Zall Smart Commerce Group Ltd.

卓爾智聯集團有限公司

(Incorporated in the Cayman Islands with limited liability)

2026 INTERIM REPORT

Stock Code: 2098.HK

About Zall Smart Commerce Group Ltd.

Zall Smart Commerce Group Ltd. (the "**Company**" or "**Zall Smart**", together with its subsidiaries, the "**Group**") is committed to becoming the world's leading digital trade platform. Based on the two major trading scenarios of commodities and wholesale market, the Group constructs and operates B2B trading platforms for consumer goods, agricultural products, iron and steel, chemical plastic, cross-border trading, etc., providing partners with diversified and full-ranged trading services as well as supply chain services including logistics, warehousing, financial, and information services. The Group taps into the "New Mode of Trading" and leverages digital technologies such as big data, artificial intelligence and blockchain to construct the "B2B trading service + supply chain service + digital technology cloud service" system, with a view to facilitating enterprises on cost reduction, increasing efficiency, and further boosting the synergy of, among others, transaction efficiency, warehousing, logistics and capital efficiency.

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Corporate **Information**

DIRECTORS

Executive Directors	Mr. Yan Zhi *(Chairman and Co-chief executive officer)* Dr. Gang Yu Mr. Qi Zhiping *(Co-chief executive officer)* Mr. Yu Wei Ms. Fan Xiaolan
Independent Non-executive Directors	Mr. Cheung Ka Fai Mr. Wu Ying Mr. Zhu Zhengfu
Registered Office	Cricket Square Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
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Principal Place of Business in Hong Kong	Suite 601, 6/F Tower 1, Lippo Centre 89 Queensway Admiralty Hong Kong
Audit Committee	Mr. Cheung Ka Fai *(Chairman)* Mr. Wu Ying Mr. Zhu Zhengfu
Nomination Committee	Mr. Wu Ying *(Chairman)* Mr. Yan Zhi Ms. Fan Xiaolan Mr. Cheung Ka Fai Mr. Zhu Zhengfu
Remuneration Committee	Mr. Zhu Zhengfu *(Chairman)* Mr. Qi Zhiping Mr. Wu Ying

Corporate **Information (continued)**

Risk Management Committee	Mr. Zhu Zhengfu *(Chairman)* Mr. Cheung Ka Fai Mr. Qi Zhiping
Company Secretary	Ms. Tan Huali
Company Website	http://www.zallcn.com/
Authorised Representatives	Mr. Qi Zhiping Ms. Tan Huali
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Principal Share Registrar and Transfer Office	Suntera (Cayman) Limited Suite 3204, Unit 2A, Block 3 Building D, P.O. Box 1586 Gardenia Court, Camana Bay Grand Cayman, KY1-1100 Cayman Islands
Legal Advisors	P. C. Woo & Co. Sidley Austin
Principal Bankers	China Construction Bank China Mingsheng Bank China Resources Bank of Zhuhai China Everbright Bank

Management Discussion **and Analysis**

BUSINESS REVIEW

Consumer product-focused wholesale trading

The Group's core project, North Hankou International Trade Center ("**North Hankou**"), had 32 large comprehensive clusters of specialized markets covering, among other things, branded clothing, small merchandise, hotel supplies, and secondhand vehicles. It had built commercial featured towns such as Flavor Town, Automobile Town and Flower Town, modern supply chain projects such as New Textile Wharf and Fisherman's Wharf, and commercial theme zones including Hankou Town, Universal Town, Wuhan 1980, Carnival Theme Park and the Coffee Street, and has established an efficient collaborative development model of "leading by major markets, supported by specialized markets, and driven by featured markets". North Hankou has grown into the only ultra-large integrated commercial market located in a provincial capital in China, and the largest-sized modern commercial logistics hub with the transaction value remaining ranking among the top three nationwide.

In the first half of 2026, North Hankou continued to deepen innovative transformation by focusing on three major strategic objectives: a nationally leading supply chain management center, world shopping park and business service-oriented national logistics hub. The Government Work Report of Hubei Province explicitly stated that "hosting Wuhan Commodities Fair to a high standard" was a key strategic initiative for accelerating the development of a new highland for inland opening-up. With the approval of the Hubei Provincial People's Government and the formal endorsement of the Leading Group of China (Hubei) Pilot Free Trade Zone, North Hankou, as the core platform of the commercial trade sector in Huangpi, has been selected to join the Wuhan Linked Innovation and Development Zone in the Hubei Pilot Free Trade Zone, undertaking the key task of leading the upgrading of the region's modern commercial trade industry. The Government Work Report of Wuhan City also mentioned "North Hankou" and related business sectors on several occasions, further highlighting the project's strategic value. In the first half of 2026, North Hankou was awarded honors such as "The Most Influential Brand Market in National Commodity Trade Markets 2025" and the "Model Market for Collaborative Development of Industrial Clusters in National Commodity Trade Markets 2025", further solidifying its position as an industry benchmark.

With the scenario upgrades, the industrial clustering effect has been further strengthened. North Hankou is focusing on introducing new business models and product categories to advance the upgrade of traditional trading venues towards comprehensive commercial platforms that integrate trading, services, experiences and lifestyle, attracting more and more leading enterprises in the industrial chain and emerging consumer brands. Men's apparel brands including JNVN and Poloshield, and women's apparel brands like PLAY, have moved into the Brand Clothing City, further enriching the lines of mid-to-high-end clothing supply; a group of fabric and accessory companies, including Qingyanliang, which originate from industrial clusters such as Keqiao and Shengze, have set up operations at New Textile Wharf, improving the supporting facilities of the textile and apparel industry chain; with the entry of Geely Galaxy in the Automobile Town, the number of Geely 4S stores in the market has increased to five, covering segmented markets including economical fuel vehicles, mainstream family new energy vehicles (NEVs), and mid-to-high-end NEVs; and several leading merchants in the Hotel Supplies City, such as Blue Mountain Coffee and Dongfang Yuchu, have completed multi-dimensional upgrades in product offerings, displays and operations.

Management Discussion and Analysis (continued)

Strengthening and clustering supply chains to build specialized vertical supply chains. Focusing on supplementing, extending and strengthening supply chains, North Hankou has built a modern circulation system that integrates centralized procurement from sources, warehousing and distribution, and end retail. North Hankou is accelerating the attraction and incubation of leading enterprises in the supply chain, covering core categories such as apparel and footwear, home furnishings and textiles, stationery and toys, and hardware and electromechanical products. The Flavor Town integrates high-quality source resources nationwide to establish a one-stop supermarket procurement service platform and set up an efficient circulation link directly from origin to supermarkets. The Flower Supply Chain has established the largest comprehensive flower trading base in Central China; the Seafood Supply Chain has built a supply chain system that spans from the sea to the market and from the source to the table by connecting with overseas source regions such as Malaysia; and the Chili Supply Chain has clustered 24 mainstream domestic and international product varieties, ranking first in Hubei Province in terms of trading volume, and serving as the core platform for the digital and scaled development of the chili industry in Central China.

Facilitating global trade and building a modern logistics hub. Adhering to its position as a commercial trade service hub, North Hankou Logistics Park focuses on the core strategy of empowering the development of the entire industrial chain and linking domestic and international dual circulations, and is committed to building a national demonstration model for the coordinated innovation of commercial trade logistics, a core organizing center for multimodal transport in Central China, and an integrated supply chain service base in the Wuhan Metropolitan Area. Meanwhile, the dedicated North Hankou Cargo Terminal, which is established through the strategic cooperation with SF Express Group, focuses on the fresh products transportation sector by leveraging the aviation hub resources, which has significantly enhanced the cross-border circulation efficiency of fresh products, and achieved efficient collection, distribution and rapid dispatch of high-quality fresh products.

Led by digital intelligence, building an online commerce and trade ecosystem. North Hankou is committed to building a trinity digital trade system integrating platforms, exhibitions and live streaming, which includes a self-operated supply chain matching platform “North Hankou Selections”, a comprehensive platform “North Hankou Mall” and an online digital platform “Hankou Commodities Fair”. In particular, the Hankou Commodities Fair digital platform integrates full-chain functions, including exhibitor and merchant invitations, trade matching, virtual exhibition tours, and cloud-based procurement, covering a diverse range of players including exhibitors, buyers and visitors, and forming a closed-loop digital exhibition ecosystem. North Hankou is vigorously building an online trading ecosystem that encompasses industrial bases, leading platforms, product selection centers, service institutions, industry live-streaming centers and a merchant live-streaming matrix. It has emerged as a live-streaming hub in Central China, characterized by an excellent industrial supporting environment, a high level of industrial concentration and significant industry influence.

Empowering through exhibitions to amplify the hub’s radiating influence. Adhering to a dual-track approach of “hosting exhibitions here and expanding new markets”, North Hankou utilizes professional, chain-integrated and digital exhibition platforms to connect upstream and downstream sectors of the industry, and expands the radiation scope of the commercial trade hub in Central China, to build a platform for aggregating trade resources. The North Hankou Spring Curtain Ordering Fair, themed “10,000 New Selections Direct from Source Origins”, gathered spring and summer new arrivals and proprietary brands from over 300 source enterprises, and attracted thousands of downstream purchasers from Hubei, Hunan, Jiangxi and Henan provinces to attend and make purchases. The North Hankou (Summer) Cultural Products Expo, featuring its core characteristics of “hot products driven, industry synergy and digital empowerment”, covered specialized buyer groups across Hubei Province and neighboring provinces and cities. Meanwhile, merchants from the North Hankou Hotel Supplies City made a presence at the 2026 China Food Ingredients E-commerce Festival, and nearly 40 merchants from the North Hankou Automobile Town showcased at the 2026 Central China International Auto Show.

Integrating culture, commerce and tourism to create an engine for consumption growth. Leveraging on its featured streets and themed towns, North Hankou has built a consumption matrix featuring "weekly themes and monthly hit products", promoting the integrated development of "supporting culture by commerce, boosting tourism with culture and revitalizing commerce through tourism", and expanding consumption scenarios to facilitate the development of Wuhan into an international consumption center. The North Hankou Spring Festival Goods Fair integrates diverse business formats, including markets, Lunar New Year traditions, arts and sports, featuring 100 themed booths and showcasing thousands of products, which allows people to immerse themselves in traditional Lunar New Year culture while shopping; the May Day Carnival, through collaboration among government, enterprises, merchants and industry associations, innovatively held a diverse range of activities to attract residents and visitors, thereby injecting new vitality into Wuhan's holiday economy; capitalizing on Hubei's summer consumption and night-time economy trends, the North Hankou Crayfish and Beer Festival integrated five experiences, namely night dining, night sightseeing, night shopping, night entertainment and night fitness, to create a new summer nighttime consumption benchmark for all age groups.

Supply Chain Management and Trading

The Group has established and operated a B2B trading platform matrix for agricultural products, chemical plastics, steel and energy.

Shenzhen Sinoagri E-commerce Co., Ltd. ("**Sinoagri**"), a large-scale B2B trading platform for agricultural products under the Group, serves as a comprehensive service platform for the entire agricultural industry chain. During the six months ended 30 June 2026 (the "**Reporting Period**"), the global macroeconomy was complicated and characterized by the interplay of monetary policy game and geopolitical conflicts. In the domestic sugar market, industrial inventories were higher than those in the same period of previous year due to bumper harvests in major producing regions, and coupled with weak consumption demand in the end market, the medium level of sugar price in the first half of the year decreased by approximately 12% year-on-year. Facing the pressures from the macroeconomic landscape and market environment, Sinoagri has closely adhered to its core strategic direction of "deepening our reach into productive services", by shifting the focus of its business and resources toward the physical service section of the industrial chain, and actively optimizing its business structure and operation layout. During the Reporting Period, Sinoagri achieved a revenue of approximately RMB10.3 billion. Sinoagri strategically scaled down its revenue, while the gross profit margin improved as compared to the same period last year, rising from 0.34% to 0.60%. Sinoagri continued to expand its presence upstream in the industrial chain. By adopting digital planting and direct sourcing from global production regions, it has built a supply network with controllable costs and traceable origins, thereby strengthening its bargaining power in the industrial chain from the source. The online planting management platform for the sweetener segment has achieved full coverage of 12,000 acres of cooperative sugarcane planting bases. The system is equipped with four major AI capabilities and integrates with the fertigation system, increasing the fertilizer absorption rate to 65% per application while reducing both fertilizer and labor costs by approximately 20%-30% per acre. The standardization and intelligent upgrades of the planting process have effectively achieved the development goals of high yield and high sugar content and ensured a stable supply of sugar sources. For the coffee segment, it continues to expand its network of direct sourcing from global production regions to include Indonesia and Kenya into its portfolio. Thanks to the benefits of Africa's duty-free policy for agricultural products, the segment has intensified the cooperation with production regions such as Ethiopia and Uganda to enhance its supply diversity and cost advantages. Meanwhile, it has optimized its domestic warehousing layout by establishing new cooperative green coffee bean warehouses in Huizhou, Guangdong and Baoshan, Yunnan, thereby improving response efficiency for regional customers. Leveraging its stable supply capabilities at the source, Sinoagri has signed annual green coffee bean procurement agreements with Luckin's three major roasting plants in China, with the order values totaling RMB20 million, and has successfully secured Baoshan Zhongka, Daka International and other large and medium-sized roasting plant customers. Focusing on high-value client groups in downstream food processing and the catering end market, the spices segment has successively developed a number of high-quality factory clients, including Guangxi La Zhi Du, Hunan Fengchu Food, Sichuan Mr. Xiao La and Liuzhou Jiuding Food. As for the rubber segment, it continued to deepen the strategic cooperation with leading companies in the industry, by jointly establishing warehouses with the top five natural rubber manufacturers in Yunnan, i.e. Manlie, Tianzheng, Tianye, Zeshan and Guangke, which has not only strengthened customer stickiness and the control over the sources, but also laid the foundation for the application of blockchain-based warehouse receipts. In terms of digital trade platform development, the sweetener segment continued to diversify its product matrix. The Mutian Mall has featured nearly 3,900 SKUs, and during the Reporting Period, added over 100 new customers, all of whom were converted into active customers, which steadily improved the customer base and service resilience; the rubber segment successfully launched the Zhongxiang Yinong Digital Trade Platform, and in the first month after which, it completed the online migration and registration of 142 customers, with monthly transaction volume exceeding 1,000 tonnes. Meanwhile, Sinoagri has launched an AI customer service agent, which enables intelligent self-service inquiries and business navigation, and provides dynamic market intelligence search, thereby overcoming the time and efficiency bottlenecks associated with traditional manual responses. The AI content management agent integrates market data from over 50 major agricultural commodity information websites, achieving 100% coverage of core product category information, which has effectively enhanced information acquisition efficiency and decision-making support capabilities.

HSH International Inc. ("**HSH**"), a subsidiary of the Company, is an integrated service platform focused on the plastics and chemical sector. Adopting an innovative "platform + supply chain services" model, it integrates cutting-edge digital technologies such as internet, big data, and artificial intelligence to launch a full-spectrum of supply chain products and services, including portfolio trading, smart front distribution logistics, digital intelligent warehousing, SaaS system customization, and integrated industrial and financial services. In 2026, the global chemical commodities market faced an adverse external environment, geopolitical conflicts disrupted the flow of raw materials and frequent maintenance shutdowns of refining and chemical facilities led to supply gaps. Short-term significant fluctuations in raw material prices became the norm, resulting in rising market risks regarding business capital, cargo ownership and credit generally. Adhering to the philosophy of "risk control for sustainable operations", HSH took initiatives to scale down the overall transaction volume by adopting a strategic direction of "reducing volume and ensuring stability", to hedge against systemic market risks through reduction of trading volume. The strategic focus of resources toward high-margin businesses also improved the gross profit margin during the Reporting Period to 0.58% from 0.14% in the same period last year. Meanwhile, HSH conducted a comprehensive review of the performance stability of upstream supplies, secured alternative supply channels, and developed response plans for price fluctuations, ensuring stable delivery of raw materials to downstream factories leveraging on its established supply chain channels. In terms of customer operations, HSH has comprehensively upgraded its customer management and service platform, by establishing a tiered and categorized tagging system for customers, which is able to accurately profile various customers from multiple dimensions such as industry, scale, demand, credit and purchase frequency. Based on these profiles, it provides differentiated pricing strategies, exclusive supply matching, customized logistics solutions and specialized supply assurance services, thereby transitioning from "standardized services" to "tailored solutions for each customer". Through the system, HSH tracks changes in customer demand, order fulfillment status and service feedback in real time so as to address customers' pain points, continuously enhance service stickiness and satisfaction, and solidify the foundation for long-term partnerships. In addition, as the industry's first builder of a digital cloud factory for recycled plastics, HSH continued to actively advance the reuse of waste plastics, and promoted the efficient circulation and value creation of resources within the industry chain, to contribute to sustainable economic and environmental development. During the Reporting Period, the cumulative number of customers on the HSH platform reached 57,346, with an operating revenue of approximately RMB3.1 billion.

