding or sale of certain non-major assets and will not have a significant impact to the Group's operations.

17 BANK AND OTHER BORROWINGS

	2022		2021	
	Current	**Non-current**	Current	Non-current
	RMB'000	***RMB'000***	*RMB'000*	*RMB'000*
Secured				
– Bank loans	**278,328**	**3,142,417**	2,056,039	1,064,614
– Loans from other financial institutions	**1,574,803**	**–**	817,473	–
– Loans from other third parties	**808,810**	**–**	195,386	668,300
Total secured borrowings	**2,661,941**	**3,142,417**	3,068,898	1,732,914
Unsecured				
– Bank loans	**4,316,749**	**849,756**	2,200,939	–
– Loans from ultimate holding company	**1,252,484**	**–**	1,211,732	–
– Loan from a joint venture	**185,354**	**–**	170,928	–
– Loans from other financial institutions	**–**	**275,000**	669,337	–
– Loans from other third parties	**192,321**	**44,040**	35,375	203,958
Total unsecured borrowings	**5,946,908**	**1,168,796**	4,288,311	203,958
	8,608,849	**4,311,213**	7,357,209	1,936,872

17 BANK AND OTHER BORROWINGS (CONTINUED)

Bank and other borrowings carry interests ranging from 0% to 12% (2021: 0% to 9%) per annum. As at 31 December 2022, loans from ultimate holding company of RMB1,252,484,000 (2021: RMB1,211,732,000) are interest-free and loan from a joint venture of RMB185,354,000 (2021: RMB170,928,000) carried effective interest rate at 8% (2021: 8%) per annum.

At the end of the reporting period, the carrying amounts of bank and other borrowings are denominated in the following currencies:

	2022	2021
	RMB'000	*RMB'000*
RMB	**12,143,445**	8,144,297
US$	**531,638**	880,461
HK$	**–**	18,189
AUD	**244,979**	251,134
	12,920,062	9,294,081

Bank and other borrowings are repayable as follows:

	2022	2021
	RMB'000	*RMB'000*
Within one year or on demand	**8,608,849**	7,357,209
Between one and two years	**1,239,425**	1,078,716
Between two and five years	**1,142,332**	811,113
Over five years	**1,929,456**	47,043
	12,920,062	9,294,081

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

(i) Certain (2021: All) of the Group's equity interests in CHS, all of the equity interests in Nanjing Fullshare Dazu Technology Company Limited（南京豐盛大族科技股份有限公司）and NGC (Huaian) High Speed Gear Manufacturing Co., Ltd., and certain equity interests in Tianjin Heheng Investment Development Co., Ltd.（天津合恒投資發展有限公司）, all of which are subsidiaries of the Group.

(ii) 1,520,000,000 ordinary shares of the Company held by ultimate holding company.

(iii) The Group's assets as disclosed in Note 24.

In addition, bank and other borrowings of RMB900,093,000 (2021: RMB1,269,759,000) were guaranteed by Mr. Ji. Bank and other borrowings of RMB1,132,103,000 (2021: RMB1,436,150,000) were guaranteed by Mr. Ji and a close family member of Mr. Ji.

17 BANK AND OTHER BORROWINGS (CONTINUED)

(a) As at 31 December 2020, a loan from Huarong International Trust Co., Ltd. (the "**Lender**") with principal amounting to RMB500,000,000 ("**Principal**") and respective penalty of RMB93,500,000 ("**Past Late Payment**") was past due. Two investment properties of the Group are pledged as security (the "**Pledged Properties**").

On 9 March 2021, the Lender intended to auction the creditor's rights of the debt to the Group in accordance with its internal procedure. Pursuant to the laws and regulations of the PRC, the auction is requested to be initiated through respective legal procedure(s). Therefore, after a well communication of its intention with the Group, the Lender took such respective legal action to apply for an open auction of the rights of the respective loan aforesaid. However, such auction met with no response. The Group continued to discuss with the Lender on the settlement of the Principal and the Past Late Payment. Another financial institution ("**Assignee**") has negotiated with the Group to take up the relevant loan from the Lender. Based on the negotiations between the Group and the Assignee, the Assignee agreed to waive the payment of Past Late Payment upon the settlement of the Principal as well as the respective interest within two years from the date when a supplementary agreement in relation to the transfer of debts aforesaid is signed.

During the year ended 31 December 2021, the Lender initiated an auction on the Pledged Properties again.

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

On 28 January 2022, the Group paid the first instalment payment and the auction had been withdrawn by the Lender. Up to 31 December 2022, the Group repaid RMB137,444,000 over the Principal, and the legal charges over the Pledged Properties remains until the loan has been settled in full. As at 31 December 2022, the fair value of the Pledged Properties amounted to RMB1,202,826,000. During the year ended 31 December 2022, interest expense of RMB32,746,000 (2021: RMB40,111,000) was recognised in profit and loss. Up to the date of these consolidated financial information, no further action is taken by the Lender. Management considers that the repayments could be made in full through internal fundings and will not have a significant impact to the Group's operations.

(b) During the year ended 31 December 2022, certain of the borrowings with principal amounting to RMB335,363,000 (2021: RMB320,938,000) were overdue and overdue interest of RMB14,470,000 (2021: RMB13,832,000) was recognised. The Group is actively liaising with the lenders to extend the repayment period and has not received any request from any lender of the borrowings for accelerated repayment up to the date of these consolidated financial information. Management considers that these borrowings could be repaid through internal fundings and will not have a significant impact to the Group's operations.

18 SHARE CAPITAL

	Note	**Number of shares**	*RMB'000*
Ordinary shares of HK$0.01 each			
Authorised:			
At 1 January 2021, 31 December 2021, 1 January 2022 and 31 December 2022		40,000,000,000	314,492

	Note	**Number of shares**	*RMB'000*
Issued and fully paid:		19,705,391,731	160,872
At 1 January 2021, 31 December 2021 and 1 January 2022			
Placements of new shares	*(i)*	4,856,805,000	41,849
Subscription of new shares	*(ii)*	1,970,000,000	17,183
At 31 December 2022		26,532,196,731	219,904

Note:

(i) On 19 May 2022, the Company entered into a placing agreement with a placing agent in respect of the placement for a maximum of 2,955,805,000 ordinary shares of HK$0.01 each to not less than six placees at the placing price of HK$0.10 per share. The placement was completed on 9 June 2022 and proceeds of approximately HK$294,657,000 (equivalent to approximately RMB252,284,000), net of direct costs was raised.

In addition, on 29 July 2022, the Company entered into a placing agreement with a placing agent in respect of the placement for a maximum of 1,970,000,000 ordinary shares of HK$0.01 each to not less than six placees at the placing price of HK$0.11 per share. The placement was completed on 24 August 2022. A total of 1,901,000,000 shares has been placed successfully and proceeds of approximately HK$208,447,000 (equivalent to approximately RMB182,832,000), net of direct costs was raised.

(ii) On 29 July 2022, the Company entered into a subscription agreement with a subscriber in respect of the subscription for a total of 1,970,000,000 ordinary shares of HK$0.01 each at the subscription price of HK$0.11 per share. The subscription was completed on 16 September 2022 and proceeds of approximately HK$216,520,000 (equivalent to approximately RMB189,010,000), net of direct costs was raised.

19 PARTIAL DISPOSAL OF INTEREST IN SUBSIDIARIES WITHOUT LOSS OF CONTROL

(a) Nanjing High Speed

On 30 March 2021, Nanjing Gear Enterprise Management Co., Ltd (the "**Vendor**"), a wholly-owned subsidiary of the Group, and Nanjing High Speed entered into an equity transfer agreement (the "**Equity Transfer Agreement**") with Shanghai Wensheng Asset Management Co., Ltd. (the "**Purchaser**"), an independent third party, to dispose 43% of the equity interests of Nanjing High Speed at a consideration of RMB4,300,000,000 (the "**Partial Disposal**"). Pursuant to the Equity Transfer Agreement, if the transferee is not the Purchaser itself, the identity of the transferee is restricted to be a legal entity controlled or jointly controlled directly or indirectly by the Purchaser. The actual transferee is Shanghai Qiwo Enterprise Management Partnership (Limited Partnership) (the "**Transferee**"). Further details of the Partial Disposal were set out in the announcements of the Company dated 30 March 2021, 15 July 2021, 15 October 2021 and the circular of the Company dated 26 May 2021.

The Partial Disposal was completed on 4 March 2022. Upon the completion of the Partial Disposal, the Group's equity interest in Nanjing High Speed decreased from approximately 93.02% to approximately 50.02%. Nanjing High Speed remains a subsidiary of the Group and as such, the Partial Disposal is accounted for as an equity transaction.

The effect on equity attributable to equity shareholders of the Company during the year is summarised as follows:

	RMB'000
Consideration received for the Partial Disposal	4,300,000
Less: Non-controlling interests recognised	(1,629,972)
Less: Income tax recognised directly in equity (Note (i))	(523,664)
Less: Written put option liability initially recognised (Note (ii))	(4,300,000)
Decrease in equity attributable to equity shareholders of the Company	(2,153,636)

Notes:

(i) Income tax of RMB838,804,000 is recognised from the Partial Disposal, which is calculated on the differences between the consideration for the Partial Disposal of RMB4,300,000,000 and the investment cost of RMB944,785,000, at the applicable PRC income tax rate of 25%. Out of which, RMB523,664,000 is recognised directly in equity as the Partial Disposal is accounted for as an equity transaction, and the amount is calculated based on the differences between the consideration for the Partial Disposal of RMB4,300,000,000 and 43% of the consolidated net assets of Nanjing High Speed at the date of the Partial Disposal of RMB2,205,346,000, at applicable PRC income tax rate of 25%. The remaining portion of income tax of RMB315,140,000 relates to post-acquisition profit of Nanjing High Speed, and is recognised in profit or loss.

