



VISION SYNERGY HOLDINGS LIMITED

共生智築控股有限公司

(Incorporated in Bermuda with limited liability)

Stock Code : 627

2026
INTERIM REPORT

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CORPORATE INFORMATION

BOARD OF DIRECTORS EXECUTIVE DIRECTOR

Dr. Hiroshi Kaneko (*Chief Executive Officer*)

NON-EXECUTIVE DIRECTOR

Mr. Chung Ho Wai Alan

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Huang Zhongquan

Ms. Tang Ying Sum

Ms. Ha Sze Wan

AUDIT COMMITTEE

Ms. Ha Sze Wan (*Chairlady*)

Mr. Huang Zhongquan

Ms. Tang Ying Sum

REMUNERATION COMMITTEE

Mr. Huang Zhongquan (*Chairman*)

Dr. Hiroshi Kaneko

Ms. Tang Ying Sum

NOMINATION COMMITTEE

Mr. Huang Zhongquan (*Chairman*)

Dr. Hiroshi Kaneko

Ms. Ha Sze Wan

COMPANY SECRETARY

Mr. Tsang King Sun

AUTHORISED REPRESENTATIVES

Dr. Hiroshi Kaneko

Mr. Tsang King Sun

AUDITOR

PKF Hong Kong Limited

LEGAL ADVISERS

Patrick Mak & Tse Solicitors

PRINCIPAL BANKERS

Hang Seng Bank Limited

Fubon Bank (Hong Kong) Limited

China Construction Bank (Asia) Corporation Limited

Bank of Communications Co., Ltd.

REGISTERED OFFICE

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

PRINCIPAL PLACE OF BUSINESS

Flat/Room 2905, 29/F

China Resources Building

26 Harbour Road

Wan Chai

Hong Kong

PRINCIPAL SHARE REGISTRAR

Cohort Limited

3rd Floor, Sofia House

48 Church Street

Hamilton HM 12

Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Union Registrars Limited

Suites 3301-04, 33/F.

Two Chinachem Exchange Square

338 King's Road

North Point, Hong Kong

LISTING INFORMATION

The Stock Exchange of Hong Kong Limited

Ordinary Shares (Stock Code: 627)

COMPANY WEBSITE

www.vshl.com.hk

INVESTOR RELATIONS

Email: cs@fullsun.com.hk

DEFINITIONS

Term	Definition
Board	The board of the Directors
Company	Vision Synergy Holdings Limited
Director(s)	The director(s) of the Company
Group	The Company and its subsidiaries from time to time
Hong Kong	The Hong Kong Special Administrative Region
HK\$/HKD	Hong Kong dollars
Listing Rules	The Rules Governing the Listing of Securities on the Stock Exchange
Model Code	Model Code for Securities Transactions by Directors of Listed Issuers
Period/During the Period	1 January 2026 to 30 June 2026
PRC/Mainland China	The People's Republic of China, excluding Hong Kong, Macau Special Administrative Region and Taiwan for the purpose of this report
Previous Period	1 January 2025 to 30 June 2025
RMB	Renminbi Yuan
SFO	Securities and Futures Ordinance (chapter 571 of the Laws of Hong Kong)

DEFINITIONS

Term	Definition
Share(s)	Ordinary share(s) of the Company
Stock Exchange	The Stock Exchange of Hong Kong Limited
USD	United States dollars

Note:

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

MANAGEMENT DISCUSSION AND ANALYSIS

The Group's principal operations remain within the property sector, encompassing property development and property investment. The Group has further expanded to supply chain business for sale of a range of commodities within the PRC. As of 30 June 2026, the Group's development projects, properties held for sale, and investment portfolio are primarily located in Changsha City, Hunan Province. A summary of the Group's financial performance for the six-month period ended 30 June 2026, is summarised below:

OVERALL REVIEW

PROPERTY DEVELOPMENT

During the Period, revenue from sales of properties was approximately RMB11,713,000 (Previous Period: approximately RMB3,024,000).

The revenue from sales of properties for the Period was only contributed by projects in Hunan Province for both periods. The increase in recognised sales during the Period by 287.3% as compared to that of the Previous Period due to partial recovery of the property markets in Hunan Province.

PROPERTY INVESTMENT

Rental income for the Period was approximately RMB172,000 (Previous Period: approximately RMB169,000). Rental income was mainly contributed by the commercial investment properties in Changsha.

As at 30 June 2026, the fair value on the Group's investment property portfolio remained unchanged.

SUPPLY CHAIN BUSINESS

Revenue from the supply chain business, which involves the trading of commodities, contributed approximately RMB61,040,000 to the Group's revenue during the Period (Previous Period: approximately RMB30,000,000).

TELECOMMUNICATION INFRASTRUCTURE BUSINESS

During the period, the Group completed the acquisition of telecommunications infrastructure licenses in Thailand, recognising intangible assets of approximately RMB33,139,000, with no revenue generated to date as the venture remains in its pre-construction phase.