In the ferrous commodities sector, Shanghai Zall Steel E-commerce Co., Ltd. (上海卓鋼鏈電子商務有限公司) ("**Zall Steel**"), a subsidiary of the Company, has built a six-service ecosystem comprising smart trading, supply chain service, digital intelligent services, warehousing and Internet of Things, smart logistics, and data information, leveraging its core "Smart Trading" framework, supplemented by the dual engines of "Supply Chain Services + Technology Services", which has enabled it to transform from a traditional steel trader to a comprehensive digital and intelligent industrial service provider. In the first half of 2026, as the domestic steel industry entered a period of profound structural adjustment, demand for steel in traditional sectors such as downstream infrastructure and real estate continued to weaken, and the recovery in the manufacturing sector was not as expected. In addition, international economic growth forecasts were revised downward, and the stronger U.S. dollar put downward pressure on commodity prices, constraining the overall demand for steel exports, thereby leading to a simultaneous decline of both domestic and international demand. Furthermore, as the proportion of steel mills supplying directly to end market continued to rise, coupled with increased fluctuations in the costs of raw materials such as iron ore and coke, the price spread in traditional steel trading circulation continued to narrow. Meanwhile, the competition in the digital and intelligent steel supply chain sector remained intensifying. The self-operated digital platforms of traditional steel trading platforms and large steel mills and third-party industrial internet companies are simultaneously expanding into integrated supply chain services, shifting the industry's competitive focus from scale expansion to a competition of capabilities in respect of customized, digital and integrated comprehensive services. Meanwhile, due to shrinking industry profits, low-end construction clients and small and medium-sized retail customers have reduced their budgets and frequently changed service providers, leading to a noticeable loss of customers. Faced with these multiple pressures, Zall Steel proactively adjusted its business strategy and optimized its business structure, focusing resources on four high-end manufacturing sectors, i.e. automotive, power grids, energy storage and shipbuilding and offshore engineering, and leading customers, instead of expanding the scale of low-margin and homogenized basic steel trading operations, with an emphasis on developing high-value-added, customized and digital supply chain services. Zall Steel has achieved full-scenario digital coverage across the steel industry chain, and integrated the entire supply chain system encompassing SaaS, ERP, MES, WMS and TMS, so as to meet the diverse digital needs of large, medium and small manufacturers. The proprietary MES system has extended its reach into downstream end market, forming a new profit model of "system + ongoing operational services", which has become Zall Steel's core growth segment. As of 30 June 2026, Zall Steel has established 50 regional service centers nationwide, covering 32 provinces and more than 310 cities, with a total of 75,000 members. Five standardized processing plants are operating stably, and have provided support services for more than 700 people's livelihood projects and key high-end manufacturing projects, continuously enhancing its industrial service coverage and the influence in the industry. In addition, Zall Steel's warehousing and processing segment and the smart logistics platform "Xiaohuo Zhiyun" as well as the foreign trade business involving the re-export of welding wire from Vietnam to Taiwan are all operating steadily, while its overseas supply chain support services have been improving. During the Reporting Period, Zall Steel generated operating revenue of approximately RMB5.0 billion and received numerous honors, including the 5A-Grade Supply Chain Service Enterprise by the China Federation of Logistics & Purchasing and Top 50 Modern Service Enterprises in Jiading District, Shanghai. Looking forward, Zall Steel will continue to deepen digital cooperation with major steel mills and special steel manufacturers, improve upstream data collection and customized production scheduling services, and consolidate its resource synergy advantages at the raw material end.

Since its launch in October 2018, the Commodities Intelligence Centre ("**CIC**") has focused on the online trading of bulk commodities, utilizing blockchain technology as its underlying infrastructure to reduce international trade risks, enhance operational efficiency and provide one-stop solutions. In 2026, the global commodities market faced a complex landscape characterized by escalating geopolitical conflicts, slow macroeconomic growth, and severe divergence in commodity price trends. In particular, the copper experienced tight supply and demand with rising prices, while the iron saw strong supply and weak demand, putting downward pressure on prices. Crude oil prices experienced sharp fluctuations mainly due to geopolitical factors. Against this backdrop, CIC and the Company's other subsidiaries in Singapore adapted to industry trends by pursuing a strategic shift from "scale expansion" to "resilience-oriented allocation". They proactively streamlined the traditional businesses with low gross margins, resulting in a decline in operating revenue to approximately RMB15.1 billion during the Reporting Period. Therefore, the business structure has been optimized as compared to the same period last year, and both the gross profit margin and profit for the Reporting Period have been improved. The operation focus has also been shifted on reducing operational risks, enhancing counter-cyclical resilience and maintaining liquidity, with the goal of achieving long-term and high-quality development. Meanwhile, leveraging its platform's accumulated data and blockchain technology over years, CIC has continuously improved the efficiency of value-added services, provided effective risk management, expanded procurement channels, reduced transaction costs, and enhanced transaction efficiency. As of June 2026, the CIC platform had accumulated 17,325 registered users and a total transaction volume exceeding USD45.5 billion, with primary trading categories including coal, nickel, copper, iron and electrolytic copper.

FUTURE PROSPECTS

Currently, digital trade has become a new trend in the development of international trade and a new growth driver of the global economy. Zall Smart is actively cultivating new productive forces, continuously improving its matrix of intelligent trading platforms, and deeply serving sectors such as agricultural products, chemicals and plastics, ferrous metals, wholesale markets and cross-border trading. It provides more than 300,000 enterprises with comprehensive digital services covering trading, warehousing, logistics, finance and supply chain management, thus helping to enhance the resilience and security of industrial and supply chains.

Going forward, Zall Smart will focus on technological innovation and industrial upgrading, continuously increasing research and development and scenario-based application of digital technologies such as AI to build a service system integrating "B2B trading services, supply chain services and digital technology cloud services", comprehensively enhancing the coordination efficiency across trading, warehousing, logistics and capital, so as to help enterprises reduce costs, increase efficiency and improve quality. Additionally, the Company will leverage its industrial advantages and market demand to expand and strengthen vertical sectors, actively extending its reach along the industrial chain to ascend to the high-end of the value chain. This will continuously improve operational efficiency and core value of the industrial chain, creating differentiated core competitiveness. In the future, the Company will collaborate with ecosystem partners to create an open, collaborative, and mutually beneficial digital industrial ecosystem, contributing to the high-quality development of the industry.

Management Discussion
and Analysis (continued)

INVESTMENT PORTFOLIO

The portfolio of listed equity investments of the Group as at 30 June 2026 and 31 December 2025 were as follows:

As at 30 June 2026

Stock code	Name of investee company	Number of shares held	Effective shareholding interest	Acquisition cost RMB'000	Carrying amount as at 30 June 2026 RMB'000	Unrealised holding gain arising on revaluation for the six months ended 30 June 2026 RMB'000	Realised holding gain arising on disposal for the six months ended 30 June 2026 RMB'000	Dividend received for the six months ended 30 June 2026 RMB'000
00607.HKEX	Fullshare Holdings Limited ("**Fullshare**")	3,275,250	0.51%	171,853	1,195	776	12,152	–

As at 31 December 2025

Stock code	Name of investee company	Number of shares held	Effective shareholding interest	Acquisition cost RMB'000	Carrying amount as at 31 December 2025 RMB'000	Unrealised holding loss arising on revaluation for the year ended 31 December 2025 RMB'000	Realised holding loss arising on disposal for the year ended 31 December 2025 RMB'000	Dividend received for the year ended 31 December 2025 RMB'000
00607.HKEX	Fullshare	11,819,250	1.86%	620,157	1,601	3,872	–	–

As at 30 June 2026, the Group held 3,275,250 (31 December 2025: 11,819,250) shares in Fullshare, representing approximately 0.51% of its entire issued share capital (31 December 2025: 1.86%). Fullshare is listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). Its principal activities are property development and investment, tourism, investment and financial services, provision of healthcare and education products and services business and new energy business. The Group recognized an unrealised holding gain of approximately RMB0.8 million and realised holding gain of approximately RMB12.2 million for the six months ended 30 June 2026 (for the six months ended 30 June 2025: an unrealised holding loss of approximately RMB1.1 million and realised holding loss of Nil). The carrying amount of investment in Fullshare accounts for less than 0.01% of the Group's total assets as at 30 June 2026 (31 December 2025: less than 0.01%). The Group will closely monitor the performance of its investment and adjust its investment plan and portfolio when necessary.

Management Discussion
and Analysis (continued)

RESULTS OF OPERATION

Operating revenue

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Revenue from contracts with customers within the scope of IFRS 15		
Disaggregated by major products or service lines		
– Revenue from sales of properties and related services	**33,438**	45,952
– Revenue from supply chain management and trading business	**36,726,098**	90,693,400
– Others	**53,788**	40,175
	36,813,324	90,779,527
Revenue from other sources		
Gross rentals from investment properties		
– Lease payments that are fixed	**78,396**	116,961
Financing income	**13,376**	24,987
	36,905,096	90,921,475

Revenue of the Group decreased by approximately 59.4% from approximately RMB90,921.5 million for the six months ended 30 June 2025 to approximately RMB36,905.1 million for the six months ended 30 June 2026. The decrease was primarily due to the decrease in revenue from supply chain management and trading business.

Revenue from supply chain management and trading business

The Group's revenue from supply chain management and trading business has contributed approximately 99.5% of the Group's total revenue for the six months ended 30 June 2026, and decreased by approximately 59.5% compared to that from the same period last year due to the decrease in the scale of supply chain management and trading business as the Group has strategically reduce the proportion of low-margin business and optimize its business structure to concentrate resources on high-value-added business during the Reporting Period.

Rental income from investment properties

The Group's rental income decreased from approximately RMB117.0 million for the six months ended 30 June 2025 to approximately RMB78.4 million for the six months ended 30 June 2026, primarily due to the decrease in both rented areas and unit rent during the Reporting Period.

Revenue from financing income

The Group's financing income decreased by approximately 46.5% from approximately RMB25.0 million for the six months ended 30 June 2025 to approximately RMB13.4 million for the six months ended 30 June 2026. The decrease was mainly due to the decrease in the scale of supply chain finance business of Sinoagri compared with that from the same period last year.

Revenue from sales of properties and related services

Revenue from the sale of properties and related services decreased by approximately 27.2% from approximately RMB46.0 million for the six months ended 30 June 2025 to approximately RMB33.4 million for the six months ended 30 June 2026.

The Group's revenue from sales of properties was generated from the sales of retail shops and auxiliary facilities units. The decrease in revenue from sales of properties was mainly due to the decrease in gross floor area delivered during the six months ended 30 June 2026.

Cost of sales

Cost of sales of the Group decreased by approximately 59.5% from approximately RMB90,644.1 million for the six months ended 30 June 2025 to approximately RMB36,682.0 million for the six months ended 30 June 2026, which was in line with the decrease in revenue.

Gross profit

Gross profit of the Group decreased by approximately 19.6% from approximately RMB277.3 million for the six months ended 30 June 2025 to approximately RMB223.1 million for the six months ended 30 June 2026. The Group's gross profit margin increased from approximately 0.3% in the first half of 2025 to approximately 0.6% in the first half of 2026. It was mainly attributable to the increase in the gross profit margin from the supply chain management and trading business for the six months ended 30 June 2026 as the Group has strategically reduce the proportion of low-margin business and optimize its business structure to concentrate resources on high-value-added business during the Reporting Period.

Other net income

Other net income of the Group increased by approximately 5.5% from approximately RMB19.1 million for the six months ended 30 June 2025 to approximately RMB20.1 million for the six months ended 30 June 2026. The increase was mainly attributable to the combined effect of (i) net gain in fair value change on listed equity securities of approximately RMB12.9 million for the six months ended 30 June 2026, compared to net loss of approximately RMB1.1 million for the six months ended 30 June 2025; (ii) net gain in fair value change on wealth management products and trust products of approximately RMB16.6 million for the six months ended 30 June 2025, while no loss or gain was recorded for the six months ended 30 June 2026; (iii) net loss in fair value change on forward contracts of approximately RMB12.2 million for the six months ended 30 June 2026, compared to net gain of approximately RMB2.8 million for the six months ended 30 June 2025; and (iv) the increase in government subsidies of approximately RMB7.3 million.

Selling and distribution expenses

Selling and distribution expenses of the Group decreased by approximately 48.3% from RMB147.6 million for the six months ended 30 June 2025 to approximately RMB76.3 million for the six months ended 30 June 2026. The decrease was mainly due to (i) the decrease in promotion expense of approximately RMB45.1 million; (ii) the decrease in staff cost of approximately RMB10.4 million; and (iii) the decrease in logistics expense of approximately RMB10.3 million.

Management Discussion **and Analysis (continued)**

Administrative and other expenses

Administrative and other expenses of the Group decreased by approximately 18.2% from approximately RMB200.6 million for the six months ended 30 June 2025 to approximately RMB164.0 million for the six months ended 30 June 2026. The decrease was mainly due to (i) the decrease in staff cost of approximately RMB12.0 million; (ii) the decrease in professional fees of approximately RMB9.8 million; and (iii) the decrease in other general expense of approximately RMB9.0 million.

Impairment loss (recognised)/reversed under expected credit loss model, net

Impairment loss recognised under expected credit loss model of the Group for the six months ended 30 June 2026 was approximately RMB162.5 million, as compared to impairment loss reversed of approximately RMB18.1 million for the same period last year. The change was mainly caused by (i) an increase in impairment loss recognised on trade debtors and bills receivable of approximately RMB119.3 million; and (ii) impairment loss recognised on other receivables of approximately RMB33.2 million for the six months ended 30 June 2026, compared to impairment loss reversed of approximately RMB27.0 million for the six months ended 30 June 2025.

Net valuation (loss)/gain on investment properties

The Group holds a portion of properties which were developed for rental income and/or capital appreciation purposes. The Group's investment properties are revaluated at the end of the respective review period by an independent property valuer. The net valuation loss on investment properties was approximately 1,135.8 million for the six months ended 30 June 2026, compared to net valuation gain of approximately RMB305.7 million for the six months ended 30 June 2025. The change was mainly due to the decrease in expected occupancy rates coupled with a year-on-year decrease in income period, though there is valuation gain on additional properties transferred to investment properties for rental purpose during the Reporting Period. The Group will closely monitor the performance of its investment and adjust its investment plan when necessary.

Finance income and costs

Finance income of the Group decreased by approximately 34.0% from approximately RMB125.5 million for the six months ended 30 June 2025 to approximately RMB82.8 million for the six months ended 30 June 2026. The decrease was mainly attributable to the decrease in bank deposits.

Finance cost of the Group increased by approximately 20.8% from approximately RMB293.8 million for the six months ended 30 June 2025 to approximately RMB354.8 million for the six months ended 30 June 2026. The increase was mainly caused by the combined effect of (i) the increase in interest on interest-bearing borrowings of approximately RMB49.4 million; and (ii) the decrease in amounts capitalised into properties under development of approximately RMB21.3 million.

Share of net profits/(losses) of associates

Share of net profits of associates was approximately RMB2.2 million for the six months ended 30 June 2026, compared to net losses of approximately RMB4.8 million for the six months ended 30 June 2025. The change was mainly attributed to the combined effect of increase in net profits of one associate and decrease in losses of certain associates during the period.

Share of net profits of joint ventures

Share of net profits of joint ventures of the Group slightly increased from approximately RMB7.4 million for the six months ended 30 June 2025 to approximately RMB8.1 million for the six months ended 30 June 2026. The increase was mainly attributed to the increase in profits of one joint venture during the period.