19 PARTIAL DISPOSAL OF INTEREST IN SUBSIDIARIES WITHOUT LOSS OF CONTROL (CONTINUED)

(a) (Continued)

Notes: (Continued)

(ii) Written put option liability

As part of the Equity Transfer Agreement, the Vendor grants a put option to the Transferee, pursuant to which the Transferee could request the Vendor to repurchase all of the equity interest of Nanjing High Speed acquired by the Transferee during the 3 years from the completion date of the Partial Disposal under certain conditions, at the Transferee's discretion, at an exercise price of RMB4,300,000,000 plus 6% interest per annum.

The written put option liability is initially recognised at fair value. The fair value of the written put option liability at grant date is measured based on the present value of the exercise price of RMB4,300,000,000 plus 6% interest per annum, by applying a discount rate of 6%, and on the assumption that the put option will be redeemable in 3 years.

The movement of written put option liability during the year is as follows:

	RMB'000
At 1 January 2022	–
Issuance of written put option	4,300,000
Unwinding of discount	214,175
At 31 December 2022	4,514,175

(b) CHS

In December 2022, the Group disposed of 1.02% equity interest of CHS for HKD56,868,000 (equivalent to RMB50,936,000). At the date of the disposal, the proportionate share of 1.02% interest in CHS by non-controlling interests was RMB145,521,000. Accordingly, the Group recognised an increase in non-controlling interests of RMB145,521,000 and a decrease in equity attributable to equity shareholders of the company of RMB94,585,000. The effect on the equity attributable to the equity shareholders of the Company during the year is summarised as follows:

	RMB'000
Consideration received	50,936
Less: Increase in non-controlling interests	(145,521)
Decrease in equity attributable to equity shareholders of the Company	(94,585)

As at 31 December 2022, the Group held 72.89% equity interest in CHS.

20 DISCONTINUED OPERATION

On 28 January 2022, the Group and a purchaser, in which certain management of subsidiaries of the Company have beneficial interests (the "**Management Buyer**"), entered into the share sale and implementation agreement, pursuant to which the Group conditionally agreed to dispose of, and the Management Buyer conditionally agreed to purchase 72.71% equity interests in Sparrow at a cash consideration of AUD69,000,000 (equivalent to RMB324,443,000) ("**Sparrow Disposal**"). The consideration is receivable by 2 instalments. The first instalment of AUD37,000,000 (equivalent to RMB173,977,000) was received on the completion date of Sparrow Disposal, and the second instalment of AUD32,000,000 (equivalent to RMB150,466,000) (the "**Deferred Consideration**") is receivable at the 5th anniversary from the completion date of Sparrow Disposal, and interest-bearing at 6% per annum. A general security deed and a shareholders' agreement which includes a buy-back option clause exercisable by the Group were entered into with the Management Buyer to secure the repayment of Deferred Consideration. Details of Sparrow Disposal were set out in the Company's announcements dated 28 January 2022 and 18 March 2022.

The Sparrow Disposal has been completed on 18 March 2022 and was classified as a discontinued operation. After the completion of Sparrow Disposal, the Group held 24.01% equity interests in Sparrow and still exercise significant influence in Sparrow, therefore Sparrow ceased to be a subsidiary and becomes an associate of the Group since then.

At the same date of completion of Sparrow Disposal, shareholders of Sparrow approved a capital reduction and the Group received a sum of AUD11,526,000 (equivalent to RMB53,693,000) during the year ended 31 December 2022.

The carrying amounts of assets and liabilities of Sparrow at the completion date of disposal, and the results of the discontinued operation, which have been included in the consolidated statement of profit or loss and other comprehensive income, were as follows:

20 DISCONTINUED OPERATION (CONTINUED)

(a) Results of discontinued operation

	From 1 January 2022 to the date of disposal *RMB'000*	For the year ended 31 December 2021 *RMB'000*
Revenue	**116,460**	506,333
Cost of revenue	**(94,198)**	(385,423)
Gross profit	**22,262**	120,910
Selling and distribution expenses	**(3,217)**	(12,182)
Administrative expenses	**(9,703)**	(34,182)
Impairment losses on financial assets	**(281)**	(1,261)
Other income	**–**	56
Operating profit	**9,061**	73,341
Finance costs	**(5,788)**	(30,063)
Profit before tax	**3,273**	43,278
Income tax expenses	**(1,019)**	(11,529)
Profit after tax	**2,254**	31,749
Gain on disposal of discontinued operation	**139,319**	–
Profit for the period/year from discontinued operation	**141,573**	31,749
Other comprehensive income:		
Item that may be reclassified to profit or loss:		
– Exchange differences on translation of foreign operations	**2,050**	9,848
Total comprehensive income for the period/year from discontinued operation	**143,623**	41,597

20 DISCONTINUED OPERATION (CONTINUED)

(b) Assets and liabilities of Sparrow at the date of disposal

	RMB'000
Net assets disposed of:	
Property, plant and equipment	48,900
Right-of-use assets	279,054
Goodwill	386,606
Other financial assets at amortised cost	1,443
Deferred tax assets	27,996
Trade and other receivables	10,145
Prepayments	9,198
Bank balances and cash	41,403
Trade and bills payables	(6,670)
Other payables and accruals	(148,443)
Contract liabilities	(5,126)
Lease liabilities	(336,677)
Income tax payable	(228)
	307,601

	RMB'000
Gain on disposal of discontinued operation:	
Consideration received and receivable	324,443
Net assets disposed of	(307,601)
Non-controlling interests	3,775
Release of exchange fluctuation reserve upon disposal	11,552
Fair value of retained equity interests classified as investment in an associate	107,150
	139,319
Consideration:	
Cash	173,977
Deferred Consideration	150,466
	324,443
Net cash inflow arising on disposal:	
Cash received	173,977
Less: Bank balances and cash disposed of	(41,403)
Net cash inflow	132,574

21 COMPLETION OF REVISED FORWARD PURCHASE AGREEMENT AND DISPOSAL OF EQUITY INTEREST OF SHANGHAI JOYU CULTURE COMMUNICATION COMPANY LIMITED ("SHANGHAI JOYU") THROUGH A SERIES OF TRANSACTIONS

On 9 February 2018, the Company, China Merchants Securities Asset Management Company Limited (招商證券資產管理有限公司) ("**China Merchants**") and Ningbo Zhongbang Chanrong Holding Co., Ltd. (寧波眾邦產融控股有限公司) ("**Ningbo Zhongbang**"), both being limited partners of Ningbo Fengdong Investment Management Partnership Enterprise (Limited Partnership) (寧波豐動投資管理合夥企業(有限合夥)) (the "**Fund**") (collectively referred to as "**Limited Partners**") and Ningbo Zhongxin Wanbang Asset Management Company Limited (寧波眾信萬邦資產管理有限公司), being the general partner (the "**General Partner**") of the Fund, entered into a forward sale and purchase agreement ("**Forward Purchase Agreement**"), pursuant to which the Company has conditionally agreed to acquire from each of the Limited Partners their respective interests in the Fund, within 3 years from the date of full payment of the capital contributions made by the Limited Partners and the General partner (i.e. 12 February 2018) or extended date (the "**Specified Date**") unanimously consented by all parties, at a maximum consideration of approximately RMB3,342,507,000 which was determined with reference to the capital contributions made by the Limited Partners of an aggregate amount of approximately RMB2,630,000,000 and the expected return to be distributed by the Fund in accordance with the terms of the limited partner agreement on the relevant settlement date in accordance with the terms of the Forward Purchase Agreement. In the event of default in executing the Forward Purchase Agreement at the Specified Date, the Company is liable to pay a default penalty, calculated at 0.1% per day of default (the "**Overdue Penalty**").

The object of the Fund is to invest in Shanghai Joyu Culture Communication Company Limited (上海景域文化傳播股份有限公司) ("**Shanghai Joyu**"), or such other companies or businesses as may be agreed by the Limited Partners and the General Partner. Shanghai Joyu is principally engaged in the tourism and vacation businesses and is a one-stop Online to Offline ("**O2O**") service provider in the PRC tourism business.

Up to 12 February 2021 (i.e. 3 years after the date of full payment of the capital contributions made by the Limited Partners and the General Partner as disclosed above), the Company has not completed the abovementioned acquisition. The Group held communications with the Limited Partners and the General Partners during the year ended 31 December 2021 in relation to the execution of the Forward Purchase Agreement. The Limited Partners and General Partners agreed to waive all of the Overdue Penalty as may have been incurred.

During the year ended 31 December 2022, the Group has entered into two agreements with Ningbo Zhongbang to acquire the respective interests held by Ningbo Zhongbang and the interests held by China Merchants to be acquired by Ningbo Zhongbang ("**Revised Forward Purchase Agreements**") at an aggregate consideration of approximately RMB3,020,637,000.

Pursuant to the Revised Forward Purchase Agreements, Ningbo Zhongbang shall utilise the loan payable to the Group of approximately RMB904,315,000 to offset the committed acquisition consideration to be borne by the Company.