OPERATING EXPENSES

During the Period, the selling and distribution expenses was approximately RMB336,000 (Previous Period: approximately RMB652,000), and the cost-income ratio calculated as the relevant expenses divided by the revenue for the Period was 0.46% (Previous Period: 1.96%). During the Period, the administrative expenses was approximately RMB9,214,000 (Previous Period: approximately RMB7,180,000), and the cost-income ratio calculated as the relevant expenses divided by the revenue for the Period was 12.63% (Previous Period: 21.63%).

FINANCE COSTS

Finance costs comprised of interest on bank and other borrowings and interest on contract liabilities. The finance costs was approximately RMB9,829,000 for the Period (Previous Period: approximately RMB9,384,000).

MANAGEMENT DISCUSSION AND ANALYSIS

INCOME TAX EXPENSE

During the Period, income tax expense amounted to approximately RMB15,000 (Previous Period: income tax expense amounted to approximately RMB35,000).

PROSPECTS

The Group continues to pursue a balanced investment strategy, with a primary focus on high-potential real estate and land development opportunities, including undervalued urban redevelopment projects, logistics hubs, and residential complexes in high-growth areas that offer robust cash flow potential. Nevertheless, persistent market weakness and subdued investment sentiment across the PRC property sector, particularly in second-tier cities, are expected to keep our property development segment operating at similarly subdued levels as in prior years, with the near-term outlook remaining highly unclear.

In response, the Group is strategically accelerating the expansion of its supply chain business, which not only provides growing and stable earnings contributions but also serves as a critical lever for business risk diversification. By strengthening this segment, we are better positioned to mitigate concentration risk and reduce our earnings dependency on the volatile PRC property market. As the supply chain business continues to gain operational scale and financial traction, we expect it to play an increasingly prominent role in offsetting the sustained headwinds in the property sector, thereby reinforcing the Group's overall earnings resilience and long-term financial stability.

Most notably, in response to the surging demand for robust, secure, and ultra-fast data transmission driven by the rapid expansion of the AI economy, the Group has successfully completed the acquisition of telecommunications infrastructure licenses in Thailand. This strategic move not only diversifies the Group's business risk but also broadens the Group's revenue streams beyond the PRC property market. The Group is now advancing to construct a telecommunications cable connection from Asia to Hong Kong, a venture that directly aligns with the accelerating growth of AI-powered data centers and the escalating need for cross-border data transmission capabilities. Subject to the successful procurement of all requisite regulatory approvals and permits, construction is targeted to commence in late 2026 or early 2027, with project completion anticipated within approximately two years.

Looking ahead, our forward-looking strategy in Japan will continue to centre on acquiring and developing high-quality hospitality assets in key tourist destinations that are experiencing a robust recovery, fuelled by rising international visitor arrivals and supportive government policies. The objective is to establish a scalable and resilient income base that further insulates the Group from cyclical downturns in any single market. Together with our growing supply chain business and recent entry into digital infrastructure through telecommunications licenses in Thailand, the Group is building a well-diversified, multi-regional platform that spans real estate, logistics, connectivity, and services. Through disciplined capital allocation and a balanced focus on high-potential projects across China, Japan, and Southeast Asia, we are well-positioned to navigate market uncertainties while capturing emerging growth opportunities.

The Board remains steadfast in executing this strategic vision with prudence and agility, ensuring that the Group is equipped to deliver sustainable, long-term value to our shareholders in an evolving global landscape.

INTERIM DIVIDEND

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

LIQUIDITY, FINANCIAL RESOURCE AND GEARING RATIO

As at 30 June 2026, bank balances and cash amounted to approximately RMB6,104,000 (31 December 2025: RMB5,802,000), which were principally denominated in RMB and HKD. The Group had total other borrowings of approximately RMB192,572,000 (31 December 2025: RMB192,661,000) which carried interest at fixed or floating interest rates and were denominated in RMB and HKD. The Group's total other borrowings divided by total assets as at 30 June 2026 was 5.55% (31 December 2025: 5.55%). The net gearing ratio calculated as total borrowings, net of bank balances and cash and restricted bank deposits divided by total deficit of the Group as at 30 June 2026 was 9.46% (31 December 2025: 9.50%).

As at 30 June 2026, the Group had current assets of approximately RMB3,404,847,000 (31 December 2025: RMB3,459,382,000) and current liabilities of approximately RMB5,410,022,000 (31 December 2025: RMB5,429,942,000). The net liabilities of the Group as at 30 June 2026 were approximately RMB1,971,601,000 (31 December 2025: RMB1,966,505,000) which increased by approximately 0.26%.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES

The Group's principal business operations and investments are in mainland China and Hong Kong. As at 30 June 2026, all outstanding balances of its loans are denominated in RMB and HKD. The Group is exposed to fluctuations in the foreign exchange rates of the RMB, USD and HKD, but does not have any instruments to hedge its exposure to foreign exchange rates as it considers the potential exposure to foreign exchange rate risks is limited. The Group nonetheless closely monitors the fluctuations in exchange rates and will take appropriate actions to reduce the exchange rate exposure.