Income tax

Income tax credit for the six months ended 30 June 2026 was approximately RMB355.5 million, compared to income tax expense of approximately RMB36.6 million for the six months ended 30 June 2025. The change was mainly due to deferred tax credit recognised on net valuation loss on investment properties and impairment loss recognised under expected credit loss model, net of reversal.

(Loss)/profit for the period

For the six months ended 30 June 2026, the Group recorded a net loss of approximately RMB1,202.9 million, compared to net profit of approximately RMB70.0 million for the six months ended 30 June 2025.

Liquidity and capital resources

As at 30 June 2026, the Group had net current liabilities of approximately RMB7,366.5 million (31 December 2025: approximately RMB6,093.0 million) and net assets of approximately RMB13,183.9 million (31 December 2025: approximately RMB14,405.6 million). Certain measures have been and are being taken to manage its liquidity needs and to improve its financial position, for instance, by implementing various strategies to reduce operating costs and improve the Group's income from supply chain management and trading business and rentals from investment properties to generate additional operating cash inflows, negotiating with banks and other financial institutions for roll-over or re-financing its existing borrowings and delaying the payment of overdue interests, and considering raising additional capital by bank borrowings and disposing of non-core businesses and assets, where appropriate. As at 30 June 2026, equity attributable to equity shareholders of the Company amounted to approximately RMB12,916.8 million (31 December 2025: approximately RMB14,082.3 million), comprising issued capital of approximately RMB34.5 million (31 December 2025: approximately RMB34.5 million) and reserves of approximately RMB12,882.4 million (31 December 2025: approximately RMB14,047.8 million).

Cash position and treasury policies

The Group's cash and cash equivalents consist primarily of cash on hand and bank balances which are primarily held in RMB denominated accounts with banks in the PRC. As at 30 June 2026, the Group's cash and cash equivalents amounted to approximately RMB862.9 million (31 December 2025: approximately RMB1,509.9 million). The Group regularly and closely monitors its funding and treasury position to meet the funding requirements of the Group by taking into consideration of the changes in economic conditions, future capital requirements and projected strategic investment opportunities.

Interest-bearing borrowings

The Group's total interest-bearing borrowings decreased by approximately 18.9% from approximately RMB14,399.9 million as at 31 December 2025 to approximately RMB11,682.3 million as at 30 June 2026. Majority of the interest-bearing borrowings were denominated in RMB, being the functional currency of the Group. Details of the interest rates and the maturity profile of borrowings during the six months ended 30 June 2026 are set out in note 17 to the unaudited condensed consolidated interim results of the Company in this report.

Net gearing ratio

The Group's net gearing ratio increased from approximately 42.1% as at 31 December 2025 to approximately 59.3% as at 30 June 2026. The increase in net gearing ratio was mainly due to the increase in the amount of adjusted net debts, where pledged bank deposits and cash and cash equivalents decreased by approximately 52.2% while total interest-bearing borrowings also decreased by approximately 18.9%. The net gearing ratio is calculated by dividing interest-bearing borrowings and lease liabilities net of cash and cash equivalents and pledged bank deposits, by total equity attributable to equity shareholders of the Company.

Foreign exchange risk

The Group's sales were primarily denominated in RMB, being the functional currency of the Group's major operating subsidiaries. Accordingly, the Board expects any future exchange rate fluctuation will not have any material effect on the Group's business. As at 30 June 2026, the Group did not use any financial instruments for hedging purpose. The Group will continue to monitor foreign exchange changes to best preserve the Group's cash value.

Charge on assets

As at 30 June 2026, the Group had pledged certain of its assets with a total book value of approximately RMB14,651.6 million (31 December 2025: approximately RMB18,566.8 million) and a total book value of approximately RMB3,181.5 million (31 December 2025: approximately RMB6,676.8 million) for the purpose of securing certain of the Group's interest-bearing borrowings and bills payables respectively.

Material acquisitions and disposals of subsidiaries, associated companies and/or joint ventures

The Group had no material acquisition or disposal of subsidiaries, associated companies and/or joint ventures during the six months ended 30 June 2026. The Group will continue to seek opportunities to sell non-core assets and businesses to enhance liquidity and devote investment resources to core businesses.

Significant investments held

Particulars of major properties (investment properties) of the Group as at 30 June 2026 are set out in note 8 to the unaudited condensed consolidated interim results of the Company in this report.

Investment properties constitute the main part of the Group's offline markets. Through self-owned capital, bank borrowings and other channels, the Group will continue the investment in the market, promote the upgrade of North Hankou International Trade Centre, and build modern and international supporting facilities. It will improve service standards through professional market management, facilitating the integration of online and offline business, coordinated development and market prosperity and increasing the market value.

Save as disclosed above, the Group did not have other significant investments and future plans for the six months ended 30 June 2026.

Management Discussion
and Analysis (continued)

Future major investment plans and capital assets

The Group plans to continue to invest in the project of Hankou North International Commodity Exchange Center. On the basis of the maintenance of original property development advantages, it will continue to expand industrial parks, logistics parks and warehousing facilities, increase the market value of supply chain infrastructure, and build the Hankou North project into the important market hub and "China's largest, world-leading" modern business logistics platform in the central and western regions. Except for continuing to increase its shareholding in some existing businesses, the Group has no plans to implement large-scale mergers and acquisitions. The Group plans to adopt a variety of measures to adjust the financing structure, improve operations and increase capital inflows to ensure that the Group's capital expenditures and operating needs are met, including implementation of various strategies for the improvement of the Group's supply chain management and trading businesses income, property sale and property rental income for additional operating cash inflow; the Group is actively and regularly reviewing the capital structure, and will consider raising additional sources of funds by issuing the debentures or new shares where appropriate; and the Group may sell non-core businesses and assets to raise more funds.

Segment reporting

Details of the segment reporting of the Group for the six months ended 30 June 2026 are set out in note 3 to the unaudited condensed consolidated interim results of the Company in this report.

Contingent liabilities

In accordance with industrial practice, the Group has made arrangements with various PRC banks to provide mortgage facilities to the purchasers of its pre-sold properties. Pursuant to the terms of the guarantees, if there is default of the mortgage payments by these purchasers, the Group will be responsible to repay the outstanding mortgage loans together with any accrued interests and penalties owed by the defaulted purchasers to the banks. The Group's guarantee period commences from the dates of grant of the relevant mortgage loans and ends upon the earlier of the purchasers obtaining the individual property ownership certificate and the full settlement of mortgage loans by the purchasers.

As at 30 June 2026, the guarantees in relation to mortgage facilities granted to purchasers of the Group's properties amounted to approximately RMB59.6 million (31 December 2025: approximately RMB156.5 million). As at 30 June 2026, the Group provided financial guarantees to third parties of approximately RMB545.7 million (31 December 2025: approximately RMB547.0 million).

CHANGES IN ACCOUNTING POLICIES

The International Accounting Standards Board has issued a number of amendments to International Financial Reporting Standards that are first effective for the accounting period of six months ended 30 June 2026. For details, please refer to note 2 to the unaudited condensed consolidated interim results of the Company in this report.

EVENTS AFTER REPORTING PERIOD

Up to the date of this report, there are no material events affecting the Group which have occurred after the Reporting Period.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2026, the Group employed a total of 1,292 (30 June 2025: 1,558) full time employees. Remuneration for the employees includes basic wages, variable wages, bonuses and other staff benefits. For the six months ended 30 June 2026, the employee benefit expenses were approximately RMB124.3 million (for the six months ended 30 June 2025: approximately RMB146.4 million). The remuneration policy of the Group is to provide remuneration packages, in terms of basic salary, short term bonuses and long term rewards such as shares and options, so as to attract and retain top quality staff. The Group establishes employee remuneration policy based on the general market environment and practices, employee responsibilities, and the Group's financial capabilities. The Group also invests in continuing education and training programmes for its management staff and other employees with a view to constantly upgrading their skills and knowledge.

The Group has also adopted a share option scheme (the "**Share Option Scheme**") for the purpose of providing incentives and rewards to eligible participants, including the Directors, and full-time or part-time employees, executives or officers of the Group who had contributed to the success of the Group's operations. The Share Option Scheme has expired on 20 June 2021. In relation to the Share Option Scheme, 15,547,407 share options were outstanding as at 30 June 2026, no share option was lapsed, exercised or cancelled under the Share Option Scheme during the period. The Company has approved and adopted a new share option scheme (the "**2021 Share Option Scheme**") on 28 May 2021 to continue the grant of share options to eligible participants as incentives of rewards for their contribution or potential contribution to the Group. As at 30 June 2026, no share option had been granted under the 2021 Share Option Scheme.

The Group has also adopted a share award scheme (the "**Share Award Scheme**") on 10 December 2021 to recognise the contributions by any employees (including without limitation any director) of any member of the Group, who the administration committee of the Board considers, in their absolute discretion, to have contributed or will contribute to the Group, and to provide them with incentives in order to retain them for the continual operation and development of the Group, and to attract suitable personnel for further development of the Group. During the six months ended 30 June 2026, no awarded shares were granted, vested, cancelled or lapsed under the Share Award Scheme.

Disclosure of
Other Information

SHARE OPTION SCHEMES

(a) 2011 Share Option Scheme

Pursuant to the sole shareholder's resolutions of the Company on 20 June 2011, the Company has adopted a share option scheme for the purpose of providing incentives and rewards to Eligible Participants (as defined in paragraph 2 below) who contribute to the success of the Group's operations for a period of 10 years commencing on 20 June 2011 (the "**Share Option Scheme**"). The Share Option Scheme was expired on 20 June 2021.

The following is a summary of the principal terms of the Share Option Scheme:

1. Purpose of the Share Option Scheme

The Share Option Scheme is established to recognise and acknowledge the contributions of the Eligible Participants (as defined in paragraph 2 below) had or may have made to the Group. The Share Option Scheme will provide the Eligible Participants (as defined below) an opportunity to have a personal stake in the Company with the view to achieving the following objectives:

(i) motivate the Eligible Participants to optimise their performance efficiency for the benefit of the Group; and

(ii) attract and retain or otherwise maintain on-going business relationship with the Eligible Participants whose contributions are or will be beneficial to the long-term growth of the Group.

2. Participants of the Share Option Scheme

The Board may, at its discretion, offer to grant an option to the following persons (collectively, the "**Eligible Participants**") to subscribe for such number of new shares as the Board may determine:

(i) any full-time or part-time employees, executives or officers of the Company or any of its subsidiaries;

(ii) any Directors (including non-executive Directors and independent non-executive Directors) of the Company or any of its subsidiaries; and

(iii) any advisors, consultants, suppliers, customers, agents and such other persons who in the sole opinion of the Board will contribute or have contributed to the Company or any of its subsidiaries.

3. Total number of shares available for issue under the Share Option Scheme

As the Share Option Scheme expired on 20 June 2021, no further options can be granted under the Share Option Scheme since then. Notwithstanding its expiration, the share options which have been granted and remained outstanding (i.e. 15,547,407 share options) shall continue to be valid and exercisable subject to and in accordance with the terms on which the share options were granted, the provisions of the Share Option Scheme and the Listing Rules. As at the date of this report, there are 15,547,407 outstanding share options, representing approximately 0.13% of the issued shares of the Company as at the date of this report.

4. **Maximum entitlement of each participant under the Share Option Scheme**

   The total number of shares issued and which may fall to be issued upon exercise of the options granted under the Share Option Scheme and any other share option schemes of the Company (including both exercised and outstanding options) to each Eligible Participant in any 12-month period up to the date of grant shall not exceed 1% of the shares in issue as at the date of grant. Any further grant of options in excess of this 1% limit shall be subject to:

   (i) the issue of a circular by the Company containing the identity of the Eligible Participant, the numbers of and terms of the options to be granted (and options previously granted to such participant), the information as required under Rule 17.02(2) and the disclaimer required under Rule 17.02(4) of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"); and

   (ii) the approval of the shareholders in general meeting and/or other requirements prescribed under the Listing Rules from time to time with such Eligible Participant and his associates (as defined in the Listing Rules) abstaining from voting.

5. **The period within which the options must be exercised under the Share Option Scheme**

   An option may be exercised at any time during a period to be determined and notified by the Directors to each grantee, but shall not be more than 10 years from the date of grant of options subject to the provisions for early termination set out in the Share Option Scheme.

6. **The minimum period for which an option must be held before it can be exercised**

   There is no minimum period for which an option granted must be held before it can be exercised except otherwise imposed by the Directors.

7. **The amount payable on application or acceptance of the option and the period within which payments or calls must or may be made, or loans for such purposes must be paid**

   Options granted must be taken up within 21 days of the date of offer, upon payment of HKD1 per grant.

8. **The basis of determining the exercise price**

   The exercise price shall be determined by the Board but shall not be less than the highest of (i) the closing price of the ordinary shares as stated in the Stock Exchange's daily quotation sheets on the date of grant of options, which must be a trading day; (ii) the average closing price of the ordinary shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant of options; and (iii) the nominal value of an ordinary share.

9. **The remaining life of the Share Option Scheme**

   The Share Option Scheme commenced on 20 June 2011 and expired on 20 June 2021.

10. Movement of Share Options during the period under review

The Share Option Scheme was valid and effective for a period of 10 years commencing on 20 June 2011 and expired on 20 June 2021. Upon expiry of the Share Option Scheme, no further share options should be granted thereunder. The share options granted under the Share Option Scheme which remained outstanding immediately prior to the expiry of the Share Option Scheme shall be continued to be valid and exercisable in accordance with the terms of grant of the Share Option Scheme.

Particulars of share options under the Share Option Scheme (the "**Share Options**") outstanding at the beginning and at the end of the six months ended 30 June 2026 and Share Options exercised, cancelled or lapsed during such period are as follows:

Category of participant	Date of Grant	Exercise price per share	Vesting date and exercise period	Options to subscribe for shares of the Company						Price per Share immediately before the date of grant	Price per Share on exercise date
				Balance as at 1 January 2026	Granted during the period	Exercised during the period	Cancelled during the period	Lapsed during the period	Balance as at 30 June 2026		
Directors: Mr. Qi Zhiping	22 December 2017	HK$8.48 *(Note 3)*	From the date when the exercise conditions are met to 21 December 2027 *(Note 1)*	777,371	–Nil–	–Nil–	–Nil–	–Nil–	777,371	HK$8.46	N/A *(Note 2)*
Spouse of Mr. Qi Zhiping	22 December 2017	HK$8.48 *(Note 3)*	From the date when the exercise conditions are met to 21 December 2027 *(Note 1)*	13,992,665	–Nil–	–Nil–	–Nil–	–Nil–	13,992,665	HK$8.46	N/A *(Note 2)*
Employees of the Group	22 December 2017	HK$8.48 *(Note 3)*	From the date when the exercise conditions are met to 21 December 2027 *(Note 1)*	777,371	–Nil–	–Nil–	–Nil–	–Nil–	777,371	HK$8.46	N/A *(Note 2)*
Total				15,547,407	–Nil–	–Nil–	–Nil–	–Nil–	15,547,407		

Notes:

1. Such Share Options shall be exercisable upon fulfilment of certain financial performance targets set out in the respective letters of the grant. For further details of the financial performance targets, please refer to the paragraph headed "Management Shares and Management Options" in the circular of the Company dated 15 February 2017.

2. No Share Options were lapsed, granted, exercised or cancelled during the six months ended 30 June 2026.

3. For the basis of determining the exercise price, please refer to the announcement of the Company dated 22 December 2017.

Save as disclosed above, there were no outstanding Share Options at the beginning and/or at the end of the six months ended 30 June 2026.

(b) 2021 Share Option Scheme

On 28 May 2021, the Company passed an ordinary resolution to adopt a new share option scheme (the "**2021 Share Option Scheme**") for the purpose of providing incentives and rewards to the selected 2021 Eligible Participants (as defined in paragraph 2 below) for their contribution or potential contribution to the development and the growth of the Group.

The following is a summary of the principal terms of the 2021 Share Option Scheme:

1. Purpose of the 2021 Share Option Scheme

The purpose of the 2021 Share Option Scheme is to enable the Company to grant Options to 2021 Eligible Participants (as defined in paragraph 2 below) as incentives or rewards for their contribution or potential contribution to the Group.