Immediately before the completion of Revised Forward Purchase Agreement, derivative financial instruments of RMB2,688,011,000 (2021: RMB1,820,321,000) for the committed acquisition of the interest in the Fund at an agreed consideration, based on the valuation on Shanghai Joyu performed by an independent professional qualified valuer by using discounted cash flows approach, was recognised in the consolidated statement of financial position, and the corresponding fair value losses of RMB867,690,000 was recognised in the consolidated statement of profit or loss and other comprehensive income.

21 COMPLETION OF REVISED FORWARD PURCHASE AGREEMENT AND DISPOSAL OF EQUITY INTEREST OF SHANGHAI JOYU CULTURE COMMUNICATION COMPANY LIMITED ("SHANGHAI JOYU") THROUGH A SERIES OF TRANSACTIONS (CONTINUED)

In August 2022, all of the outstanding consideration due to the Limited Partners of the Fund of RMB2,116,322,000 was settled and the Group completed the purchase of equity interests of the Fund from Ningbo Zhongbang, of which 43% was recognised through acquisition of Jiangsu Kun Huai Constructions Limited (江蘇坤淮建設有限公司) by a subsidiary of Nanjing Zhichen Enterprise Management Limited (南京至辰企業管理有限公司) ("**Nanjing Zhichen**"), the wholly-owned subsidiary of the Group. Nanjing Zhichen is principally engaged in investment holding. After the acquisition of the Fund and prior to the disposal of Nanjing Zhichen, the Group entered into a number of internal debt restructuring agreements to waive part of the debts owed by the subsidiary of Nanjing Zhichen to the Group in relation to the consideration of the Fund, with reference to the valuation of the Fund.

On 6 October 2022, the Group entered into an agreement with an independent third party to dispose all of its equity interest in Nanjing Zhichen at a consideration of RMB200,000,000. The disposal was completed on 12 October 2022 and the consideration is receivable within 30 days from the completion date of the disposal. A general security deed and a shareholders' agreement which includes a buy-back option clause exercisable by the Group were entered into with the independent third party to secure the repayment of deferred consideration.

The assets and liabilities of the subsidiary at the disposal date were as follows:

	RMB'000
Financial assets at fair value through profit or loss	332,626
Other receivables	8,299
Cash and cash equivalents	5
Other payables and accruals	(142,432)
Net assets disposed of	198,498
Cash consideration	(200,000)
Gain on disposal of a subsidiary	1,502

Analysis of cash flows on disposal:

Consideration	200,000
Less: Unsettled consideration	(200,000)
Cash and cash equivalents disposed of	(5)
Net cash outflow from disposal	(5)

22 CONTINGENT LIABILITIES

As at 31 December 2022, contingent liabilities not provided for in the consolidated financial information were as follows:

(i) Mortgage facilities

	2022	2021
	RMB'000	*RMB'000*
Guarantees given to banks in connection with mortgage facilities	–	6,076

The Group provided guarantees in respect of mortgage facilities granted by certain banks relating to the mortgage loans arranged for certain purchasers of the Group's properties. Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principals together with accrued interest and penalties owed by the defaulted purchasers to the banks and the Group is entitled to retain the legal title and take over possession of the related properties. The Group's guarantee period starts from the dates of grant of the relevant mortgage loans and ends when the Group obtains the "property title certificate" for the mortgagees, or when the Group obtains the "master property title certificate" upon completion of the construction. The directors consider that in case of default in payments, the net realisable value of the related properties can cover the repayment of the outstanding mortgage principals together with the accrued interest and penalties.

(ii) As at 31 December 2022, the Group provided financial guarantees to one associate (2021: one associate and two related parties), and four independent third parties (2021: two independent third parties), in favour of bank loans of RMB40,020,000 (2021: RMB220,796,000 and RMB1,100,000,000), and RMB1,219,000,000 (2021: RMB153,000,000), respectively. These amounts represented the balances that the Group could be required to be paid if the guarantees were called upon in its entirety. During the year ended 31 December 2022, the entity to which the Group provided certain of investment properties as a financial guarantee (the "**Warrantee**") failed to fulfill its repayment obligation, causing the titleships of those investment properties with carrying value of RMB142,980,000 as at 31 December 2022 were frozen by the PRC's court order. Up to the date of this consolidated financial information, those investment properties are neither released from the freeze nor put for auction. In view that the Group has a borrowing owed to the Warrantee which exceeded the carrying value of investment properties under guarantee contract, and the right of the Group to set off the borrowing with the Warrantee by the value of the investment properties in case of confiscation pursuant to the agreement with the Warrantee, the management of the Group, after seeking legal advice, considered that the protection of the Group's interests was sufficient. Accordingly, no provision for the obligation due to this financial guarantee has been made as at 31 December 2022.

At the end of the reporting period, an amount of RMB3,417,000 (2021: RMB6,359,000) has been recognised in the consolidated financial information as liabilities.

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

On the same day, in order to facilitate the conclusion of the sales, the Company entered into a deed of guarantee with the Purchaser, pursuant to which, the Company agreed to guarantee to the Purchaser the due and punctual performance and observance by the Vendor of the Vendor's obligations under the sale and purchase agreement, subject to a maximum liability of up to approximately SGD169,822,000 (equivalent to approximately RMB874,690,000) (the "**Guarantee money**"). The Guarantee money is used to compensate the Purchaser for any adverse effect of the legal cases. These Guaranteed money would be reimbursed by the former owner.

22 CONTINGENT LIABILITIES (CONTINUED)

(iii) (Continued)

The Company also entered into a letter of authority with Five Seasons XXII Pte. Ltd. ("**Five Seasons**"), a wholly-owned subsidiary of BVI SPV, pursuant to which, Five Seasons authorised the Company to appoint a person to represent Five Seasons in respect of the authorised matters and the Company agreed to (i) engage professional parties and bear all costs incurred thereto; and (ii) put Five Seasons in funds for any monies which Five Seasons is liable to pay, in relation to the authorised matters, subject to a maximum aggregate amount of up to SGD1,000,000 (equivalent to approximately RMB5,151,000). During the year ended 31 December 2022, since the authorised matters had been resolved, the letter of authority was lapsed.

In the opinion of the directors, based on the claim history from the Purchaser to the Group and the reimbursement history from the former owner to the Group, the possibility of default or inability of discharging the relevant obligations by the Group is remote. Accordingly, no provision in relation to the guarantee has been made as at 31 December 2022 and 2021.

(iv) On 16 August 2019, it came to the attention of the Company that Mr. Ji was named a defendant in a proceeding involving claim for alleged overdue payments of approximately HK$1,466,000,000 (the "**Proceeding**"). No further information in respect of the Proceeding and the claim thereunder is available as at the date of these consolidated financial information. Pursuant to relevant terms of the Group's loan agreements, the Proceeding might be considered as an event of default the occurrence of which will allow the lender to demand accelerated repayments for certain loans of the Group totalling approximately RMB127,228,000 as at 31 December 2022 ("**Loan**"). However, up to the date of these consolidated financial information, the Group has not received any request from any lender of the Loan for any accelerated repayment. Further, the management of the Company considers that adequate collaterals have been provided to secure the Loan. Accordingly, no adjustment or reclassification of the Loan is made to reflect the impact of the Proceeding.

23 COMMITMENTS

(i) Operating lease arrangement – the Group as lessor

The Group leases its investment properties under operating lease arrangements, with leases negotiated for terms ranging from one to twenty years. The terms of the leases generally also require the tenants to pay security deposits and provide for periodic rent adjustments according to the prevailing market conditions.

At the end of the reporting period, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

	2022	2021
	RMB'000	*RMB'000*
Within 1 year	**163,815**	142,681
After 1 year but within 2 years	**142,591**	118,277
After 2 years but within 3 years	**110,837**	89,078
After 3 years but within 4 years	**76,356**	70,277
After 4 years but within 5 years	**58,240**	52,975
After 5 years	**333,696**	370,504
	885,535	843,792

23 COMMITMENTS (CONTINUED)

(ii) Capital commitments

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

	2022	2021
	RMB'000	*RMB'000*
Contracted, but not provided for:		
– Property, plant and equipment	**3,117,804**	1,573,737
– Capital contributions to associates	**133,000**	173,000
– Capital contributions to joint ventures	**50,000**	350,000
	3,300,804	2,096,737

24 PLEDGE OF ASSETS

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

		2022	2021
	Note	***RMB'000***	*RMB'000*
Property, plant and equipment		**1,661,522**	2,113,881
Investment properties		**4,803,265**	4,820,921
Right-of-use assets		**269,570**	358,195
Trade receivables	*14*	**398,826**	398,803
Financial assets at FVOCI		**1,034,234**	1,338,295
Properties under development		**98,935**	323,844
Properties held for sale		**49,915**	106,443
Pledged bank deposits		**4,897,224**	1,897,477
		13,213,491	11,357,859

BUSINESS REVIEW

The revenue of the Fullshare Holdings Limited (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 December 2022 (the "**Year 2022**"), was derived from property, tourism, investment and financial services, healthcare and education and new energy businesses.