2. Participants of the 2021 Share Option Scheme

The Board may, at its discretion, offer to grant an option to the following persons (collectively the "**2021 Eligible Participants**") to subscribe for such number of new shares as the Board may determine:

(i) any full-time or part-time employees, executives or officers of the Company or any of its subsidiaries;

(ii) any directors (including independent non-executive Directors) of the Company or any of its subsidiaries; and

(iii) any advisors, consultants, agents, suppliers, customers, distributors who in the sole opinion of the Board, will contribute or have contributed to the Company and/or any of its subsidiaries.

3. Total number of shares available for issue under the 2021 Share Option Scheme

The maximum number of shares which may be issued upon exercise of options which may be granted under the 2021 Share Option Scheme and any other share option schemes (if any) shall not in aggregate exceed 10% of the total number of shares in issue as at the adoption date (i.e. 1,178,282,580 shares). At the beginning and at the end of the six months ended 30 June 2026, 1,178,282,580 share options were available for grant under the 2021 Share Option Scheme. As at the date of this report, the number of shares available for issue under the 2021 Share Option Scheme and any other share option schemes (if any) amounted to 1,178,282,580 shares, representing approximately 9.5% of the issued share capital (excluding any treasury shares) of the Company as at the date of this report.

4. Maximum entitlement of each participant under the 2021 Share Option Scheme

The total number of shares issued and which may fall to be issued upon exercise of the options granted under the 2021 Share Option Scheme and any other share option schemes of the Company (including both exercised and outstanding options) to each 2021 Eligible Participant in any 12-month period up to the date of grant shall not exceed 1% of the shares in issue as at the date of grant. Any further grant of options in excess of this 1% limit shall be subject to:

(i) the issue of a circular by the Company containing the identity of the 2021 Eligible Participant, the numbers of and terms of the options to be granted (and options previously granted to such participant), the information as required under Rule 17.02(2) of the Listing Rules; and

(ii) the approval of the shareholders in general meeting and/or other requirements prescribed under the Listing Rules from time to time with such 2021 Eligible Participant and his associates (as defined in the Listing Rules) abstaining from voting.

5. The period within which the options must be exercised under the 2021 Share Option Scheme

An option may be exercised at any time during a period to be determined and notified by the Directors to each grantee, but shall not be more than 10 years from the date of grant of options subject to the provisions for early termination set out in the 2021 Share Option Scheme.

6. The minimum period for which an option must be held before it can be exercised

There is no minimum period for which an option granted must be held before it can be exercised under the terms of the 2021 Share Option Scheme.

7. The amount payable on application or acceptance of the option and the period within which payments or calls must or may be made, or loans for such purposes must be repaid

Options granted must be taken up within 30 days of the date of offer, upon payment of HKD1 per grant.

8. The basis of determining the exercise price

The exercise price of a share in respect of any particular option granted under the 2021 Share Option Scheme shall be such price as the Board in its absolute discretion shall determine, save that such price must be at least the higher of:

(i) the official closing price of the shares as stated in the Stock Exchange daily quotation sheets on the date of grant of options;

(ii) the average of the official closing prices of the shares as stated in the Stock Exchange daily quotation sheets for the five business days immediately preceding the date of grant of options; and

(iii) the nominal value of a share.

9. The remaining life of the 2021 Share Option Scheme

The 2021 Share Option Scheme will remain in force for a period of 10 years commencing on 28 May 2021.

The remaining life of the 2021 Share Option Scheme is approximately 4.7 years.

During the six months ended 30 June 2026, no share option was granted, expired, lapsed, exercised or cancelled under the 2021 Share Option Scheme. There were no outstanding share options under the 2021 Share Option Scheme at the beginning and at the end of the six months ended 30 June 2026.

Disclosure of
Other Information (continued)

SHARE AWARD SCHEME

The Company adopted the Share Award Scheme on 10 December 2021. The Board may, from time to time, at its absolute discretion, determine the criteria for any Selected Employees to participate in the Share Award Scheme as award holders in accordance with the rules of the Share Award Scheme. The Selected Employees may be granted the Awarded Shares. The Awarded Shares to be granted under the Share Award Scheme are ordinary shares in the capital of the Company.

The Company entrusted an independent trustee appointed by the Board to hold the shares awarded by the Administration Committee under the Share Award Scheme on behalf of the Selected Employees on trust, until such Awarded Shares are vested with the relevant Selected Employees in accordance with the rules of the Share Award Scheme and the trust deed entered into between the Company and the independent trustee. Please refer to the announcement of the Company dated 10 December 2021 for further details of the Share Award Scheme.

The following is a summary of the principal terms of the Share Award Scheme:

1. Purpose of the Share Award Scheme

The purposes of the Share Award Scheme are (i) to recognise the contributions by certain Eligible Employees and to provide them with incentives in order to retain them for the continual operation and development of the Group; and (ii) to attract suitable personnel for further development of the Group.

2. Participants of the Share Award Scheme

The Administration Committee would, from time to time, at its absolute discretion select any employee (including without limitation any director) of any member of the Group (other than any excluded employee) for participation in the Share Award Scheme as a Selected Employee, and grant such number of Awarded Shares to any Selected Employee at no consideration, and in such number and on and subject to such terms and conditions as it may in its absolute discretion determine.

In determining the number of Awarded Shares to be granted to any Selected Employee, the Administration Committee shall take into account the Selected Employees' contribution and expected contribution to the Group, the general financial condition of the Group, the Group's overall business objectives and future development plan and other matter which the administration committee considers relevant.

3. Total number of shares available for issue under the Share Award Scheme

The maximum number of Shares available for issue under the Share Award Scheme shall not in aggregate exceed 10% of the total number of Shares in issue as at the adoption date (i.e. 1,178,282,580 Shares). At the beginning and at the end of the six months ended 30 June 2026, 1,161,602,580 shares were available for grant under the Share Award Scheme. As at the date of this report, the number of Shares available for issue under the Share Award Scheme amounted to 1,161,602,580 shares, representing approximately 9.4% of the issued share capital (excluding any treasury shares) of the Company.

4. Maximum entitlement of each participant under the Share Award Scheme

The maximum number of Shares which may be awarded to a Selected Employee under the Share Award Scheme shall not exceed 1% of the issued Shares from time to time.

Disclosure of
Other Information (continued)

5. The period within which the options must be exercised under the Share Award Scheme

Not applicable.

6. The vesting period of awards granted under the Share Award Scheme

When a Selected Employee has satisfied all vesting conditions specified (and as may be waived or amended from time to time) by the administration committee and becomes entitled to the Awarded Shares, the Trustee shall either transfer the Vesting Shares to such Selected Employee on the Vesting Date, or cause the Vesting Shares to be sold with the proceeds of sale (after the deduction of related sale expenses) to be transferred to the Selected Employee.

7. The amount payable on application or acceptance of the award and the period within which payments or calls must or may be made, or loans for such purposes must be repaid

Not applicable as the Awarded Shares shall be granted to the Selected Employees who have accepted the grant of an award for nil consideration.

8. The basis of determining the purchase price of shares awarded

As the Awarded Shares are to be made as awards by the Administration Committee, the Awarded Shares shall be granted to the Selected Employees who have accepted the grant of an award for nil consideration.

9. The remaining life of the Share Award Scheme

The Share Award Scheme shall terminate on the earlier of (i) the 10th anniversary date of the adoption date; and (ii) such date of early termination as determined by the Board by a resolution of the Board, provided that such termination shall not affect any subsisting rights of any Selected Employee thereunder. Subject to the rules of the Share Award Scheme, the remaining life of the Share Award Scheme is approximately 5.2 years.

During the six months ended 30 June 2026, no Awarded Shares were granted by the Company in accordance with the terms of the Share Award Scheme. No Awarded Shares had been vested, cancelled or lapsed during the six months ended 30 June 2026. There were no unvested Awarded Shares under the Share Award Scheme at the beginning and at the end of the six months ended 30 June 2026.

The number of Shares that may be issued in respect of options and awards granted under all share option schemes and share award scheme of the Company during the Reporting Period (i.e. nil) divided by the weighted average number of shares of the relevant class in issue (excluding treasury shares, if any) for the Reporting Period is nil.

Disclosure of
Other Information (continued)

FURTHER UPDATE ON THE PROGRESS OF THE VERY SUBSTANTIAL ACQUISITION

References are made to the announcements of the Company dated 27 June 2017, 2 April 2018, 2 October 2018, 18 October 2018, 1 April 2019, 30 September 2019, 29 November 2019, 23 January 2020, 31 March 2021, 31 August 2021, 31 December 2021, 30 June 2022 and 3 January 2023 (collectively, the "**Announcements**"), the annual reports of the Company dated 31 March 2023, 28 March 2024, 31 March 2025 and 31 March 2026, the interim reports of the Company dated 31 August 2023, 30 August 2024 and 29 August 2025, and the circular of the Company dated 11 December 2017 (the "**Circular**") in relation to, among other things, the Further Acquisition. Unless otherwise defined, capitalised terms used herein shall have the same meanings as defined in the Announcements and the Circular.

As stated in the interim report of the Company dated 31 August 2023, a separate share purchase agreement has been entered into between the Parties for the acquisition of the second tranche of the Subsequent Target Equity Interest (being 3% of the total equity interest of the Project Company). As at the date of this interim report, the Parties are still in the progress of fulfilling the remaining conditions precedent of the second tranche of the Subsequent Acquisition, in particular, the settlement of the remaining 80% of the consideration (i.e. approximately RMB88 million). The Company shall publish further announcement(s) for and/or disclose in its financial report(s) details of the latest development and/or completion of the Subsequent Acquisition to keep the Shareholders and potential investors of the Company informed.

DIRECTORS' RIGHTS TO PURCHASE SHARES OR DEBENTURES

Save as disclosed in the sections headed "Share Option Schemes" and "Share Award Scheme" in this report, at no time during the period under review was the Company or any of its subsidiaries, holding companies or fellow subsidiaries a party to any arrangement to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate and none of the Directors or chief executive of the Company or their spouses or minor children had any right to subscribe for equity and debt securities of the Company or any of its associated corporations or had exercised any such right during the period under review.

CHANGES IN INFORMATION OF DIRECTORS

The changes in information of Directors as notified to the Company since the Company's last published annual report are as follows:

1. Mr. Zhu Zhengfu (an independent non-executive Director) was appointed as an independent non-executive director of Guangzhou Automobile Group Co., Ltd. (stock code: 2238), a company listed on the Main Board of Stock Exchange, with effect from 12 June 2026.

Save as disclosed above, there is no change in the information of the Directors which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the Company's last published annual report.

Disclosure of
Other Information (continued)

INTERESTS AND SHORT POSITIONS OF THE DIRECTORS AND CHIEF EXECUTIVE OF THE COMPANY IN THE SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2026, the interests or short positions of each Director and chief executive of the Company in the shares, underlying shares or debentures of the Company or its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**") which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which are being taken or deemed to have taken under such provision of the SFO); or were required pursuant to Section 352 of the SFO to be entered in the register referred to therein; or were required pursuant to the Model Code for Securities Transactions by Directors of the Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules to be notified to the Company and the Stock Exchange were as follows:

Interests in shares and underlying shares of the Company

Name of Director	Nature of interest	Number of ordinary shares/ underlying shares held as at 30 June 2026		Approximate percentage of shareholding as at 30 June 2026[4]
Mr. Yan Zhi	Interest of controlled corporations	8,633,306,868 (L)	(1)	69.63%
	Beneficial owner	73,833,000 (L)		0.60%
Dr. Gang Yu	Beneficial owner	270,000 (L)		0.00%
	Interest of spouse	11,800,000 (L)		0.10%
	Interest of controlled corporation	90,690,840 (L)	(3)	0.73%
Mr. Qi Zhiping	Beneficial owner	4,294,551 (L)	(2)(a)	0.03%
	Interest of spouse	16,771,924 (L)	(2)(b)	0.14%
Mr. Yu Wei	Beneficial owner	290,000 (L)		0.00%
Ms. Fan Xiaolan	Beneficial owner	270,000 (L)		0.00%
Mr. Cheung Ka Fai	Beneficial owner	180,000 (L)		0.00%
Mr. Wu Ying	Beneficial owner	180,000 (L)		0.00%
Mr. Zhu Zhengfu	Beneficial owner	180,000 (L)		0.00%

(L) represents long position.

Notes:

(1) The 7,323,906,268 shares and 1,309,400,600 shares are held by Zall Development Investment Company Limited ("**Zall Development Investment**") and Zall Holdings Company Limited ("**Zall Holdings**"), respectively. Both companies are wholly owned by Mr. Yan Zhi.

(2) (a) These interests comprise (i) 3,517,180 shares; and (ii) 777,371 underlying shares in respect of share options granted by the Company pursuant to the Share Option Scheme, details of which are set out in the section headed "Share Option Schemes".

(b) These interests comprise (i) 2,779,259 shares; and (ii) 13,992,665 underlying shares in respect of share options granted by the Company to the spouse of Mr. Qi Zhiping pursuant to the Share Option Scheme, details of which are set out in the section headed "Share Option Schemes". By virtue of the SFO, Mr. Qi Zhiping is deemed to be interested in the shares held by his spouse.

(3) The 90,690,840 shares are held by Smartedge Group Limited, an entity owned as to 50% each by Dr. Gang Yu and his spouse.

(4) The percentages are calculated based on the total number of shares of the Company in issue as at 30 June 2026 which was 12,399,505,800.

Disclosure of
Other Information (continued)

Save as disclosed above, as at 30 June 2026, none of the Directors or chief executive of the Company and their respective associates had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be maintained under section 352 of Part XV of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

INTERESTS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS

So far as is known to any Director, as at 30 June 2026, the following persons, other than a Director or chief executive of the Company, had or deemed or taken to have an interest or short position in the shares or underlying shares of the Company that would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO:

Name	Nature of interest	Number of ordinary shares/ underlying shares held as at 30 June 2026		Approximate percentage of shareholding as at 30 June 2026[4]
Substantial shareholder				
Zall Development Investment	Beneficial owner	7,323,906,268 (L)	(1)	59.07%
Zall Holdings	Beneficial owner	1,309,400,600 (L)	(1)	10.56%
Other persons				
China CITIC Financial Asset Management Co., Ltd.	Interest of controlled corporation	685,689,000 (L)	(2)	5.53%
Huarong Huaqiao Asset Management Co., Ltd.	Interest of controlled corporation	685,689,000 (L)	(2)	5.53%
Leung Fredric Hin Hang	Others	685,689,000 (L)	(3)	5.53%
So Kit Yee Anita	Others	685,689,000 (L)	(3)	5.53%

(L) represents long position.

Notes:

(1) Zall Development Investment and Zall Holdings are companies wholly owned by Mr. Yan Zhi.

(2) The 535,689,000 shares and 150,000,000 shares (685,689,000 shares in total) are held by Dream Heaven Limited and Superb Colour Limited respectively. Both companies are indirectly and wholly owned by Huarong Huaqiao Asset Management Co., Ltd., which in turn is owned as to approximately 91% by China CITIC Financial Asset Management Co., Ltd. (formerly known as China Huarong Asset Management Co., Limited).

(3) According to the disclosure of interest notices dated 1 April 2025 and published on the website of the Stock Exchange, pursuant to a deed of appointment of receivers dated 28 March 2025, Mr. Leung Fredric Hin Hang and Ms. So Kit Yee Anita have been appointed as the joint and several receivers over 685,689,000 shares of the Company.

(4) The percentages are calculated based on the total number of Shares of the Company in issue as at 30 June 2026 which was 12,399,505,800.

There was a duplication of interest of 7,323,906,268 shares between Mr. Yan Zhi and Zall Development Investment and a duplication of interest of 1,309,400,600 shares between Mr. Yan Zhi and Zall Holdings.

Disclosure of
Other Information (continued)

There was a duplication of interest of 685,689,000 shares among Huarong Huaqiao Asset Management Co., Ltd. and China CITIC Financial Asset Management Co., Ltd..

Save as disclosed above, as at 30 June 2026, the Company had not been notified by any person, other than a Director or chief executive of the Company, who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICE

The Company has adopted the Corporate Governance Code (the "**CG Code**") as set out in Part 2 of Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") as its corporate governance code of practices. In the opinion of the Board, the Company had complied with all the code provisions as set out in the CG Code throughout the six months ended 30 June 2026, save as below:

1. code provision F.1.3 of the CG Code stipulates that the chairman of the board should attend the annual general meeting. Mr. Yan Zhi (Chairman of the Board and co-chief executive officer) was unable to attend the annual general meeting of the Company (the "**2026 AGM**") held on 28 May 2026. Mr. Qi Zhiping (an executive Director and co-chief executive officer) was elected, and he took the chair at the 2026 AGM in accordance with Article 63 of the Articles of Association of the Company.