(1) Property business

(a) Property sales

During the Year 2022, the Group had contracted sales of approximately Renminbi ("**RMB**") 5,895,000, representing a decrease of approximately 89% as compared with the year ended 31 December 2021 (the "**Year 2021**"). The Group made contracted sales for an aggregate gross floor area ("**GFA**") of approximately 535 sq.m., representing a decrease of approximately 87% as compared with the Year 2021. The contract sales for Year 2022 were mainly contributed by Xiangti Villa Project(香醍名邸項目). As at 31 December 2022, the Group's contracted sales for the contracts signed but properties not yet delivered were approximately RMB4,313,000 with a total GFA of 383 sq.m., while as at 31 December 2021, the Group has delivered the properties for all signed sales contracts. The decrease in contracted sales and GFA was mainly because most of the projects have been completed and disposed of in previous years. During the Year 2022, the average contracted selling price was approximately RMB11,010 per sq.m., representing a decrease of approximately 13% as compared with the Year 2021.

As at 31 December 2022, a breakdown of the major properties held by the Group in the People's Republic of China (the "**PRC**") and their construction statuses were as follows:

Project name	Address	Project type	Construction progress of the project	Expected completion date	Site area *(sq.m.)*	GFA Completed *(sq.m.)*	GFA under construction *(sq.m.)*	Accumulated contracted sales GFA *(sq.m.)*	Interest attributable to the Group
Yuhua Salon (雨花客廳)A1	No. 119 Ruanjian Avenue, Yuhuatai District, Nanjing, Jiangsu Province, the PRC	Office and commercial project	Completed	Completed	33,606	79,287	–	60,300	100%
Yuhua Salon (雨花客廳)A2	No. 119 Ruanjian Avenue, Yuhuatai District, Nanjing, Jiangsu Province, the PRC	Hotel and office project	Completed	Completed	30,416	81,380	–	–	100%
Yuhua Salon (雨花客廳)C South	East to Ningdan Road, Yuhuatai District, Nanjing, Jiangsu Province, the PRC	Office and commercial project	Completed	Completed	42,639	133,832	–	70,946	100%
Yuhua Salon (雨花客廳)C North	East to Ningdan Road, Yuhuatai District, Nanjing, Jiangsu Province, the PRC	Apartment and commercial project	Completed	Completed	48,825	189,193	–	68,707	100%
Xiangti Villa (香醍名邸)Phase 2	At the intersection of Tuanbo Avenue and Daminghu Road, Tuanbo West District, Tuanbo New City, Jinghai County, Tianjin, the PRC	Residential project	Not yet commence construction	Third quarter of 2025	30,932	–	–	–	80%
Xiangti Villa (香醍名邸)Phase 3A	Intersection of Tuanbo Avenue and Daminghu Road, Tuanbo West District, Tuanbo New City, Jinghai County, Tianjin, the PRC	Residential project	Completed	Completed	6,644	5,585	–	–	80%
Xiangti Villa (香醍名邸)Phase 3B	Intersection of Tuanbo Avenue and Daminghu Road, Tuanbo West District, Tuanbo New City, Jinghai County, Tianjin, the PRC	Residential project	Under construction	Second quarter of 2024	35,521	–	69,448	383	80%
Xiangti Villa (香醍名邸)Phase 4	Intersection of Tuanbo Avenue and Daminghu Road, Tuanbo West District, Tuanbo New City, Jinghai County, Tianjin, the PRC	Residential project	Completed	Completed	28,459	22,758	–	18,625	80%
					257,042	512,035	69,448	218,961	

(b) Investment properties

As at 31 December 2022, the investment properties of the Group mainly included Wonder City*(虹悅城), certain units of Yuhua Salon*(雨花客廳), Liuhe Happy Plaza Project *(六合歡樂廣場項目), Nantong Youshan Meidi Garden Project*(南通優山美地花園項目), Huitong Building Project*(匯通大廈項目), Zhenjiang Youshan Meidi Garden Project*(鎮江優山美地花園項目)and Weihai Project*(威海項目).

	Address	Existing use	Term of contract	GFA *(sq.m.)*	Interest attributable to the Group
Nanjing					
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%
Yuhua Salon(雨花客廳) (certain units)	No. 119 Ruanjian Avenue, Yuhuatai District, Nanjing, Jiangsu Province, the PRC	Office and shopping mall	Medium-term covenant	85,338	100%
Yuhua Salon(雨花客廳) (certain units)	No. 119 Ruanjian Avenue, Yuhuatai District, Nanjing, Jiangsu Province, the PRC	Car park	Medium-term covenant	2,704	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	Medium-term covenant	18,529	100%
Liuhe Happy Plaza Project* (六合歡樂廣場)(certain units)	No. 52-71 Longjinlu Liuhe District, Nanjing, Jiangsu Province, the PRC	Car park	Medium-term covenant	1,628	100%
Nantong					
Nantong Youshan Meidi Garden Project (南通優山美地花園項目)	No. 1888, Xinghu Avenue, Nantong, Jiangsu Province, the PRC	Commercial	Medium-term covenant	20,876	100%
Huitong Building Project (匯通大廈項目)	No. 20, Zhongxiu Street, Nantong, Jiangsu Province, the PRC	Commercial	Medium-term covenant	20,461	100%
Zhenjiang					
Zhenjiang Youshan Meidi Garden Project (鎮江優山美地花園項目)	At the cross of Guyang North Road and Yushan North Road, Jingkou District, Zhenjiang, Jiangsu Province, the PRC	Commercial	Medium-term covenant	10,085	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%
				266,698	

(c) Green building services and entrusted construction services

During the Year 2022, the Group engaged in provision of technical design and consulting services, green management services and entrusted construction services in the PRC. During the Year 2022, the revenue from both green building services and entrusted construction services was approximately RMB2,017,000 (2021: RMB5,349,000).

(2) Tourism business

During the Year 2022, the Group has gradually developed its tourism business, with an industrial layout that combines investment and businesses and an integration of long-term and short-term initiatives. The tourism property projects currently being invested and held by the Group include the Laguna project in Queensland, Australia, the Sheraton project in Australia and Five Seasons Hotel project.

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, 6 restaurants and bars, and an 18-hole golf course, with a total land lot site area of approximately 1,108,297 sq.m., and a total GFA of approximately 62,328 sq.m. During the Year 2022, the surge in travel for the year also led to a number of sales records for Sheraton Hotel. The annual EBITDA was AUD 12 million, annual average occupancy was 79% and annual average room rate was AUD 433, all three of which placed the hotel in first place over its competitors.

During the Year 2022, Nanjing Five Seasons Hotel is located in the Software Valley, Nanjing City, Jiangsu Province, the PRC with a land lot site area of 30,416.26 sq.m. and a total GFA of 81,380 sq.m. During the Year 2022, Building 9 and Building 6 of the hotel have been put into full operation.

(3) Investment and financial services business

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

During the Year 2022, this segment recorded a profit of approximately RMB1,013,898,000 (2021: loss of RMB99,836,000). The significant changes was mainly derived from the reversal of impairment losses recognised for certain financial assets upon collection of default loans during the Year 2022. The net reversal of impairment losses recognised for loan receivables for the Year 2022 was approximately RMB1,100,802,000 (2021: impairment losses of RMB74,200,000).

(a) Listed equity investments held for trading

The portfolio of listed equity investments of the Group held for trading as at 31 December 2022 and 31 December 2021 is set out as below:

As at 31 December 2022

Stock code	Name	Number of shares held *(Note 2)*	Effective shareholding interest	Acquisition cost *RMB'000*	Carrying amount *RMB'000*	Unrealised holding gain/(loss) arising on revaluation for the year *RMB'000*	Realised gain/(loss) arising from the disposal for the year *RMB'000*	Dividend received/ receivable for the year *RMB'000*
153.HK *(Note 1)*	China Saite Group Company Limited *(Note 3)*	**190,120,000**	**6.29%**	**88,646**	**–**	**(18,104)**	**–**	**–**
2098.HK *(Note 1)*	Zall Smart Commerce Group Ltd ("**Zall Group**")	**80,000,000**	**0.65%**	**31,137**	**28,269**	**(3,636)**	**–**	**–**
1708.HK *(Note 1)*	Nanjing Sample Technology Company Limited	**10,000,000**	**1.26%**	**50,641**	**41,608**	**(12,411)**	**–**	**–**
					69,877	**(34,151)**	**–**	**–**

Notes:

1. All of the above companies are listed companies on the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**")

2. All of the shares held by the Group are ordinary shares of the relevant company.

3. China Saite Group Company Limited was delisted by the Stock Exchange with effect from 16 November 2022. Based on the latest financial information of China Saite Group Company Limited available to public, it is assessed that these shares have no residual value.

As at 31 December 2021

Stock code	Name	Number of shares held *(Note 2)*	Effective shareholding interest	Acquisition cost *RMB'000*	Carrying amount *RMB'000*	Unrealised holding gain/(loss) arising on revaluation for the year *RMB'000*	Realised gain/(loss) arising from the disposal for the year *RMB'000*	Dividend received/ receivable for the year *RMB'000*
153.HK *(Note 1)*	China Saite Group Company Limited	190,120,000	6.29%	88,646	16,131	–	–	–
2098.HK *(Note 1)*	Zall Group *(Note 3)*	–	0%	–	–	(59)	–	–
1708.HK *(Note 1)*	Nanjing Sample Technology Company Limited	–	0%	–	–	–	985	–
					16,131	(59)	985	–

Notes:

1. All of the above companies are companies listed companies on the Stock Exchange.

2. All of the shares held by the Group are ordinary shares of the relevant company.

3. During the Year 2021, the Company completed disposal of entire interest in a subsidiary holding shares of Zall Group, hence as at 31 December 2021, the Group did not hold any shares of Zall Group.