2. code provision B.2.4(b) of the CG Code stipulates that where all the independent non-executive directors of an issuer have served more than nine years on the board, the issuer should appoint a new independent non-executive director on the board at the forthcoming annual general meeting. Since 10 March 2026, all of the independent non-executive Directors have served the Board for more than nine years. As at the date of this report, the Company is still in the course of identifying a suitable candidate to be appointed as an additional independent non-executive Director. The Company will continue to use its best efforts to ensure that a suitable candidate be appointed as soon as practicable in order to comply with code provision B.2.4(b) of the CG Code. Further announcement will be made by the Company as and when appropriate.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 of the Listing Rules (the "**Model Code**") as the code for dealing in securities of the Company by the Directors during the six months ended 30 June 2026. The Board confirms that, having made specific enquiries with each of the Directors, all Directors have complied with the required standards of the Model Code during the six months ended 30 June 2026.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the six months ended 30 June 2026, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities. As at 30 June 2026 and the date of this report, the Company does not hold any treasury shares.

Disclosure of **Other Information (continued)**

DEED OF NON-COMPETITION

As further set out in the circular of the Company dated 31 December 2014 (the "**Restructuring Circular**"), the Group previously carried out certain restructuring of its businesses (the "**Restructuring**") to, among others, dispose of certain of its non-core businesses to its controlling shareholders. After the Restructuring and until the Group has disposed of or realised all its remaining non-core property projects, the business owned/controlled by the controlling shareholders may overlap with the business of the Group in terms of business nature (but not necessarily in direct competition). As such, a revised deed of non-competition dated 30 June 2015 (superseding the original deed of non-competition dated 20 June 2011) was entered into by the Company's controlling shareholders in favour of the Company (as superseded, the "**Deed of Non-Competition**"), pursuant to which each of the controlling shareholders of the Company has undertaken to the Company that he/she/it will not and will procure that his/her/its associates (other than members of the Group) not to engage in any of the Group's businesses including (without limitation) developing and operating large-scale, consumer product focused wholesale shopping malls in China.

As at 30 June 2026, except North Hankou Zall Life City — Phase II, all of the Remaining Non-core Projects (as defined in the Restructuring Circular) have been disposed of. North Hankou Zall Life City — Phase II is a residential project with gross floor area of approximately 207,000 square metres in North Hankou region. The project has been substantially completed and most of the properties have been sold, with approximately 25,600 square metres remaining. The Group will sell the remaining properties in line with market conditions.

Further details of the Restructuring and the Deed of Non-Competition were disclosed in the Restructuring Circular.

REVIEW OF THE INTERIM REPORT

The interim financial report for the six months ended 30 June 2026 is unaudited and has not been reviewed by the auditors of the Company, but has been reviewed by the audit committee of the Company (the "**Audit Committee**"). The Audit Committee has reviewed with the management of the Company the Group's unaudited condensed consolidated interim results and financial report for the six months ended 30 June 2026 and has also reviewed and confirmed the accounting principles and practices adopted by the Group and discussed the auditing, internal control, risks management and financial reporting matters of the Group.

The Audit Committee has been established in compliance with Rule 3.21 and Rule 3.22 of the Listing Rules with written terms of reference in compliance with the CG Code. The primary responsibilities of the Audit Committee are to review and monitor the financial reporting, risk management and internal control systems of the Company and to assist the Board to fulfil its responsibilities over audit.

The Audit Committee consists of three independent non-executive Directors, namely Mr. Cheung Ka Fai, Mr. Wu Ying and Mr. Zhu Zhengfu. Mr. Cheung Ka Fai serves as the chairman of the Audit Committee.

The financial information relating to the financial year ended 31 December 2025 that is included in the interim financial report as comparative information does not constitute the Company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements. In the auditor's report dated 31 March 2026, the auditors expressed an unqualified opinion on those financial statements but drew attention to conditions which indicated the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern.

Disclosure of
Other Information (continued)

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2026 (for the six months ended 30 June 2025: Nil).

DIRECTORS

As at the date of this interim report, the executive Directors are Mr. Yan Zhi, Dr. Gang Yu, Mr. Qi Zhiping, Mr. Yu Wei and Ms. Fan Xiaolan; the independent non-executive Directors are Mr. Cheung Ka Fai, Mr. Wu Ying and Mr. Zhu Zhengfu.

By order of the Board
Zall Smart Commerce Group Ltd.
Qi Zhiping
Director

Hong Kong, 31 August 2026

Interim Condensed Consolidated Statement of **Profit or Loss**

for the six months ended 30 June 2026 — unaudited
(Expressed in Renminbi)

	Note	For the six months ended 30 June	
		2026 **RMB'000**	2025 RMB'000
Revenue	3(a)	**36,905,096**	90,921,475
Cost of sales		**(36,681,984)**	(90,644,136)
Gross profit		**223,112**	277,339
Other net income	4	**20,142**	19,093
Selling and distribution expenses		**(76,293)**	(147,551)
Administrative and other expenses		**(163,998)**	(200,553)
Impairment loss (recognised)/reversed under expected credit loss model, net of reversal		**(162,454)**	18,132
Impairment loss on intangible assets		**(1,438)**	–
Loss from operations before changes in fair value of investment properties		**(160,929)**	(33,540)
Net valuation (loss)/gain on investment properties	8	**(1,135,769)**	305,747
(Loss)/profit from operations		**(1,296,698)**	272,207
Finance income	5(a)	**82,783**	125,523
Finance costs	5(a)	**(354,776)**	(293,809)
Share of net profits/(losses) of associates		**2,176**	(4,769)
Share of net profits of joint ventures		**8,099**	7,418
(Loss)/profit before taxation	5	**(1,558,416)**	106,570
Income tax expense	6	**355,496**	(36,598)
(Loss)/profit for the period		**(1,202,920)**	69,972
Attributable to:			
— Equity shareholders of the Company		**(1,149,249)**	97,051
— Non-controlling interests		**(53,671)**	(27,079)
(Loss)/profit for the period		**(1,202,920)**	69,972
(Loss)/earnings per share (RMB cents)			
— Basic and diluted	7	**(9.27)**	0.78

The notes on pages 38 to 74 form part of this interim financial report. Details of dividends payable to equity shareholders of the Company are set out in notes 19(a).

Interim Condensed Consolidated Statement of
Profit or Loss and Other Comprehensive Income

for the six months ended 30 June 2026 — unaudited
(Expressed in Renminbi)

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
(Loss)/profit for the period	**(1,202,920)**	69,972
Other comprehensive expense for the period		
Items that may be reclassified subsequently to profit or loss:		
— Share of other comprehensive (expense)/income of associates and joint ventures	**(70)**	91
— Exchange differences on translation of foreign operations, net of nil tax	**(17,685)**	(32,312)
Other comprehensive expense for the period	**(17,755)**	(32,221)
Total comprehensive (loss)/income for the period	**(1,220,675)**	37,751
Attributable to:		
— Equity shareholders of the Company	**(1,165,462)**	64,830
— Non-controlling interests	**(55,213)**	(27,079)
Total comprehensive (loss)/income for the period	**(1,220,675)**	37,751

The notes on pages 38 to 74 form part of this interim financial report.

Interim Condensed Consolidated Statement of **Financial Position**

as at 30 June 2026 — unaudited
(Expressed in Renminbi)

	Note	As at 30 June 2026 RMB'000	As at 31 December 2025 RMB'000
Non-current assets			
Investment properties	8	**25,453,462**	26,067,838
Property, plant and equipment	9	**336,915**	343,462
Intangible assets		**394,381**	417,466
Interests in associates		**384,570**	385,379
Interests in joint ventures		**163,684**	155,655
Equity investments at fair value through other comprehensive income		**80,408**	80,408
Contract assets	10(a)	**54,529**	54,369
Deferred tax assets		**483,824**	444,991
		27,351,773	27,949,568
Current assets			
Inventories	12	**4,097,210**	3,778,833
Trade and other receivables	13	**16,677,215**	20,812,139
Financial assets at fair value through profit or loss	11	**109,717**	77,176
Amounts due from related parties and non-controlling shareholders of subsidiaries	23(d)	**287,885**	579,906
Prepaid taxes		**26,051**	27,195
Pledged bank deposits	14	**3,198,116**	6,991,681
Cash and cash equivalents	15	**862,883**	1,509,853
		25,259,077	33,776,783
Current liabilities			
Trade and other payables	16	**9,851,911**	12,679,459
Contract liabilities	10(b)	**11,895,647**	13,675,924
Lease liabilities		**12,282**	11,690
Amounts due to related parties and non-controlling shareholders of subsidiaries	23(e)	**1,096,104**	1,338,036
Interest-bearing borrowings	17	**9,388,513**	11,744,536
Current taxation		**381,152**	420,120
		32,625,609	39,869,765
Net current liabilities		**(7,366,532)**	(6,092,982)
Total assets less current liabilities		**19,985,241**	21,856,586

Interim Condensed Consolidated Statement of **Financial Position (continued)**

as at 30 June 2026 — unaudited
(Expressed in Renminbi)

	Note	As at 30 June 2026 RMB'000	As at 31 December 2025 RMB'000
Non-current liabilities			
Interest-bearing borrowings	*17*	**2,293,756**	2,655,388
Deferred income		**1,202**	1,423
Lease liabilities		**22,865**	23,920
Deferred tax liabilities		**4,483,470**	4,770,286
		6,801,293	7,451,017
NET ASSETS		**13,183,948**	14,405,569
CAPITAL AND RESERVES	*19*		
Share capital		**34,454**	34,454
Reserves		**12,882,378**	14,047,840
Total equity attributable to equity shareholders of the Company		**12,916,832**	14,082,294
Non-controlling interests		**267,116**	323,275
TOTAL EQUITY		**13,183,948**	14,405,569

Approved and authorised for issue by the Board of Directors on 31 August 2026.

Qi Zhiping
Director

Yu Wei
Director

The notes on pages 38 to 74 form part of this interim financial report.

Interim Condensed Consolidated Statement of **Changes in Equity**

for the six months ended 30 June 2026 — unaudited
(Expressed in Renminbi)

	Attributable to equity shareholders of the Company												
	Share capital RMB'000	Share premium RMB'000	Shares held for various incentive plans RMB'000	PRC statutory reserve RMB'000	Other reserve RMB'000	Exchange reserve RMB'000	Revaluation reserve RMB'000	Equity-settled share-based payment reserve RMB'000	Fair value reserve (non-recycling) RMB'000	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 2025	34,454	4,766,905	(39,029)	395,459	163,895	(48,783)	36,946	51,991	(9,375)	8,598,754	13,951,217	391,736	14,342,953
Changes in equity for the six months ended 30 June 2025:													
Profit/(loss) for the period	–	–	–	–	–	–	–	–	–	97,051	97,051	(27,079)	69,972
Other comprehensive expense for the period	–	–	–	–	–	(32,221)	–	–	–	–	(32,221)	–	(32,221)
Total comprehensive income/(loss) for the period	–	–	–	–	–	(32,221)	–	–	–	97,051	64,830	(27,079)	37,751
Balance at 30 June 2025	34,454	4,766,905	(39,029)	395,459	163,895	(81,004)	36,946	51,991	(9,375)	8,695,805	14,016,047	364,657	14,380,704
Balance at 1 January 2026	**34,454**	**4,766,905**	**(39,029)**	**401,082**	**163,895**	**(65,155)**	**36,946**	**51,991**	**(9,375)**	**8,740,580**	**14,082,294**	**323,275**	**14,405,569**
Changes in equity for the six months ended 30 June 2026:													
Loss for the period	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(1,149,249)**	**(1,149,249)**	**(53,671)**	**(1,202,920)**
Other comprehensive expense for the period	**–**	**–**	**–**	**–**	**–**	**(16,213)**	**–**	**–**	**–**	**–**	**(16,213)**	**(1,542)**	**(17,755)**
Total comprehensive loss for the period	**–**	**–**	**–**	**–**	**–**	**(16,213)**	**–**	**–**	**–**	**(1,149,249)**	**(1,165,462)**	**(55,213)**	**(1,220,675)**
Dividends to non-controlling shareholders of subsidiaries	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(946)**	**(946)**
Balance at 30 June 2026	**34,454**	**4,766,905**	**(39,029)**	**401,082**	**163,895**	**(81,368)**	**36,946**	**51,991**	**(9,375)**	**7,591,331**	**12,916,832**	**267,116**	**13,183,948**

The notes on pages 38 to 74 form part of this interim financial report.

Condensed Consolidated
Cash Flow Statement

for the six months ended 30 June 2026 — unaudited
(Expressed in Renminbi)

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Operating activities		
Cash used in operations	**(1,430,130)**	(1,236,476)
Income tax paid	**(15,845)**	(15,178)
Net cash used in operating activities	**(1,445,975)**	(1,251,654)
Investing activities		
Purchase of property, plant and equipment	**(8,252)**	(19,420)
Purchase of intangible assets	**(2,671)**	(16,617)
Proceeds from disposal of property, plant and equipment	**3,455**	69
Proceeds from disposal of intangible assets	**281**	–
Decrease in pledged bank deposits	**298,227**	2,519,589
Interest received	**82,783**	125,523
Net proceeds from disposal of associates	**2,985**	12,501
Capital contributions to joint ventures	**–**	(109,697)
Proceeds from disposal of financial assets at fair value through profit or loss	**220,395**	696,652
Purchase of financial assets at fair value through profit or loss	**(252,210)**	(666,400)
Advances to related parties and non-controlling shareholders of subsidiaries	**(118,154)**	(252,827)
Repayment from related parties and non-controlling shareholders of subsidiaries	**389,419**	369,888
Net cash generated from investing activities	**616,258**	2,659,261

Condensed Consolidated
Cash Flow Statement (continued)

for the six months ended 30 June 2026 — unaudited
(Expressed in Renminbi)

	Note	Six months ended 30 June 2026 RMB'000	2025 RMB'000
Financing activities			
Advances from related parties and non-controlling shareholders of subsidiaries		**158,208**	44,013
Repayment to related parties and non-controlling shareholders of subsidiaries		**(482,434)**	(222,519)
Proceeds from new bank loans and loans from other financial institutions		**2,740,207**	6,044,698
Repayment of bank loans and loans from other financial institutions		**(2,178,205)**	(7,045,071)
Proceeds from other loans		**–**	6,000
Repayment of other loans		**(400)**	(152,290)
Interest and other borrowing costs paid		**(12,229)**	(54,816)
Capital element of lease rentals paid		**(6,799)**	(8,694)
Interest element of lease rentals paid		**(1,166)**	(621)
Dividend paid to non-controlling shareholders of subsidiaries		**(946)**	–
Net cash generated from/(used in) financing activities		**216,236**	(1,389,300)
Net (decrease)/increase in cash and cash equivalents		**(613,481)**	18,307
Cash and cash equivalents at 1 January	15	**1,509,853**	1,545,952
Effect of foreign exchange rate changes		**(33,489)**	(32,969)
Cash and cash equivalents at 30 June	15	**862,883**	1,531,290

The notes on pages 38 to 74 form part of this interim financial report.

Notes to the Interim Condensed **Consolidated Financial Statements**

(Expressed in Renminbi unless otherwise indicated)

1 BASIS OF PREPARATION

The interim condensed consolidated financial statements have been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with International Accounting Standard ("**IAS**") 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board ("**IASB**"). It was authorised for issue on 31 August 2026.

The interim condensed consolidated financial statements have been prepared in accordance with the same accounting policies adopted in the 2025 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2026 annual financial statements. Details of changes in accounting policies are set out in note 2.

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

The interim condensed consolidated financial statements contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of Zall Smart Commerce Group Ltd. (the "**Company**") and its subsidiaries (together referred to as the "**Group**") since the 2025 annual financial statements. These interim condensed consolidated financial statements and the accompanying notes do not include all of the information and disclosures required for a full set of financial statements prepared in accordance with International Accounting Standards and should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2025.