(b) Other investments

Apart from the above listed equity investments, the Group also held unlisted equity investments. Certain material unlisted equity investments of the Group classified as financial assets at fair value through other comprehensive income as at 31 December 2022 and 31 December 2021 are set out as below:

As at 31 December 2022

Name of investee	**Cost of investment** *RMB'000*	**Carrying amount** *RMB'000*	**Unrealised holding gain/(loss) arising on revaluation for the year** *RMB'000*	**Realised gain/(loss) arising from the disposal for the year** *RMB'000*	**Dividend received/ receivable for the year** *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	1,541,019	(401,411)	–	–
Jiangsu Minying Investment Holding Limited* ("**Jiangsu Investment**") (江蘇民營投資控股有限公司) *(Note 1)*	400,000	329,065	(14,755)	–	16,000
		1,870,084	(416,166)	–	–

Note:

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

As at 31 December 2021

Name of investee	Cost of investment	Carrying amount	Unrealised holding gain/(loss) arising on revaluation for the year	Realised gain/(loss) arising from the disposal for the year	Dividend received/ receivable for the year
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Zheshang Fund	2,000,000	1,942,431	(97,289)	–	23,604
Jiangsu Investment	800,000	743,819	(63,589)	–	–
		2,686,250	(160,878)	–	23,604

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

As at 31 December 2022 and 2021, the Group did not hold any significant investment with a value greater than 5% of the Group's total assets.

(c) Investment and financial related consulting services

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

(4) Healthcare and education business and others

During the Year 2022, the Group disposed of certain equity interests in Sparrow Early Learning Pty Ltd ("**Sparrow**"), principal activity of which is provision of early education services in Australia because it represents a good opportunity for the Group to realise a reasonable return and obtain funds while retaining a significant minority shareholding in Sparrow. The Group will continue to identify appropriate investment opportunities to inject new impetus for the sustainable development of healthcare and education businesses. The revenue of healthcare and education segment was approximately RMB9,332,000 (2021: RMB4,848,000).

(5) New Energy segment

(a) Wind gear transmission equipment

The Group is a leading supplier of wind gear transmission equipment in China, by leveraging on its strong research, design and development capabilities, our technology have reached an internationally advanced technical level. The wind gear transmission equipment products of the Group are widely applied in onshore and offshore wind power. The 2MW-8MW wind gear transmission equipment products have been provided to domestic and overseas customers in bulk. During the year, the Group maintains a strong customer portfolio. Customers of our wind gear transmission equipment products include the major wind turbine manufacturers in the PRC, as well as the renowned international wind turbine manufacturers such as GE Renewable Energy, Siemens Gamesa Renewable Energy, Suzlon and Doosan.

(b) Industrial gear transmission equipment

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

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

(c) Rail transportation gear transmission equipment

The Group's rail transportation gear transmission equipment products are widely used in the rail transportation fields such as high-speed rails, metro lines, urban trains and trams. The Company has established long-term cooperative relationships with many well-known domestic and foreign companies in the industry. The Group has obtained ISO/TS 22163 Certificate for the Quality Management System of International Railway Industry for its rail transportation gear transmission equipment products, which has laid a solid foundation for further expansion in the international rail transportation market. Currently the products have been successfully applied to rail transportation transmission equipment in many Chinese cities, such as Beijing, Shanghai, Shenzhen, Nanjing, Hong Kong and Taipei, and have also been successfully applied to rail transportation transmission equipment in various countries and regions such as Singapore, Brazil, Netherlands, India, Mexico, Tunisia, Australia, Canada, France, Spain, Romania and Tanzania. With optimized gearbox design technology, excellent sealing technology and effective control of the production process, the Company's rail transportation gear transmission equipment products are more environmental-friendly, and the products are well received by users.

(d) Trading business

The trading business of the Group mainly comprises trading business of bulk commodities and trading business in steel industrial chain. The bulk commodity trading business mainly involves the procurement and wholesale of refined oil and electrolytic copper. The trading business in steel industrial chain mainly involves, among others, the procurement and wholesale of raw coal and coke, being upstream raw materials of steel, and the procurement and wholesale of steel. The Group's trading business in steel industrial chain make use of the core resources in the trade system of steel industrial chain as a cut-in point to develop the trading business system of the steel industrial chain. At present, the Group has completed the initial integration of resources of the steel industrial from upstream raw materials to special steel, which promotes the development of the trading business.

PROSPECT

In 2023, the Group will pursue steady growth on existing business segments, combine with the layout of the big healthcare industry, pay close attention to the market, especially the domestic high-quality big healthcare projects, and invest with a cautious attitude. At the same time, resource operation and integration will be carried out on the resource side and platform side of self-operation, equity participation and cooperation in order to achieve a considerable comprehensive return. The Group firmly believes that a diversified business portfolio can bring sustainable and stable revenue, and that the synergies between the businesses will be fully utilized, thus laying a solid foundation for the Group's development.

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

FINANCIAL REVIEW

Revenue

The revenue of the Group from the continued operations increased by approximately RMB932,829,000, or 4%, from approximately RMB20,785,542,000 for the Year 2021 to approximately RMB21,718,371,000 for the Year 2022. The revenue from the continued operations and the changes for the Year 2022 and Year 2021 derived from different segments are listed as below:

Segment	**Year 2022**	Year 2021	**Changes**	
	RMB'000	*RMB'000*	***RMB'000***	**percentage**
Properties	**225,713**	312,719	**(87,006)**	**(28%)**
Tourism	**397,495**	245,425	**152,070**	**62%**
Investment and financial services	**6,177**	12,024	**(5,847)**	**(49%)**
Healthcare, education and others	**9,332**	4,848	**4,484**	**92%**
New Energy	**21,079,654**	20,210,526	**869,128**	**4%**
Total Revenue	**21,718,371**	20,785,542	**932,829**	**4%**

The increase of the revenue of the Group mainly derived from new energy segment which contributed the largest increment to the revenue of the Group amounts to approximately RMB869,128,000. It was mainly due to the increase in deliveries of wind gear transmission equipment.

The revenue from tourism segment increased by approximately RMB152,070,000. It is because during the Year 2022, the gradual normalisation of the life of Australian citizen after the outbreak of COVID-19 pandemic continuously contributed to the increase in the demand for staycation locally. As a result, the revenue increased in the Year 2022.

The revenue from properties segment decreased by approximately RMB87,006,000 mainly because fewer property units were sold in the Year 2022.

Cost of sales and services

The cost of sales and services of the Group from the continued operations increased by approximately RMB913,280,000, or 5%, from approximately RMB17,490,747,000 for the Year 2021 to approximately RMB18,404,027,000 for the Year 2022. The cost from the continuing operations and the changes for the Year 2022 and Year 2021 derived from different segments are listed as below:

Segment	**Year 2022**	Year 2021	**Changes**	
	RMB'000	*RMB'000*	***RMB'000***	**percentage**
Properties	**262,257**	203,903	**58,354**	**29%**
Tourism	**302,636**	242,854	**59,782**	**25%**
Investment and financial services	**518**	1,369	**(851)**	**(62%)**
Healthcare, education and others	**6,675**	3,324	**3,351**	**101%**
New energy	**17,831,941**	17,039,297	**792,644**	**5%**
Total cost	**18,404,027**	17,490,747	**913,280**	**5%**

Gross profit and gross profit margin

The gross profit of the Group from the continuing operations increased slightly by approximately RMB19,549,000, or 1%, from approximately RMB3,294,795,000 in the Year 2021 to approximately RMB3,314,344,000 for the Year 2022. The gross profit margin decreased from 16% in the Year 2021 to 15% for the Year 2022. The gross profit of the Group was mainly derived from new energy segment. The gross profit and gross profit margin for the Year 2022 derived from new energy segment was approximately RMB3,247,713,000 and 15% (Year 2021: 3,171,229,000 and 16%) respectively. The increase in gross profit of new energy segment was mainly due to increase in revenue. While the decrease in gross profit margin was mainly due to the decreased sales price and increased costs of wind and industrial transmission equipment.

Selling and distribution expenses

Selling and distribution expenses of the Group from the continuing operations increased by approximately RMB46,940,000, or 9%, from approximately RMB512,769,000 in the Year 2021 to approximately RMB559,709,000 for the Year 2022. The selling and distribution expenses mainly comprised of product packaging expenses, transportation expenses, staff costs and business expenses. The increase in selling and distribution expenses in the Year 2022 was mainly in line with the increase in revenue from new energy segment.

Administrative expenses

Administrative expenses of the Group from the continuing operations increased by approximately RMB56,137,000, or 7%, from approximately RMB831,729,000 in the Year 2021 to approximately RMB887,866,000 for the Year 2022. The administrative expenses for the Year 2022 mainly included salaries and staff welfare, depreciation and amortization of tangible and intangible assets.

Research and development costs

Research and development costs of the Group increased by approximately RMB77,034,000, or 12%, from approximately RMB667,782,000 in the Year 2021 to approximately RMB744,816,000 for the Year 2022. 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 reversal of/(provision for) impairment losses on the financial assets

A net reversal of impairment loss of RMB990,838,000 on the financial assets and financial guarantee contracts of the Group was noted in the Year 2022 as compared with the net impairment loss of RMB85,878,000 was recognised in the Year 2021. A significant net impairment losses has been recognised in previous years due to the increment of the expected loss rate of loans and other receivables in view of delayed repayments and continuous worsening financial status of certain borrowers or debtors. During the Year 2022, with the continuous efforts of the management, certain debtors repaid the overdue balances which had been impaired and accordingly, a net reversal of impairment loss was recognised.

Other income

Other income increased by approximately RMB1,970,000, or 0.5%, from approximately RMB428,415,000 in the Year 2021 to approximately RMB430,385,000 for the Year 2022. Other income for the Year 2022 mainly included bank, extension and other interest income of approximately RMB210,334,000, government grants of approximately RMB67,334,000 and sales of scraps and materials of approximately RMB63,713,000. Other income in the Year 2021 mainly included bank, extension and other interest income of approximately RMB203,017,000, government grants of approximately RMB70,311,000 and sales of scraps and materials of approximately RMB63,302,000.

Net fair value change in financial instruments

The Group recorded a loss on change in fair value of financial instruments of approximately RMB917,050,000 and RMB1,812,574,000 in the Year 2022 and Year 2021 respectively. The fair value change was mainly derived from derivative financial instruments in respect of a forward contract to acquire an entity, principal activity of which is engaged in tourism business. During the Year 2022, the strict measures against COVID-19 in the PRC affected the tourism business seriously. Accordingly, the valuation of the entity prior to the acquisition by the Group was further reduced.

Other losses/gain – net

During the Year 2022, other gains included net exchange gains of approximately RMB200,387,000. However, the other gains was offset by other losses which mainly included waiver of interest on loan receivables of approximately RMB73,711,000 and impairment losses recognised for prepayments of approximately RMB41,896,000.

During the Year 2021, other gains included gains on disposal of subsidiaries amounting to RMB217,989,000. The gain was mainly attributable to the release of exchange reserve which was derived from translation of overseas subsidiary. In addition, it included impairment losses recognised for certain property, plant and equipment of approximately RMB82,232,000 and net exchange losses of approximately RMB178,680,000.

Finance costs

Finance costs of the Group from the continuing operations increased significantly by approximately RMB419,804,000, or 93%, from approximately RMB452,375,000 in the Year 2021 to approximately RMB872,179,000 for the Year 2022, which was mainly due to the accrued interest of approximately RMB214,175,000 incurred arising from the put option liability in connection with the disposal (the "**Disposal**") of 43% equity interest in Nanjing High Speed Gear Manufacturing Co., Ltd.* (南京高速齒輪製造有限公司), a subsidiary of the Group, during the Year 2022 and more average borrowing amount of the Group for the Year 2022 than in the Year 2021.

Share of result of joint ventures and associates

The Group's share of loss from its joint ventures and associates decreased significantly by approximately RMB1,318,581,000, from approximately RMB1,393,979,000 in the Year 2021 to approximately RMB75,398,000 for the Year 2022. It is mainly due to the full impairment loss recognised in the Year 2021 for two associates, of which the controlling shareholder is China Evergrande Group. In view of material uncertainty about their financial positions, the management recognised full impairment for the Group's carrying value of these associates of approximately RMB1,363,268,000. No such impairment was recognised in the Year 2022.

Income tax expense

For the Year 2022, the current tax expense and the deferred tax credit of the Group amounted to approximately RMB641,650,000 and RMB194,044,000 respectively, and in the Year 2021, the current tax expense and the deferred tax credit amounted to approximately RMB327,894,000 and RMB55,745,000, respectively.

The increase in current tax expense in Year 2022 was mainly because the income tax expenses of approximately RMB315,140,000 incurred arising from the Disposal during the Year 2022, although less profits was generated by new energy segment.

Discontinued operations

For the Year 2022, the Group disposed of a subsidiary which represented a separate major line of education business in Australia and was classified as a discontinued operation even though the Group still holds a shareholding of the entity which has significant influence. A profit of approximately RMB141,573,000 was recognised for the Year 2022 representing (i) a one-off gain amounted to approximately RMB139,319,000 recognised upon the deconsolidation and (ii) profits generated from the subsidiary amounted to approximately of RMB2,254,000.

Profit/Loss for the Year 2022

In the Year 2022, the Group recorded a profit after tax of approximately RMB408,696,000 while in the Year 2021, the Group recorded a loss after tax of approximately RMB2,335,758,000. The operating performance for the Year 2022 was less satisfying mainly due to the decrease in operating profits from new energy segment. In addition, the Disposal resulted in recognition of significant tax expenses and interest accruals. Accordingly, the contribution from the new energy segment decreased significantly during the Year 2022. Also, there was a significant fair value loss recognised on derivative financial instruments in respect of a forward contract. However, the continuous repayment of overdue loan receivables which were impaired in previous years contributed a significant reversal of impairment loss, which offset the negative impacts brought from new energy segment and derivative instruments. Moreover, a significant impairment was recognised for two associates in the Year 2021 and no such impairment was recognised in the Year 2022.

LIQUIDITY, FINANCIAL RESOURCES AND GEARING RATIO

For the Year 2022, the Group financed its operations and investments mainly by internally generated funds and debt financing.

Cash position

As at 31 December 2022, the Group had cash and cash equivalents (excluding the restricted cash) of approximately RMB4,533,808,000 (31 December 2021: RMB3,473,102,000), representing an increase by approximately RMB1,060,706,000 or 31% as compared to 31 December 2021. The Group's cash and cash equivalents remain stable. The Group regularly and closely monitors its funding and treasury position to meet the funding requirements of the Group.

Bank and other borrowings and corporate bonds

As at 31 December 2022, the debt profile of the Group was analysed as follows:

	As at 31 December 2022 *RMB'000*	As at 31 December 2021 *RMB'000*
Bank and other borrowings repayable:		
Within one year or on demand	**8,608,849**	7,357,209
Between one and two years	**1,239,425**	1,078,716
Between two to five years	**1,142,332**	811,113
Over five years	**1,929,456**	47,043
Total debts	**12,920,062**	9,294,081

As at 31 December 2022, the total debt of the Group increased by approximately 3,625,981,000 or 39%, as compared with 31 December 2021.

Leverage

The gearing ratio of the Group as at 31 December 2022, calculated as a ratio of the sum of bank and other borrowings and corporate bonds to total assets, was approximately 23% (31 December 2021: 20%). The net equity of the Group as at 31 December 2022 was approximately RMB18,120,248,000 (31 December 2021: approximately RMB17,995,855,000).

As at 31 December 2022, the Group recorded total current assets of approximately RMB33,959,429,000 (31 December 2021: RMB24,751,821,000) and total current liabilities of approximately RMB30,181,512,000 (31 December 2021: RMB23,147,896,000). The current ratio of the Group, calculated by dividing total current assets by total current liabilities, was about 1.1 as at 31 December 2022 (31 December 2021: 1.1).

FOREIGN EXCHANGE EXPOSURE

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

TREASURY POLICIES

As at 31 December 2022, bank and other borrowings of approximately RMB12,143,445,000, RMB531,638,000, nil and RMB244,979,000 (31 December 2021: RMB8,144,297,000, RMB880,461,000, RMB18,189,000 and RMB251,134,000) were denominated in RMB, US dollars, Hong Kong dollars and Australia dollars respectively. The debts in various currencies were mainly made to finance the operation of Group's entities in different jurisdictions.

Bank and other borrowings of approximately RMB6,949,171,000 (31 December 2021: RMB6,958,317,000) were at fixed interest rates, the remaining balances were either at variable rates or non-interest bearing. Cash and cash equivalents held by the Group were mainly denominated in RMB, Hong Kong and Australia dollars. The Group currently does not have foreign exchange and interest rate hedging policies. However, the management of the Group monitors the foreign exchange and interest rate exposure from time to time and will consider hedging significant foreign exchange and interest rate exposure if needed.

PLEDGE OF ASSETS

Details of the Group's pledged assets as at 31 December 2022 are set out in note 24 to the consolidated financial information attached to this announcement.

OPERATING SEGMENT INFORMATION

Details of the operating segment information of the Group for the Year 2022, are set out in note 4 to the consolidated financial information attached to this announcement.

CAPITAL COMMITMENTS

Details of the capital commitments of the Group as at 31 December 2022 are set out in note 23 to the consolidated financial information attached to this announcement.

CONTINGENT LIABILITIES

Details of contingent liabilities of the Group as at 31 December 2022 are set out in note 22 to the consolidated financial information attached to this announcement.

SUBSEQUENT EVENTS

There are no material subsequent events occurred subsequent to 31 December 2022.

MATERIAL ACQUISITIONS AND DISPOSALS

To expand the scale of operations and improve the quality of the assets of the Group, the Group conducted the following material disposals in the Year 2022:

(1) Nanjing Gear Enterprise Management Co., Ltd.* (南京高齒企業管理有限公司)(an indirect wholly-owned subsidiary of CHS, which in turn is an indirect non-wholly owned subsidiary of the Company, as vendor) (the "**Vendor**") and Nanjing High Speed Gear Manufacturing Co., Ltd.* (南京高速齒輪製造有限公司)(a direct non-wholly owned subsidiary of the Vendor, as target company) (the "**Target Company**") (i) entered into an equity transfer agreement (the "**Equity Transfer Agreement**") with Shanghai Wensheng Asset Management Co., Ltd. (上海文盛資產管理股份有限公司)(as purchaser, the "**Purchaser**") on 30 March 2021, and (ii) entered into a supplemental agreement to the Equity Transfer Agreement with the Purchaser and Shanghai Qiwo Enterprise Management Partnership (Limited Partnership)* (上海其沃企業管理合夥企業(有限合夥))on 15 July 2021, pursuant to which the Vendor agreed to sell and the Purchaser agreed to purchase 43% equity interest in the Target Company at a consideration of RMB4,300,000,000 (the "**NHS Disposal**").