The financial information relating to the year ended 31 December 2025 that is included in the interim condensed consolidated financial statements as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those financial statements. Statutory financial statements for the year ended 31 December 2025 are available from the Company's registered office. In the auditor's report dated 31 March 2026, the auditors expressed an unqualified opinion on those financial statements but drew attention to conditions which indicated existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern.

During the six month ended 30 June 2026, the Group recorded net operating outflows of RMB1,445,975,000 and net current liabilities of approximately 7,366,532,000 as at 30 June 2026. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

1 BASIS OF PREPARATION *(Continued)*

The directors of the Company have given careful consideration to the future liquidity requirements and performance of the Group and its available sources of financing in assessing the Group's ability to continue as a going concern for at least the next twelve months and to meet its repayment obligations, as and when they fall due. Certain measures have been and are being taken to manage its liquidity needs and to improve its financial position which include but not limited to the following:

— the Group expects to generate positive operating cash flows for the next twelve months by implementing various strategies to improve the Group's income from supply chain management and trading business and rentals from investment properties to generate additional operating cash inflows, and to reduce the operating costs as appropriate;

— the Group is actively and regularly reviewing its capital structure, negotiating with banks and other financial institutions for roll-over or re-financing its existing borrowings and delay the payment of overdue interests where appropriate;

— the Group plans to raise additional funding from bank borrowings. As at 30 June 2026, investment properties with fair value of RMB12,632,043,000 are not pledged for borrowings. The Group considers these properties could be pledged to the banks and raise required funds successfully; and

— the Group may dispose of non-core business and assets to raise additional working capital.

In addition, as disclosed in note 17, bank loans and loans from other financial institutions of RMB3,722,945,000 (31 December 2025: RMB3,727,190,000) were guaranteed and/or secured by certain investment properties, properties under development for sale, completed properties held for sale and other assets of the Group with their carrying amount of RMB13,069,464,000 (31 December 2025: RMB14,751,522,000) in aggregate as at 30 June 2026 and bank loans and loans from other financial institutions of RMB1,653,073,000 (31 December 2025: RMB1,744,692,000) were guaranteed by corporate guarantees of certain of the Group's subsidiaries. The Group considered that the carrying amounts of the pledged assets are far exceeding the carrying amounts of the corresponding borrowings, therefore, management considered that the roll-over or refinancing of a substantial portion of the existing borrowings to extend the repayment dates to beyond twelve months from the end of the reporting period would be succeeded. In making this assessment, the Group has considered, among other things, the nature, the value and the volatility of value of its overall property portfolio, including those properties that are currently not pledged.

After considering the above, the directors of the Company are satisfied that the Group will be able to meet its financial obligations as and when they fall due for the next twelve months from the end of the reporting period. Consequently, the interim condensed consolidated financial statements for the six months ended 30 June 2026 have been prepared on a going concern basis. Should the Group be unable to achieve the above plans and measures such that it would not be operate as a going concern, adjustments would have to be made to reduce the carrying values of the Group's assets to their recoverable amounts and to provide for financial liabilities which might arise. The effect of these adjustments has not been reflected in the interim condensed consolidated financial statements.

The interim condensed consolidated financial statements is unaudited and has not been reviewed by the Company's auditor, but has been reviewed by the audit committee of the Company (the "**Audit Committee**").

Notes to the Interim Condensed
Consolidated Financial Statements (continued)

(Expressed in Renminbi unless otherwise indicated)

2 CHANGES IN ACCOUNTING POLICIES

The IFRS has issued a number of amendments to IFRS Accounting Standards that are first effective for the current accounting period. None of these developments have had a material effect on these financial statements. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3 REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are developing and operating of large-scale consumer product-focused wholesale shopping malls in the People's Republic of China (the "**PRC**"), and providing supply chain management and trading business, e-commerce services, financial services, warehousing and logistics services for the online and offline customers. Further details regarding the Group's principal activities are disclosed in note 3(b).

(i) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or services lines is as follows:

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Revenue from contracts with customers within the scope of IFRS 15:		
Disaggregated by major products or service lines:		
— Revenue from sales of properties and related services	**33,438**	45,952
— Revenue from supply chain management and trading business	**36,726,098**	90,693,400
— Others	**53,788**	40,175
	36,813,324	90,779,527
Revenue from other sources		
Gross rentals from investment properties		
— Lease payments that are fixed	**78,396**	116,961
Finance income	**13,376**	24,987
	91,772	141,948
	36,905,096	90,921,475

3 REVENUE AND SEGMENT REPORTING *(Continued)*

(a) Revenue *(Continued)*

(i) Disaggregation of revenue *(Continued)*

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Revenue from contracts with customers within the scope of IFRS 15:		
By geographical markets		
— The PRC	**21,688,670**	58,561,670
— Singapore	**15,124,654**	32,217,857
Total	**36,813,324**	90,779,527
Timing of revenue recognition		
— At point in time	**36,779,886**	90,733,993
— Over time	**33,438**	45,534
Total	**36,813,324**	90,779,527

The Group's customer base is diversified and the Group does not have any single customer with whom transactions have exceeded 10% of the Group's revenue for the six months ended 30 June 2026 and 2025.

(ii) Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date

As at 30 June 2026, the aggregated amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts is RMB194,854,000 (31 December 2025: RMB193,840,000). This amount represents revenue expected to be recognised in the future from pre-completion sales contracts for properties under development and construction contracts entered into by the customers with the Group. This amount includes the interest component of pre-completion properties sales contracts under which the Group obtains significant financing benefits from the customers. The Group will recognise the expected revenue in the future when or as the work is completed or, in the case of the properties under development for sale, when the properties are accepted by the customer or deemed as accepted according to the contract (whichever is earlier), which is expected to occur over the next 1 to 24 months (31 December 2025: next 1 to 24 months).

The Group has applied the practical expedient in paragraph 121 of IFRS 15 to its sales contracts for goods, such that the above information does not include information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the contracts for sales of goods that had an original expected duration of one year or less.

3 REVENUE AND SEGMENT REPORTING *(Continued)*

(b) Segment reporting

The Group manages its businesses by divisions, which are organised by mixture of business lines (product and services). In a manner consistent with the way in which information is reported internally to the Group's most senior executive management, being the chief operating decision maker, for the purposes of resource allocation and performance assessment, the Group has presented the following two reportable segments. No operating segments have been aggregated to form the following reportable segments.

— Property development and related services: this segment develops, sells and operates large-scale consumer product-focused wholesale shopping malls and provides related value-added businesses, such as warehousing and logistics services.

— Supply chain management and trading: this segment operates trading of agricultural products, chemical materials, plastic raw materials, consumer goods, black and non-ferrous metals, etc., and also provides trade-related supply chain finance services.

(i) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible, intangible assets and current assets with the exception of interests in associates and joint ventures, deferred tax assets, prepaid taxes, and other corporate assets. Segment liabilities include trade creditors, accruals, bills payables and lease liabilities attributable to the sales activities of the individual segments and bank borrowings managed directly by the segments and exclude current taxation, deferred tax liabilities and other corporate liabilities.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

The measure used for reporting segment profit is the profit before finance income, finance costs, income tax, and are further adjusted for items not specifically attributed to individual segments, such as share of profits or losses of associates and joint ventures, directors' remuneration, and other head office or corporate administration costs.

In addition, management is provided with segment information concerning revenue (including inter-segment sales), interest income and expense from cash balances, borrowings and derivative managed directly by the segments and depreciation to non-current segment assets used by the segments in their operations.

3 REVENUE AND SEGMENT REPORTING *(Continued)*

(b) Segment reporting *(Continued)*

(i) Segment results, assets and liabilities *(Continued)*

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the six months ended 30 June 2026 and 2025 is set out below.

	Property development and related services		Supply chain management and trading		Total	
	2026 RMB'000	2025 RMB'000	**2026 RMB'000**	2025 RMB'000	**2026 RMB'000**	2025 RMB'000
Reportable segment revenue	**111,834**	163,148	**36,788,867**	90,756,594	**36,900,701**	90,919,742
Reportable segment profit/(loss)	**24,401**	71,529	**(200,401)**	(109,948)	**(176,000)**	(38,419)
Other segment information:						
Net valuation (loss)/gain on investment properties	**(1,135,769)**	305,747	**–**	–	**(1,135,769)**	305,747
Impairment loss (recognised)/reversed under expected credit loss model, net of reversal	**(23,488)**	(3,760)	**(139,402)**	6,774	**(162,890)**	3,014
Depreciation and amortisation	**(3,878)**	(10,440)	**(35,225)**	(25,484)	**(39,103)**	(35,924)
Finance income	**4**	19	**82,745**	125,503	**82,749**	125,522
Finance costs	**(224,860)**	(129,132)	**(124,509)**	(160,689)	**(349,369)**	(289,821)
Additions to non-current segment assets during the period	**1,216**	15,594	**13,585**	41,093	**14,801**	56,687
As at 30 June/31 December						
Reportable segment assets	**27,283,991**	28,390,690	**23,064,286**	31,042,605	**50,348,277**	59,433,295
Reportable segment liabilities	**6,858,585**	6,691,752	**25,628,391**	33,008,215	**32,486,976**	39,699,967

3 REVENUE AND SEGMENT REPORTING *(Continued)*

(b) Segment reporting *(Continued)*

(ii) Reconciliations of reportable segment revenue and profit or loss

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Revenue		
Reportable segment revenue	**36,900,701**	90,919,742
Other revenue	**4,395**	1,733
Consolidated revenue *(note 3(a))*	**36,905,096**	90,921,475
Profit		
Reportable segment loss	**(176,000)**	(38,419)
Other net income	**20,142**	19,093
Net valuation (loss)/gain on investment properties	**(1,135,769)**	305,747
Finance income	**82,783**	125,523
Finance costs	**(354,776)**	(293,809)
Share of net profits/(losses) of associates	**2,176**	(4,769)
Share of net profits of joint ventures	**8,099**	7,418
Unallocated head office and corporate expenses	**(5,071)**	(14,214)
Consolidated (loss)/profit before taxation	**(1,558,416)**	106,570

3 REVENUE AND SEGMENT REPORTING *(Continued)*

(b) Segment reporting *(Continued)*

(iii) Geographic information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's investment properties, property, plant and equipment, intangible assets, interests in associates and joint ventures ("**specified non-current assets**"). The geographical location of customers is based on the location at which the services were provided or the goods delivered. The geographical location of the specified non-current assets is based on the physical location of the assets, in the case of property, plant and equipment, the location of the operation to which they are allocated, in the case of intangible assets and the location of operations, in the case of interests in associates and joint ventures.

	Revenue from external customers		Specified non-current assets	
	For the six months ended 30 June 2026 RMB'000	For the six months ended 30 June 2025 RMB'000	**30 June 2026 RMB'000**	31 December 2025 RMB'000
The PRC	**21,780,442**	58,703,618	**26,731,068**	27,367,777
Singapore	**15,124,654**	32,217,857	**1,946**	2,023
	36,905,096	90,921,475	**26,733,014**	27,369,800

Notes to the Interim Condensed **Consolidated Financial Statements (continued)**

(Expressed in Renminbi unless otherwise indicated)

4 OTHER NET INCOME

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Net fair value changes on financial instruments at fair value through profit or loss:		
— listed equity securities	**12,928**	(1,053)
— wealth management products and trust products	**–**	16,633
— forward contracts	**(12,202)**	2,820
	726	18,400
Government subsidies	**13,236**	5,982
Others	**6,180**	(5,289)
	20,142	19,093

5 (LOSS)/PROFIT BEFORE TAXATION

(Loss)/profit before taxation is arrived at after (crediting)/charging:

(a) Finance (income)/costs

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Finance income		
Interest income from bank deposits	**(82,783)**	(125,523)
Finance costs		
Interest on interest-bearing borrowings	**332,717**	283,273
Interest on lease liabilities	**1,166**	621
Other borrowing costs	**1,433**	1,907
Less: Amounts capitalised into properties under development	**(16,192)**	(37,462)
Amounts capitalised into construction in progress	**(809)**	–
	318,315	248,339
Bank charges and others	**29,581**	42,946
Net foreign exchange losses	**6,880**	2,524
	354,776	293,809

5 (LOSS)/PROFIT BEFORE TAXATION *(Continued)*

(b) Other items

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Amortisation of intangible assets	**24,037**	18,653
Depreciation on		
— property, plant and equipment (other than right-of-use assets)	**11,751**	14,787
— right-of-use assets	**4,990**	8,980
	40,778	42,420
Staff costs		
— Salaries, wages and other benefits	**114,628**	136,454
— Contributions to defined contribution retirement plans	**9,668**	9,950
	124,296	146,404
Research and development costs (included in administrative and other expenses)	**2,961**	7,223
Impairment losses (reversed)/recognised under expected credit loss model, net of reversal:		
— trade debtors and bills receivable	**122,051**	2,777
— rental receivables	**22,357**	12,461
— loans and factoring receivables	**3,406**	(5,383)
— other receivables	**33,246**	(27,034)
— advance to suppliers	**(18,606)**	(953)
Cost of commodities sold	**36,670,997**	90,620,098
Cost of properties sold	**–**	13,157

6 INCOME TAX

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Current tax		
— PRC Corporate Income Tax ("**PRC CIT**")	**9,133**	14,561
— Singapore Corporate Income Tax ("**SG CIT**")	**1,056**	–
— PRC Land Appreciation Tax ("**PRC LAT**")	**–**	–
	10,189	14,561
Over-provision in prior years		
PRC CIT	**(40,037)**	(40,037)
SG CIT	**–**	–
Deferred tax		
Origination and reversal of temporary differences	**(325,648)**	62,074
	(355,496)	36,598

(i) Pursuant to the rules and regulations of the Cayman Islands, the Company is not subject to any income tax in the Cayman Islands. Also, certain subsidiaries located in the British Virgin Islands ("**BVI**") are not subject to any income tax in their local jurisdictions.

(ii) The provision for Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for the year. No provision for Hong Kong Profits Tax has been made as the Group did not earn any assessable income subject to Hong Kong Profits Tax for the six months ended 30 June 2026 and 2025.

The provision for SG CIT is calculated at 17% of the estimated assessable profits for the six months ended 30 June 2026 and 2025.

Taxation for overseas subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant countries.

(iii) Pursuant to the rules and regulations applicable to encouraged industries in the PRC western development strategy and e-commerce industry in Guangxi Zhuang Autonomous Region, one subsidiary of the Group is subject to PRC CIT at a preferential tax rate of 15% for the six months ended 30 June 2026 and 2025, and two subsidiaries of the Group are subject to PRC CIT at a preferential tax rate of 9% for the six months ended 30 June 2026 and 2025. Pursuant to the rules and regulations applicable to advanced technology enterprises of the PRC, three subsidiaries of the Group are subject to PRC CIT at a preferential tax rate of 15% for the six months ended 30 June 2026 and 2025. The application of preferential tax rate is reviewed by the tax authority annually.

All of the other PRC subsidiaries of the Group are subject to income tax at 25% for both years under the PRC CIT Law, which was enacted on 16 March 2007.

6 INCOME TAX *(Continued)*

(iv) PRC LAT which is levied on properties developed for sale by the Group in the PRC, at progressive rates ranging from 30% to 60% on the appreciation value, which under the applicable regulations is calculated based on the proceeds of sales of properties less deductible expenditures including lease charges of land use rights, borrowing costs and all qualified property development expenditures. Deferred tax assets arising from PRC LAT accrued are calculated based on the applicable income tax rates when they are expected to be cleared.

In addition, certain subsidiaries of the Group were subject to PRC LAT which is calculated based on 8% of their revenue in accordance with the authorised tax valuation method approved by their respective local tax bureau.

The directors of the Company are of the opinion that the authorised tax valuation method is one of the allowable taxation methods in the PRC and the respective local tax bureaus are the competent tax authorities to approve the authorised tax valuation method in charging PRC LAT to the respective PRC subsidiaries of the Group, and the risk of being challenged by the State Tax Bureau or any tax bureau of higher authority is remote.

(v) The Group is within the scope of the Pillar Two Model Rules published by the Organisation for Economic Co-operation and Development. The Group applies the IAS 12 exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

While the PRC has yet to introduce its draft legislation for implementation of the Pillar Two Model Rules, including the tax law that implements the global minimum tax and qualified domestic minimum top-up tax. Besides, as the Group's estimated effective tax rates of Singapore in which the Group operates is higher than 15%, after taking into account the adjustments under the Pillar Two Rules based on management's best estimate, the management of the Group considered the Group is not liable to top-up tax under the Pillar Two Rules. Based on the assessment for the six months ended 30 June 2026, the Group does not expect to have any Pillar Two exposure (including current tax) arising in these jurisdictions. Overall, based on the assessment for the period ended 30 June 2026 and the information currently available, the impact of these rules on the Group's income tax position is not expected to be material.