The NHS Disposal was completed on 4 March 2022. Following the NHS Disposal, the Target Company continues to be an indirect non-wholly owned subsidiary of the Company and its financial results continues to be consolidated with financial results of the Group.

Details of the NHS Disposal were set out in the joint announcements made by the Company and CHS dated 30 March 2021, 30 April 2021, 21 May 2021, 15 July 2021, 15 October 2021 and 4 March 2022, the circular of the Company dated 26 May 2021 and the circular of CHS dated 26 May 2021, respectively.

(2) On 28 January 2022, Five Seasons XIX Pte. Ltd. ("**Five Seasons XIX**"), a wholly-owned subsidiary of the Company, and Sparrow Early Learning Holdings Pty Ltd. (the "**Sparrow Early Learning Holdings**"), among others, entered into a share sale and implementation agreement, pursuant to which, Five Seasons XIX conditionally agreed to dispose and Sparrow Early Learning Holdings conditionally agreed to purchase approximately 72.71% equity interest of Sparrow Early Learning Pty Ltd. ("**Sparrow**", a non-wholly owned subsidiary of the Company as at the date of the said agreement) at a consideration of AUD69,000,000 (the "**Sparrow Disposal**").

The Sparrow Disposal was completed on 18 March 2022. Following the Sparrow Disposal, Sparrow is no longer a subsidiary of the Company and its financial results will no longer be consolidated into the financial statements of the Group.

Details of the Sparrow Disposal were set out in the announcements of the Company dated 28 January 2022 and 18 March 2022, respectively.

In the Year 2022, save as disclosed above, the Group did not have any other material acquisition or disposal of subsidiaries, associates or joint ventures.

DIVIDEND

The Board has resolved not to declare a dividend for the year ended 31 December 2022.

EMPLOYEES

As at 31 December 2022, the Group had 8,448 employees (31 December 2021: 8,420 employees). The Group's total staff costs (including executive directors' remuneration) amounted to approximately RMB1,968,592,000 in the Year 2022 (Year 2021: approximately RMB1,864,222,000). 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. The Group has also adopted a share option scheme and a share award scheme to promote the implementation of enterprise culture of co-creation and co-sharing and procure the core employees of the Company to focus on long-term operation performance, as well as to attract, retain and impel core talents.

AUDIT COMMITTEE

The Company established an audit committee (the "**Audit Committee**") with written terms of reference in compliance with the Corporate Governance Code (the "**CG Code**") as set out in Appendix 14 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 Audit Committee has reviewed the audited consolidated financial information of the Group for the Year 2022.

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 of the Company or its subsidiaries during the Year 2022.

SCOPE OF WORK OF BAKER TILLY HONG KONG LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and related notes thereto for the Year 2022 as set out in this announcement have been agreed with the Group's auditor, Baker Tilly Hong Kong Limited ("**Baker Tilly**"), which is consistent with the figures set out in the Group's audited consolidated financial statements for the Year 2022. The work performed by Baker Tilly in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Baker Tilly on this announcement.

EXTRACT OF THE INDEPENDENT AUDITOR'S REPORT

The following is an extract of the independent auditors' report on the Group's annual consolidated financial statements in respect of qualified opinion arising from limitation of scope for the year ended 31 December 2022:

Qualified opinion

In our opinion, except for the possible effects of the matter described in the "Basis for qualified opinion" section of our report, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2022, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for qualified opinion

As disclosed in Note 24 to the consolidated financial statements, the Group holds certain equity interests in two associates, namely Changzhou Jiangheng Real Estate Development Co. Ltd.*（常州江恒房地產開發有限公司）and Yangzhou Hengfu Real Estate Development Co. Ltd.*（揚州恒富房地產開發有限公司）(collectively the "**China Evergrande Group Companies**"). Investments in China Evergrande Group Companies are accounted for under the equity method in accordance with the Group's accounting policies. During the year ended 31 December 2021, the Group recognised share of results of the China Evergrande Group Companies of RMB30,705,000 and impairment losses on investments in China Evergrande Group Companies of RMB1,363,268,000 in the consolidated statement of profit or loss and other comprehensive income. At 31 December 2021, the carrying value of investments in China Evergrande Group Companies amounted to RMB nil. No share of results from these associates or reversal of impairment losses on investments in China Evergrande Group Companies has been recognised in the Group's consolidated financial statements for the year ended 31 December 2022 based on available financial information and management's best estimates on recoverable amounts of the equity interests in the China Evergrande Group Companies.

During our audit of the Group's consolidated financial statements for the year ended 31 December 2021, the directors of the Company have represented to us that, management of the China Evergrande Group Companies refused to grant access to books and records to the Group and the supporting documents and financial information relating to the carrying amount of the investments in China Evergrande Group Companies as at 31 December 2021. Consequently, as set out in our auditor's report dated 31 March 2022 on the Group's consolidated financial statements for the year ended 31 December 2021, we qualified our opinion due to the scope limitation of audit in relation to the carrying amount of the Group's investments in associates and the corresponding share of results of the associates and impairment losses on investments in China Evergrande Group Companies.

During the year ended 31 December 2022, the Group obtained access to the books and records of China Evergrande Group Companies. In our audit process, we noted that the daily operations of China Evergrande Group, the intermediate holding company of the China Evergrande Group Companies, have been intervened and monitored by competent institutions of the local governments in the People's Republic of China and only limited information is publicly available, where certain information, including but not limited to its latest financial information and external credit rating, is not available to the public. We also understood that China Evergrande Group is currently undergoing a restructuring for operation resumption and settling the outstanding debts. Based on the public information and information made available to us, we were unable to obtain sufficient appropriate audit evidence on the recoverability of the financial assets recorded on the China Evergrande Group Companies' financial information as at 31 December 2021 and 2022. Consequently, we were unable to determine whether the (i) carrying amount of the Group's investments in associates as at 31 December 2021 and 2022, the share of results of the China Evergrande Group Companies and impairment losses on investments in associates for the years ended 31 December 2021 and 2022; and (ii) the financial information of the China Evergrande Group Companies as of and for the years ended 31 December 2021 and 2022 disclosed in Note 24 to the consolidated financial statements were free from material misstatement. Any adjustments found to be necessary in respect of the above amounts would have a consequential impact on the Group's net assets as at 31 December 2021 and 2022 and the Group's profit/loss for the years then ended.

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

ADDITIONAL INFORMATION ON THE QUALIFIED OPINION

Baker Tilly, the auditor of the Company, has issued a qualified opinion (the "**Qualified Opinion**") on the independent auditor's report on the Company's consolidated financial statements for the year ended 31 December 2022. For details of the basis of the Qualified Opinion, please refer to the section headed "Extract of the Independent Auditor's Report" on pages 54 to 55 of this announcement.

Impact on the Company's Financial Position

The Group holds certain equity interests in the China Evergrande Group Companies. The China Evergrande Group Companies are fellow subsidiaries of China Evergrande Group (a company listed on the Stock Exchange (stock code: 3333)). Nanjing Fullshare Dazu Technology Company Limited* (南京豐盛大族科技股份有限公司)("**Fullshare Dazu**"), a subsidiary of the Company, is a minority shareholder of the China Evergrande Group Companies.

The Group has made full impairment in connection with the equity interests in the China Evergrande Group Companies for the financial year ended 31 December 2021 (i.e. the Group recognised an impairment loss of RMB1,363,268,000 on the investments in associates (the "**Investments**")) with reference to a valuation analysis report on the fair value of shareholders' equity interest in the China Evergrande Group Companies issued by an independent valuer and a PRC legal opinion on the equity interest of Fullshare Dazu. The amount of net assets in the Group's consolidated statement of financial position as at 31 December 2021 has been deducted by RMB1,363,268,000 accordingly. The management of the Group (the "**Management**") is of the view that it is an one-off impact and should not have further negative impact on the Group's financial statements going forward. The Management reviewed the Group's cash flow for the next 12 months and found no significant factors affecting the Group's continuing operations.

In cases where the Group disposes of the equity interests in the China Evergrande Group Companies or the situation of China Evergrande Group improves with sufficient evidence indicating that partial or full Investments could be recovered, corresponding gains will be recognised in the consolidated statement of profit or loss and other comprehensive income of the Group.

Management's View on the Qualified Opinion

The Management concurs with the view of the Company's auditors in connection with the Qualified Opinion.

So far as the Company is aware based on publicly available information and information obtained during the communication with the China Evergrande Group Companies and their majority shareholders from 2021 to the date of this announcement:

- As disclosed in the latest available financial statement of China Evergrande Group, i.e. the 2021 interim report of China Evergrande Group, after the reporting period for the six months ended 30 June 2021, there were some negative reports in relation to China Evergrande Group circulating in the market, which caused certain adverse effects on the liquidity of China Evergrande Group.