7 (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

The calculation of basic loss per share is based on the loss attributable to ordinary equity shareholders of the Company of RMB1,149,249,000 (six months ended 30 June 2025: profit of RMB97,051,000) and the weighted average of 12,399,506,000 (six months ended 30 June 2025: 12,399,506,000) ordinary shares in issue during the six months ended 30 June 2026.

(b) Diluted (loss)/earnings per share

There were no potential dilutive ordinary shares outstanding due to outstanding share options, because the exercise price of those share options was higher than the average market price for ordinary shares during six months ended 2025 and 2026.

8 INVESTMENT PROPERTIES

The Group's investment properties carried at fair value were revalued as at 30 June 2026 by an independent firm of surveyors, using the same valuation techniques as were used by this valuer when arranging out the December 2025 valuations.

During the six months ended 30 June 2026, the Group transferred certain completed properties held for sale to investment properties when there was an actual change in use from sale to earning rental income purpose, which were evidenced by inception of operating lease as stipulated in the lease agreements entered into by the Group or the Group has formally withdrawn such properties from the sales list and actively conducts leasing activities to lease out such properties. Accordingly, a fair value gain of RMB1,189,828,000 (six months ended 30 June 2025: RMB126,324,000) was recognised in profit or loss upon transfer.

Following the update of the valuation of the Group's investment properties by an independent valuer as at 30 June 2026, a net fair value loss of RMB1,135,769,000 (six months ended 30 June 2025: gain of RMB305,747,000), and deferred tax credit thereof of RMB283,942,000 (six months ended 30 June 2025: deferred tax charge of RMB76,437,000), has been recognised in profit or loss in respect of investment properties.

As at 30 June 2026, the Group's completed investment properties portfolio with an aggregated carrying value of approximately RMB12,821,419,000 (31 December 2025: RMB14,463,461,000) in aggregate were pledged as collateral for the Group's interest-bearing borrowings (note 17).

Fair value measurement of properties

(i) Fair value hierarchy

The following table presents the fair value of the Group's properties measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13, "Fair value measurement". The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuation: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuation: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which markets data are not available
- Level 3 valuation: Fair value measured using significant unobservable inputs

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8 INVESTMENT PROPERTIES *(Continued)*

Fair value measurement of properties *(Continued)*

(ii) Information about Level 3 fair value measurements

	Valuation techniques	Unobservable input	Range
Investment properties	Income capitalisation method	Term yield	5.0% (31 December 2025: 5.0%)
		Reversion yield	5.0% (31 December 2025: 5.0%)
		Market monthly rental rate (RMB/sq.m.)	9.60–106.74 (31 December 2025: 8.7–121.4)
		Occupancy rate	0%–90% (31 December 2025: 0%–95%)

The fair value of completed investment properties is generally derived using the income capitalisation method. This valuation method is based on the capitalisation of the income and reversionary potential income by adopting appropriate capitalisation rates, which are derived from analysis of sale transactions and valuers' interpretation of prevailing investor requirements or expectations. The prevailing market rents adopted in the valuation are referenced to recent lettings within the subject properties and the estimated rental incremental observed in other comparable properties.

9 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2026, the Group entered into several lease agreements for use of office premises and warehouses, and therefore recognised additions to right-of-use assets of RMB6,336,000 (six months ended 30 June 2025: RMB5,185,000).

During the six months ended 30 June 2026, the Group acquired items of property, plant and equipment with aggregate costs of RMB8,252,000 (six months ended 30 June 2025: RMB19,939,000).

Items of property, plant and equipment with net book value of RMB4,394,000 (six months ended 30 June 2025: RMB99,000) were disposed of during the six months ended 30 June 2026, resulting in a loss on disposal of RMB939,000 (six months ended 30 June 2025: a loss on disposal of RMB30,000).

As at 30 June 2026, the ownership certificates for certain buildings with net book value of RMB39,542,000 (31 December 2025: RMB40,763,000) have not been obtained.

As at 30 June 2026, the Group's buildings with net book value of RMB67,578,000 (31 December 2025: RMB34,562,000) were pledged as collateral for the Group's interest-bearing borrowings (note 17).

10 CONTRACT ASSETS AND CONTRACT LIABILITIES

(a) Contract assets

	30 June 2026 RMB'000	31 December 2025 RMB'000
Contract assets		
Arising from performance under construction contracts	**54,529**	54,369
Receivables from contracts with customers within the scope of IFRS 15, which are included in "Trade and other receivables" *(note 13)*	**3,657,310**	5,317,427

The amount of contract assets that is expected to be recovered after more than one year is RMB54,529,000 (31 December 2025: RMB54,369,000) as at 30 June 2026.

(b) Contract liabilities

	30 June 2026 RMB'000	31 December 2025 RMB'000
Property development and related services		
— Forward sales deposits and instalments received	**140,434**	137,987
Supply chain management and trading		
— Deposits received from third parties	**11,748,388**	13,523,749
Others		
— Deposits received	**6,825**	14,188
	11,895,647	13,675,924

11 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2026 RMB'000	31 December 2025 RMB'000
Financial assets at fair value through profit or loss		
Listed equity securities in Hong Kong		
— Fullshare Holdings Limited	**1,195**	1,601
Wealth management products and trust products *(i)*	**–**	15,000
Forward contracts	**108,522**	60,575
	109,717	77,176

(i) The amount represents investments in wealth management products and trust products issued by reputable financial institutions in the PRC. There are no fixed or determinable returns of these wealth management products and trust products.

12 INVENTORIES

	30 June 2026 RMB'000	31 December 2025 RMB'000
Properties under development for sale	**1,080,914**	1,343,584
Completed properties held for sale	**1,048,405**	1,252,360
Commodities	**1,967,891**	1,182,889
	4,097,210	3,778,833

As at 30 June 2026, completed properties held for sale with an aggregate carrying value of RMB173,137,000 (31 December 2025: RMB173,179,000) were pledged as collateral for the Group's interest-bearing borrowings (note 17).

13 TRADE AND OTHER RECEIVABLES

	30 June 2026 RMB'000	31 December 2025 RMB'000
Trade receivables, net of loss allowance	**3,673,526**	5,335,763
Loans and factoring receivables, net of loss allowance	**434,035**	781,246
	4,107,561	6,117,009
Advances to suppliers	**11,033,903**	13,183,090
Other receivables, deposits and prepayments	**1,535,751**	1,512,040
	16,677,215	20,812,139

As at 30 June 2026, other receivables of RMBnil (31 December 2025: RMB250,000) were pledged as collateral for the Group's interest-bearing borrowings (note 17).

(a) Ageing analysis of trade receivables

As at the end of the reporting period, the ageing analysis of trade receivables, based on recognition date of revenue and net of allowance is as follows:

	30 June 2026 RMB'000	31 December 2025 RMB'000
Within 6 months	**3,504,240**	4,855,410
Over 6 months but within 12 months	**41,353**	354,528
Over 12 months	**127,933**	125,825
	3,673,526	5,335,763

Customers are normally granted credit terms of 0 to 360 days, depending on the credit worthiness of individual customers.

13 TRADE AND OTHER RECEIVABLES *(Continued)*

(b) Loans and factoring receivables, net of loss allowance

	30 June 2026 RMB'000	31 December 2025 RMB'000
Secured loans receivable, net of loss allowance *(i)*	**321,180**	645,347
Factoring receivables, net of loss allowance *(ii)*	**112,855**	135,899
	434,035	781,246

(i) Secured loans receivables represent loans advanced to third-parties, which are secured by certain of the borrowers' inventories, properties and unlisted shares.

(ii) As at 30 June 2026, included in the Group's factoring receivables balance are debtors with an aggregate carrying amount of RMB6,063,000 (31 December 2025: RMB4,166,000) which were past due for 90 days or more as at the reporting date. The directors of the Company are of the view that there has been no significant increase in credit risk nor default, as these factoring receivables are adequately secured by collateral with an aggregate carrying amount of approximately RMB13,634,000 (31 December 2025:RMB7,418,000), which is considered sufficient to cover the outstanding exposure.

Ageing analysis

As at the end of the reporting period, the ageing analysis of loans and factoring receivables, based on recognition date of loans and factoring receivables and net of loss allowance is as follows:

	30 June 2026 RMB'000	31 December 2025 RMB'000
Within 6 months	**278,245**	271,744
Over 6 months but within 12 months	**25,280**	382,657
Over 12 months	**130,510**	126,845
	434,035	781,246

Borrowers are normally granted credit terms of 0 to 360 days, depending on the credit worthiness of individual customers.

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14 PLEDGED BANK DEPOSITS

	Note	30 June 2026 RMB'000	31 December 2025 RMB'000
Secured for letter of credit and bills payables	16	**3,181,481**	6,676,819
Secured for bank loans	17	**7,330**	80,070
Others		**9,305**	234,792
		3,198,116	6,991,681

15 CASH AND CASH EQUIVALENTS

	30 June 2026 RMB'000	31 December 2025 RMB'000
Cash at banks and on hand	**862,883**	1,509,853

At 30 June 2026, cash and cash equivalents and pledged bank deposits with aggregate amount of RMB3,815,255,000 (31 December 2025: RMB8,072,055,000) were placed with banks in the PRC. Remittance of funds out of the PRC is subject to the relevant rules and regulations of foreign exchange control promulgated by the PRC government.

16 TRADE AND OTHER PAYABLES

	30 June 2026 RMB'000	31 December 2025 RMB'000
Trade and bills payables *(i)*	**5,853,276**	8,667,151
Receipts in advance *(ii)*	**97,018**	95,388
Other payables and accruals	**3,901,617**	3,916,920
	9,851,911	12,679,459

(i) As at the end of the reporting period, the ageing analysis of trade and bills payables, based on the invoice date, is as follows:

	30 June 2026 RMB'000	31 December 2025 RMB'000
Within 6 months	**4,725,266**	7,226,843
Over 6 months but within 12 months	**392,084**	758,711
Over 12 months	**735,926**	681,597
	5,853,276	8,667,151

Assets of the Group pledged to secure the bills payables comprise:

	30 June 2026 RMB'000	31 December 2025 RMB'000
Pledged bank deposits	**3,181,481**	6,676,819

(ii) Receipts in advance mainly represents rental receipts in advance for investment properties.

17 INTEREST-BEARING BORROWINGS

The analysis of the carrying amount of interesting-bearing borrowings is as follows:

	Note	30 June 2026 RMB'000	31 December 2025 RMB'000
Current			
Bank loans and loans from other financial institutions	*17(a)*	**4,746,160**	4,868,612
Other loans	*17(b)*	**3,040,204**	3,040,604
Loans from an entity controlled by Ultimate Controlling Party	*17(c)*	**20,000**	20,000
Discounted bank acceptance bills	*17(d)*	**1,582,149**	3,815,320
		9,388,513	11,744,536
Non-current			
Bank loans and loans from other financial institutions	*17(a)*	**1,516,323**	1,877,955
Other loans	*17(b)*	**777,433**	777,433
		2,293,756	2,655,388
		11,682,269	14,399,924

(a) Bank loans and loans from other financial institutions

At 30 June 2026, the bank loans and loans from other financial institutions were repayable as follows:

	30 June 2026 RMB'000	31 December 2025 RMB'000
Within 1 year or on demand	**4,746,160**	4,868,612
After 1 year but within 2 years	**275,823**	377,155
After 2 years but within 5 years	**1,240,500**	1,500,800
	1,516,323	1,877,955
	6,262,483	6,746,567

17 INTEREST-BEARING BORROWINGS *(Continued)*

(a) Bank loans and loans from other financial institutions *(Continued)*

(i) The breakdown of bank loans and loans from other financial institutions were as follows:

	30 June 2026 RMB'000	31 December 2025 RMB'000
Secured/guaranteed	**5,376,018**	5,471,882
Unsecured	**886,465**	1,274,685
	6,262,483	6,746,567

(ii) At 30 June 2026, certain bank loans and loans from other financial institutions of RMB1,653,073,000 (31 December 2025: RMB1,744,692,000) were guaranteed by corporate guarantees of certain of the Group's subsidiaries respectively. The remaining bank loans and loans from other financial institutions of RMB3,722,945,000 (31 December 2025: RMB3,727,190,000) were secured by the following assets of the Group:

	Note	**30 June 2026 RMB'000**	31 December 2025 RMB'000
Pledged bank deposits	*14*	**7,330**	80,070
Other receivables	*13*	**–**	250
Investment properties and investment properties under development		**12,821,419**	14,463,461
Completed properties held for sale	*12*	**173,137**	173,179
Properties, plant and equipment	*9*	**67,578**	34,562
		13,069,464	14,751,522

(iii) Bank loans and loans from other financial institutions bear fixed interest ranging from 2.11% to 10.8% per annum as at 30 June 2026 (31 December 2025: 2.11% to 12.00% per annum).

(iv) Certain banking facilities and borrowings of the Group are subject to the fulfilment of covenants relating to: (1) certain of the Group's subsidiaries' statement of financial position ratio; (2) restriction of profit distribution by certain of its subsidiaries; or (3) restriction of providing financial guarantees. These requirements are commonly found in lending arrangements with banks and financial institutions. If the Group was to breach such covenants, subject to the nature of the breach, the Group would be subject to penalty and the drawn down facilities would become repayable on demand. The Group regularly monitors its compliance with these covenants and communicates with its lenders.

During the six months ended 30 June 2026, the Group breached certain terms of bank loans with carrying amount of RMB1,209,700,000 (31 December 2025: RMB1,209,700,000) as at 30 June 2026, primarily relating to the late repayment of the loan. The Group have informed the lenders and commenced renegotiation of the loan terms with the relevant lenders. As at 30 June 2026, such negotiations had not been concluded.

As the lenders have not agreed, as at the end of the reporting period, to waive its right to demand immediate repayment of the loans, the bank loans have been classified as current liability as at 30 June 2026.

17 INTEREST-BEARING BORROWINGS *(Continued)*

(b) Other loans

As at 30 June 2026, other loans were repayable as follows:

	30 June 2026 RMB'000	31 December 2025 RMB'000
Within one year or on demand	**3,040,204**	3,040,604
After 1 year but within 2 years	**–**	–
After 2 years but within 5 years	**777,433**	777,433
	3,817,637	3,818,037

As at 30 June 2026, other loans were unsecured (31 December 2025: unsecured) and bear fixed interest ranging from 4.00% to 12.00% per annum (31 December 2025: 4.00% to 12.00% per annum).

During the six months ended 30 June 2026, the Group breached certain terms of loan from independent third parties with carrying amount of RMB1,814,663,000 (31 December 2025: RMB1,805,663,000) as at 30 June 2026, primarily relating to the late repayment of the loan. The Group have informed the lenders and commenced renegotiation of the loan terms with the relevant lenders. The Group had several borrowings with an aggregate principal amount of approximately RMB1,056,999,000 that are contractually due for repayment on 30 June 2026. The Group is currently in discussions with the respective lenders to extend the repayment dates of these borrowings.

As at 30 June 2026, such negotiations had not been concluded. As the lenders have not agreed, as at the end of the reporting period, to waive its right to demand immediate repayment of the loans, the loans from independent third parties have been classified as current liability as at 30 June 2026.

(c) Loans from an entity controlled by the ultimate controlling party of the Company ("**Ultimate Controlling Party**") are unsecured, interest-free and repayable on demand as at 30 June 2026 and 31 December 2025.

(d) The Group has discounted bank acceptance bills of RMB1,582,149,000 as at 30 June 2026 (31 December 2025: RMB3,815,320,000). The directors of the Company believed that the Group still retains virtually all its risks and rewards, including the risk of default on discounted bank acceptance bills. Therefore, the Group continued to fully recognised the discounted instruments.

(Expressed in Renminbi unless otherwise indicated)

18 EQUITY-SETTLED SHARE-BASED PAYMENTS

(a) Share option scheme

Pursuant to an acquisition agreement dated 28 October 2016 entered into by the Company (the "**Acquisition Agreement**"), the Group has granted a total of 45,667,950 share options under the share option scheme adopted by the Company on 20 June 2011 to certain senior management of Shenzhen Sinoagri ("**Shenzhen Sinoagri Management team**") at total consideration of HK$3.00 to subscribe share of the Company. Each option gives the holder the right to subscribe for one ordinary share in the Company and is settled gross in shares.

Upon the expiry of the share option scheme in 2021, no further share option will be granted to Shenzhen Sinoagri Management team. A new share option scheme was approved and adopted on 28 May 2021 by the Company which is valid and effective for a period of 10 years whereby the directors of the Company are authorised, at their discretion, to grant options to subscribe for shares in the Company to eligible participants, including directors, eligible employees, advisors, consultants, agents, suppliers, customers and distributors who contributed to the success of the Company and/or any of its subsidiaries.

Number of share options	Vesting conditions	Contractual life of options
	The date of grant of 22 December 2017 to the respective date of the publication of annual report of the Company for the following financial year	The respective date of the publication of annual report of the Company for the following financial year to 21 December 2027
9,133,590	2017	2017
9,133,590	2018	2018
9,133,590	2019	2019
9,133,590	2020	2020
9,133,590	2021	2021
45,667,950		

The number of the options to be exercised after each vesting period is subject to a performance guarantee mechanism with reference to revenue and net profit of Shenzhen Sinoagri for the respective financial year. For further details of the financial performance targets, please refer to the paragraph headed "Management Shares and Management Options" in the circular of the Company dated 15 February 2017.

(Expressed in Renminbi unless otherwise indicated)

18 EQUITY-SETTLED SHARE-BASED PAYMENTS *(Continued)*

(a) Share option scheme *(Continued)*

The number and weighted average exercise prices of share options are as follows:

	30 June 2026		31 December 2025	
	Weighted average exercise price HK$	**Number of options**	Weighted average exercise price HK$	Number of options
Outstanding at the beginning of the period/year	**8.48**	**15,547,407**	8.48	15,547,407
Lapsed during the period/year	**8.48**	**–**	8.48	–
Outstanding at the end of the period/year	**8.48**	**15,547,407**	8.48	15,547,407
Exercisable at the end of the period/year	**8.48**	**15,547,407**	8.48	15,547,407

At 30 June 2026, the options outstanding had an exercise price of HK$8.48 (31 December 2025: HK$8.48) and the remaining contractual life of share option scheme is 1.5 years (31 December 2025: 2 years). No share options had been exercised, cancelled or lapsed during the six months ended 30 June 2026.

19 CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends

(i) Dividends payable to equity shareholders of the Company attributable to the interim period

The directors of the Company did not recommend the payment of an interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

(ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved during the interim period

No final dividend in respect of the previous financial year was approved or paid during the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

(b) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholders returns that might be possible with higher levels of borrowings and the advantages and securities afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The Group monitors its capital structure on the basis of an adjusted net debt-to-capital ratio. For this purpose, adjusted net debt is defined as interest-bearing borrowings and lease liabilities less deposits with banks with original maturity over three months, pledged bank deposits and cash and cash equivalents. Adjusted capital comprises all components of equity.

The Group's strategy is to maintain the adjusted net debt-to-capital ratio not exceed 75%. In order to maintain or adjust the ratio, the Group may adjust the amount of dividends paid to shareholders, issue new shares, return capital to shareholders, raise new debt financing or sell assets to reduce debt.

19 CAPITAL, RESERVES AND DIVIDENDS *(Continued)*

(b) Capital management *(Continued)*

The Group's adjusted net debt-to-capital ratio at the end of the current and previous reporting periods was as follows:

	30 June 2026 RMB'000	31 December 2025 RMB'000
Current liabilities:		
Interest-bearing borrowings	**9,388,513**	11,744,536
Lease liabilities	**12,282**	11,690
Non-current liabilities:		
Interest-bearing borrowings	**2,293,756**	2,655,388
Lease liabilities	**22,865**	23,920
Total debt	**11,717,416**	14,435,534
Less: Pledged bank deposits	**(3,198,116)**	(6,991,681)
Cash and cash equivalents	**(862,883)**	(1,509,853)
Adjusted net debt	**7,656,417**	5,934,000
Total equity attributable to equity shareholders of the Company	**12,916,832**	14,082,294
Adjusted net debt-to-capital ratio	**59.27%**	42.14%

20 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

(a) Financial assets and liabilities measured at fair value

(i) Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuation: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active market for identical assets or liabilities at the measurement date
- Level 2 valuation: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3 valuation: Fair value measured using significant unobservable inputs

	Fair value at 30 June 2026	Fair value measurement as at 30 June 2026 categorised into			Fair value at 31 December 2025	Fair value measurement as at 31 December 2025 categorised into		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Recurring fair value measurement								
Assets:								
— Listed equity securities	1,195	1,195	–	–	1,601	1,601	–	–
— Wealth management products and trust products	–	–	–	–	15,000	–	15,000	–
— Forward contracts	108,522	108,522	–	–	60,575	60,575	–	–
— Equity investment at fair value through other comprehensive income	80,408	–	–	80,408	80,408	–	–	80,408

20 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS *(Continued)*

(a) Financial assets and liabilities measured at fair value *(Continued)*

(i) Fair value hierarchy *(Continued)*

The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation techniques and inputs used).

Financial assets/ financial liabilities	Fair value as at 30 June 2026 RMB'000	Fair value as at 31 December 2025 RMB'000	Fair value hierarchy	Valuation Techniques and key inputs
Listed equity securities	**Assets 1,195**	Assets 1,601	Level 1	Quoted bid prices in an active market.
Wealth management product and trust products	**Assets –**	Assets 15,000	Level 2	Discounting the estimated future cash flows at risky rate, which is the benchmark interest rate plus the risk premium as at the end of the reporting period.
Forward contracts	**Assets 108,522**	Assets 60,575	Level 1	Quoted bid prices in an active market.
Equity investment at FVOCI	**Assets 80,408**	Assets 80,408	Level 3	Market approach.

The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur. During the six months ended 30 June 2026, there were no transfers between Level 1, Level 2 or Level 3.

The carrying amounts of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 30 June 2026.

20 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS *(Continued)*

(a) Financial assets and liabilities measured at fair value *(Continued)*

(i) Fair value hierarchy *(Continued)*

Information about Level 3 fair value measurements

	Valuation techniques	Unobservable input	Range
Equity investment at FVOCI	Market approach	Discount for lack of marketability	29.82%

The fair value of unlisted equity securities is determined using the price/earning ratios of comparable listed companies adjusted for discount for lack of marketability. The fair value measurement is negatively correlated to the discount for lack of marketability.

The movements during the period in the balance of Level 3 fair value measurement is as follows:

	30 June 2026 RMB'000
At 1 January 2026	**80,408**
Transfers from Level 2 to Level 3	**–**
At 30 June 2026	**80,408**
Total gains or losses for the period included in profit or loss for assets held at the end of the reporting period	**–**

Any gain or loss arising from the remeasurement of the group's unlisted equity securities held for strategic purposes are recognised in the fair value reserve (non-recycling) in other comprehensive income. Upon disposal of the equity securities, the amount accumulated in other comprehensive income is transferred directly to retained earnings.

21 COMMITMENTS

	30 June 2026 RMB'000	31 December 2025 RMB'000
Contracted but not provided for in the consolidated financial statements:		
— Capital expenditure in respect of investment properties under development	**92,884**	92,884
— Expenditure in respect of properties under development	**138,338**	137,793
	231,222	230,677

22 GUARANTEES

	30 June 2026 RMB'000	31 December 2025 RMB'000
Guarantees given to banks for mortgage facilities granted to purchasers of the Group's properties *(note (a))*	**59,588**	156,474
Guarantees given to Tongshang *(note (b))*	**394,680**	394,680
Other guarantee *(note (c))*	**151,019**	152,300
Total maximum guarantees issued	**605,287**	703,454

Notes:

(a) The Group provided guarantees in respect of mortgage facilities granted by certain banks in connection with the mortgage loans entered into by purchasers of the Group's properties. Pursuant to the terms of the guarantees, if there is default of the mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage loans together with any accrued interests and penalties owed by the defaulted purchasers to the banks. The Group's guarantee period commences from the dates of grant of the relevant mortgage loans and ends upon the earlier of the buyers obtained the individual property ownership certificate and the full settlement of mortgage loans by the buyers.

The directors of the Company consider that it is not probable that the Group will sustain a loss under these guarantees as the Group can take over the ownerships of the related properties and sell the properties to recover any amounts paid by the Group to the banks. The directors of the Company also consider that the fair market value of the underlying properties is able to cover the outstanding mortgage loans guaranteed by the Group in the event the purchasers default payments to the banks.

(b) The Group provided guarantees in respect of loan granted by China CITIC Financial Asset Management Co., Ltd. to Hubei Tongshang Construction Group Co., Ltd. ("**Tongshang**"). Pursuant to the terms of the guarantees, certain investment properties and completed properties held for sale with a carrying amount of RMB149,154,000 and RMB1,232,000 (31 December 2025: RMB177,193,000 and RMB3,514,000) respectively were pledged as security to the bank.

The Group's guarantee period commences from the grant date of the loan and ends upon full settlement of the loans by Tongshang.

The directors of the Group consider that it is not probable that the Group will sustain a loss under these guarantees as Tongshang is able to repay the loan.

(c) For other financial guarantees, the aggregate amount of outstanding financial guarantees that the Group could be required to pay amounted to RMB151,019,000 (31 December 2025: RMB152,300,000) as at 30 June 2026. At the end of the reporting period, management has performed impairment assessment by measuring the loss allowance for financial guarantee contracts issued by the Group at an amount equal to 12-month ECL, and concluded that there has been no significant increase in credit risk since initial recognition of the financial guarantee contracts. Accordingly, no loss allowance was recognised in the profit or loss as the ECL is assessed to be insignificant.

The Group has not recognised any deferred income in respect of these guarantees as its fair value is considered to be minimal by the directors of the Company.

23 MATERIAL RELATED PARTY TRANSACTIONS

Ultimate Controlling Party refers to Mr. Yan Zhi who is the chairman, co-chief executive officer and an executive director of the Group.

(a) Transactions with key management personnel

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors is as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Wages, salaries and other benefits	**5,848**	6,440
Contributions to defined benefit retirement plans	**347**	320
	6,195	6,760

The above remuneration to key management personnel is included in "staff costs" (note 5(b)).

(b) Other transactions with related parties and non-controlling shareholders of subsidiaries

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
(i) Advances from related parties and non-controlling shareholders of subsidiaries during the period		
— Associates	**153,661**	–
— Joint ventures	**–**	40,063
— Entities controlled by Ultimate Controlling Party	**4,547**	2,950
— Entities over which Ultimate Controlling Party has significant influence	**–**	1,000

23 MATERIAL RELATED PARTY TRANSACTIONS *(Continued)*

(b) Other transactions with related parties and non-controlling shareholders of subsidiaries *(Continued)*

	Six months ended 30 June	
	2026 RMB'000	2025 RMB'000
(ii) Repayment to related parties and non-controlling shareholders of subsidiaries during the period		
— Associates	**2,053**	215,590
— Joint ventures	**463,722**	–
— Entities controlled by Ultimate Controlling Party	**16,659**	6,903
— Key management personnel	**–**	26

	Six months ended 30 June	
	2026 RMB'000	2025 RMB'000
(iii) Advances to related parties and non-controlling shareholders of subsidiaries during the period		
— Associates	**7,327**	15,000
— Joint ventures	**89,890**	235,515
— Entities controlled by Ultimate Controlling Party	**1,258**	2,184
— Key management personnel	**–**	40
— Entities over which Ultimate Controlling Party has significant influence	**–**	88
— Ultimate Controlling Party	**8**	–
— Non-controlling shareholders of subsidiaries	**19,671**	–

	Six months ended 30 June	
	2026 RMB'000	2025 RMB'000
(iv) Repayment from related parties and non-controlling shareholders of subsidiaries during the period		
— Associates	**4,760**	15,000
— Joint ventures	**360,718**	339,525
— Entities controlled by Ultimate Controlling Party	**37**	36
— Key management personnel	**–**	1,507
— Entities over which Ultimate Controlling Party has significant influence	**–**	13,820
— Ultimate Controlling Party	**4**	–
— Non-controlling shareholders of subsidiaries	**23,900**	–

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23 MATERIAL RELATED PARTY TRANSACTIONS *(Continued)*

(b) Other transactions with related parties and non-controlling shareholders of subsidiaries *(Continued)*

		Six months ended 30 June	
		2026	2025
		RMB'000	RMB'000
(v)	Rental income		
	— Associates	**193**	–
	— Entities over which Ultimate Controlling Party has significant influence	**1,565**	638
	— Entities controlled by Ultimate Controlling Party	**12**	18

		Six months ended 30 June	
		2026	2025
		RMB'000	RMB'000
(vi)	Deposits placed in		
	— a bank over which Ultimate Controlling Party has significant influence	**4,122,368**	2,593,251
	Deposits withdrawn from		
	— a bank over which Ultimate Controlling Party has significant influence	**(4,162,576)**	(2,594,286)

		Six months ended 30 June	
		2026	2025
		RMB'000	RMB'000
(vii)	Sales of commodities and provision of services to related parties and non-controlling shareholders of subsidiaries		
	— Associates	**33,388**	10,493
	— Non-controlling shareholders of subsidiaries	**11,997**	–

23 MATERIAL RELATED PARTY TRANSACTIONS *(Continued)*

(b) Other transactions with related parties and non-controlling shareholders of subsidiaries *(Continued)*

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
(viii) Purchase of commodities from related parties and non-controlling shareholders of subsidiaries		
— Associates	**1,053,627**	2,025,551
— Entities controlled by non-controlling shareholders of subsidiaries	**–**	2,638
— Non-controlling shareholders of subsidiaries	**10,488**	–

(c) Other balances with related parties and non-controlling shareholders of subsidiaries

	30 June 2026	31 December 2025
	RMB'000	RMB'000
Cash and cash equivalents		
— Entities over which Ultimate Controlling Party has significantly influence	**16,611**	54,866
Interest-bearing borrowings		
— Entities controlled by Ultimate Controlling Party	**20,000**	20,000

23 MATERIAL RELATED PARTY TRANSACTIONS *(Continued)*

(d) Amounts due from related parties and non-controlling shareholders of subsidiaries

	30 June 2026 RMB'000	31 December 2025 RMB'000
Amounts due from related parties and non-controlling shareholders of subsidiaries		
— Associates	**188,369**	208,811
— Joint ventures	**21,935**	292,762
— Non-controlling shareholders of subsidiaries	**19,597**	21,567
— Entities controlled by Ultimate Controlling Party	**47,065**	45,852
— Key management personnel	**2,474**	2,474
— Entities controlled by non-controlling shareholders of subsidiaries	**7,499**	7,499
— Entities over which Ultimate Controlling Party has significant influence	**841**	841
— Ultimate Controlling Party	**105**	100
	287,885	579,906

Amounts due from related parties and non-controlling shareholders of subsidiaries are unsecured and repayable on demand. As at 30 June 2026, amount due from an associate of RMB nil (31 December 2025: RMB208,811,000) bears interest at nil% (31 December 2025: 8.4%) per annum. All the other amounts due from related parties and non-controlling shareholders of subsidiaries as at 30 June 2026 and 31 December 2025 are interest-free.

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23 MATERIAL RELATED PARTY TRANSACTIONS *(Continued)*

(e) Amounts due to related parties and non-controlling shareholders of subsidiaries

	30 June 2026 RMB'000	31 December 2025 RMB'000
Amounts due to related parties and non-controlling shareholders of subsidiaries		
— Associates	**247,381**	18,223
— Joint ventures	**333,586**	797,308
— Non-controlling shareholders of subsidiaries	**25,537**	20,452
— Entities controlled by Ultimate Controlling Party	**470,164**	482,369
— Ultimate Controlling Party	**3,900**	3,901
— Key management personnel	**200**	200
— Entities over which Ultimate Controlling Party has significant influence	**15,336**	15,583
	1,096,104	1,338,036

All amounts due to related parties and non-controlling shareholders of subsidiaries as at 30 June 2026 and 31 December 2025 are interest-free, unsecured and repayable on demand.