- Since the second half year of 2021, the adverse effects on the liquidity of China Evergrande Group led to delays in payments to suppliers and of construction costs and expenses in its property development business, which resulted in the suspension of work on certain projects of China Evergrande Group, including the projects conducted by the China Evergrande Group Companies. In addition, the person who was responsible for operation management of the China Evergrande Group Companies has since been re-designated and some of the other senior management have also resigned or been re-designated. The China Evergrande Group Companies have been intervened and monitored by competent institutions of local governments since the second half of 2021.

As disclosed in the 2021 annual report of the Company, the management of the China Evergrande Group Companies refused to grant to the Company full access to the books and records and the supporting documents and financial information relating to the carrying amount of the Investments as at 31 December 2021. Due to the lack of available information, the Company's auditors were unable to obtain sufficient audit evidence regarding the carrying amount of the Investments as at 31 December 2021 and the share of results of the China Evergrande Group Companies and impairment losses on the Investments for the year ended 31 December 2021. As a result, the Company's auditors were unable to obtain sufficient audit evidence on the financial information of the China Evergrande Group Companies as of and for the year ended 31 December 2021 disclosed in the consolidated financial statements as required by relevant accounting standards.

In May 2022, Fullshare Dazu as the plaintiff filed to the People's Courts two civil litigations against the China Evergrande Group Companies as the defendant respectively for its shareholder's right to know information of the China Evergrande Group Companies (the "**Shareholder's Right Actions**"). Fullshare Dazu claimed that the China Evergrande Group Companies shall grant to Fullshare Dazu full access to the books and records and related supporting documents, and coordinate appropriately in relation to the audit of the China Evergrande Group Companies. On 1 August 2022 and 20 October 2022, the relevant court delivered judgments in favour of Fullshare Dazu, respectively. As such, the Group obtained access to the books and records of the China Evergrande Group Companies.

As disclosed in "Basis for qualified opinion" paragraph, due to the daily operations of China Evergrande Group, the intermediate holding company of the China Evergrande Group Companies, have been intervened and monitored by competent institutions of the local governments in the People's Republic of China and only limited information is publicly available, together with the possible outcome from the restructuring, the Company's auditors were unable to obtain sufficient appropriate audit evidence on the recoverability of the financial assets recorded on the China Evergrande Group Companies' financial information as at 31 December 2021 and 2022. Consequently, they were unable to determine whether the (i) carrying amount of the Group's investments in associates as at 31 December 2021 and 2022, the share of results of the China Evergrande Group Companies and impairment losses on investments in associates for the years ended 31 December 2021 and 2022; and (ii) the financial information of the China Evergrande Group Companies as of and for the years ended 31 December 2021 and 2022 disclosed in the notes to the consolidated financial statements were free from material misstatement. As a result, the qualified opinion cannot be removed for the year ended 31 December 2022.

Audit Committee's View on the Qualified Opinion

The Audit Committee reviewed the details of the Investments and the action plan proposed by the Management in relation to recovering the Investments, and also had discussion and confirmed with the auditors that the Qualified Opinion was only in relation to the Investments. Based on the information available, the Audit Committee agrees with the auditors' Qualified Opinion.

The Audit Committee also reviewed and concurred with the Management's view with respect to the Qualified Opinion and is also of the view that the Management should continue its efforts in implementing the actions and measures set out in the action plan with the intention of removing the Qualified Opinion.

Action Plan of the Company to Address the Qualified Opinion

The Company has strived to take various steps and measures to address the Qualified Opinion such as the Shareholder's Right Actions. The actions and proposed action plan of the Company to address the Qualified Opinion are set out as follows:

(a) The Company continues conversation with the China Evergrande Group Companies with an aim for their cooperation on the audit.

(b) The Company continues its efforts in implementing supplementary actions and measures with the intention of removing the Qualified Opinion and protecting shareholders' benefits.

(c) The Company continues to explore the possibility of disposal of the China Evergrande Group Companies by various approaches, including but not limited to offering in open market and exploring potential purchasers through inquiry. As of the date of this announcement, the Company has not identified any potential purchaser for the disposal.

After taking into account the Company's action plans, it is expected that the Qualified Opinion will be removed in the following schedules based on the potential outcomes of the relevant action plans:

(a) No disposal of China Evergrande Group Companies

If the Company could reach an agreement with China Evergrande Group after the conversation by the action plan (a) in the year ending 31 December 2023 ("**Year 2023**") in relation to full access of books and records and financial information of China Evergrande Group Companies and the Company's auditors could assess the carrying amounts of the Investments as at 31 December 2021 and 2022, the Company and the auditors are of the view that the Qualified Opinion would be removed in Year 2023.

If the financial information of China Evergrande Group Companies in the years ended 31 December 2021 and 2022 could not be provided, but sufficient appropriate audit procedures could be performed for the carrying amounts of the Investments in Year 2023, the Company and the auditors are of the view that the Qualified Opinion would be removed in the year ending 31 December 2025 ("**Year 2025**") as the income statement figures relating to the two associates in the 2023 financial statements would still contribute a qualified opinion while the comparative figures in 2024 financial statements would also result in a qualified opinion. Details are set out as follows:

(i) 2023 annual report: the auditors is unable to conclude whether the share of results of the associates for the year ended 31 December 2021 and 2022 and the carrying amounts of the associates as at 31 December 2022 are fairly stated. Since the opening balance brought forward may not be fairly stated, the share of results of the associates may not be correct as well even the ending balance is correct. Therefore, qualified opinion would be issued for the comparative figure on the share of results of the associates for the year ended 31 December 2022 and carrying amounts of the associates as at 31 December 2022, and share of results of the associates for the year ending 31 December 2023;

(ii) 2024 annual report: qualified opinion would be issued for comparative figures for the share of results of the associates for the year ending 31 December 2023;

(iii) 2025 annual report: no more qualified opinion would be required as the comparative figures are for the year ending 31 December 2024 ("**Year 2024**"). No qualified opinion will be issued in the 2025 annual report for the figures for the year ending 31 December 2024.

(b) Disposal of China Evergrande Group Companies in Year 2023

If the Company is able to dispose of the two associates at an appropriate consideration in Year 2023 by the action plan (c), and further audit evidence related to carrying amounts of the Investments as at 31 December 2021 and 2022 could be obtained, the Company and the auditors are of the view that the Qualified Opinion would be removed in Year 2023.

If the Company is able to dispose of the two associates at an appropriate consideration in Year 2023 by the action plan (c), but no further audit evidence related to carrying amounts of the Investments as at 31 December 2021 and 2022 could be obtained, the Company and the auditors are of the view that the Qualified Opinion would be removed in Year 2025 as it would expect the disposal gain/loss in the year ending 31 December 2023 would result in a qualified opinion while the 2023 comparative figures for the disposal gain/loss would still result in a qualified opinion in the year ending 31 December 2024. Details are set out as follows:

(i) 2023 annual report: the auditors are unable to conclude whether the carrying amounts of the associates as at 31 December 2021 and 2022 are fairly stated. Since the opening balance brought forward may not be correct, the gain/loss on disposal of the associates calculated based on opening balance brought forward may not be correct as well. Therefore, qualified opinion would be issued for comparative figure on the share of results of the associates for the year ended 31 December 2022 and carrying amounts of the associates as at 31 December 2022, gain/loss on disposal of associates for the year ending 31 December 2023, and share of results of the associates for the year ending 31 December 2023 immediately before the disposal;

(ii) 2024 annual report: qualified opinion would be issued for comparative figures for the gain/loss on disposal of the associates for the year ending 31 December 2023, and share of results of the associates for the year ending 31 December 2023 immediately before the disposal;

(iii) 2025 annual report: no more qualified opinion would be required as the comparative figures are Year 2024. No qualified opinion will be issued in the 2025 annual report for the figures for the year ending 31 December 2024.

The Company will continue to actively monitor the development of this matter and maintain ongoing communication with its auditors with the intention to remove the Qualified Opinion as soon as practicable.

CORPORATE GOVERNANCE CODE

The Company is committed to maintaining a high standard of corporate governance. The Board believes that a high standard of corporate governance provides a framework and solid foundation for the Group to manage business risks, enhance transparency, maintain a high standard of accountability and protect interests of the shareholders and other stakeholders of the Company.

The Company has applied the principles and complied with the code provisions of the CG Code during the Year 2022 except for the following deviation:

Under the Code Provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. During the Year 2022, the positions of chairman and chief executive officer (the "**CEO**") of the Company were held by Mr. Ji Changqun ("**Mr. Ji**"). The Board believes that the holding of both positions of chairman and CEO by the same individual allows more effective planning and execution of business strategies. In addition, the Board is of the view that the balanced composition of the executive and independent non-executive Directors on the Board and the various committees of the Board in overseeing different aspects of the Company's affairs would provide adequate safeguards to ensure a balance of power and authority. The Board will review regularly to consider that this structure will not impair the balance of power and authority between the Board and the management of the Group.

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 10 to the Listing Rules as its own code of conduct regarding the securities transactions by the Directors. All Directors have confirmed, following a specific enquiry by the Company, that they have complied with the required standard as set out in the Model Code throughout the Year 2022.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement has been published on the website of the Stock Exchange, www.hkexnews.hk, and the website of the Company, www.fullshare.com. The annual report for the Year 2022 will be despatched to the shareholders of the Company and published on the above-mentioned websites in due course.

By Order of the Board
Fullshare Holdings Limited
Ji Changqun
Chairman

Hong Kong, 31 March 2023

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 purpose only*