PLEDGE OF ASSETS, OTHER COMMITMENTS AND LITIGATIONS

The pledge of assets, other commitments and litigations of the Group are disclosed in the notes 23, 24 and 27 to the condensed consolidated financial statements in this report.

SHARE CAPITAL

The number of issued Shares as at 1 January 2026 and 30 June 2026 was 1,420,673,262 Shares.

MATERIAL ACQUISITIONS AND INVESTMENTS

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

EVENTS AFTER THE REPORTING PERIOD

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

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2026, the Group had approximately 106 employees, including the Directors. Remuneration of employees is determined by reference to the market terms and commensurate with the level of pay for similar positions within the industry. Discretionary year-end bonuses are payable to employees based on individual performance. The Group provides benefits in accordance with the relevant laws and regulations. The employees of the Group in the Mainland China are members of a state-managed retirement benefit scheme operated by the government of the PRC, and the employees in Hong Kong are members of the Mandatory Provident Fund Scheme of Hong Kong.

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

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

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

The Group’s contributions to the MPF Scheme and the Central Pension Schemes vest fully and immediately with the employees. During the Period and Previous Period, there were neither contributions forfeited by the Group nor had there been any utilisation of such forfeited contributions to reduce future contributions. As at 31 December 2025 and 30 June 2026, there were no forfeited contributions which were available for utilisation by the Group to reduce the existing level of contributions to the MPF Scheme and the Central Pension Schemes.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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

As at 30 June 2026, the following Director or chief executive of the Company or his associates had interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), as notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or as recorded in the register to be kept under Section 352 of the SFO or as notified to the Company and the Stock Exchange pursuant to the Model Code, as follows:

(I) INTEREST IN THE ORDINARY SHARES OF ASSOCIATED CORPORATION

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

Notes:

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

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

As at 30 June 2026, the following persons (other than the Directors or chief executives of the Company) had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of substantial shareholders required to be kept by the Company under Section 336 of the SFO, or as otherwise notified to the Company and the Stock Exchange as follows:

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

Notes:

- (L) represents long position in Shares/underlying Shares.
- The total number of 1,420,673,362 Shares in issue as at 30 June 2026 has been used for the calculation of the approximate percentage.
- 994,019,402 Shares are beneficially owned by Jet Power Investments Limited. Jet Power Investments Limited is wholly owned by CIS FUND OFC – CIS OPPORTUNITIES I FUND. CIS FUND OFC – CIS OPPORTUNITIES I FUND is a sub-fund of CIS FUND OFC, an open-ended fund company with variable share capital incorporated in Hong Kong. CIS Securities Asset Management Limited is the investment manager of CIS FUND OFC – CIS OPPORTUNITIES I FUND. Grateful Heart Inc. is an investor in the CIS FUND OFC – CIS OPPORTUNITIES I FUND whose investment as at the date of this report accounted for 100% of the entire investment amount in the CIS FUND OFC – CIS OPPORTUNITIES I FUND. Grateful Heart Inc. is owned as to 70% by Mr. Kenichi Yanase and therefore Mr. Kenichi Yanase is deemed to be interested in the same number of Shares held by Grateful Heart Inc.

Save as disclosed above, the Company has not been notified of any other relevant interests or short positions in the Shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO as at 30 June 2026.

SHARE OPTION SCHEME

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

The total number of Options available for grant under the Scheme as at 31 December 2025, 30 June 2026 and the date of this Interim Report was 11,236,749.

No share option has been granted, exercised, cancelled or lapsed by the Company since the adoption of the Share Option Scheme and during the Period. And there was no outstanding share option under the Share Option Scheme as at 30 June 2026 and as at the date of this Interim Report.

AUDIT COMMITTEE

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

CORPORATE GOVERNANCE

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

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

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

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

CORPORATE GOVERNANCE AND OTHER INFORMATION

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

UPDATE ON DIRECTORS' INFORMATION

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

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2026.

By order of the Board

Vision Synergy Holdings Limited

Dr. Hiroshi Kaneko

Executive Director and Chief Executive Officer

Hong Kong, 31 August 2026

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

The Board of the Company announces that the unaudited condensed consolidated interim results of the Group for the six months ended 30 June 2026 together with comparative figures for the previous period:

	NOTES	Six months ended 30 June 2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Revenue	3		
Contracts with customers		72,753	33,024
Leases		172	169
Total revenue		72,925	33,193
Cost of sales		(73,502)	(32,325)
Gross (loss)/profit		(577)	868
Other income	5	21	33
Other gains and losses, net	5	5,836	3,220
Selling and distribution expenses		(336)	(652)
Administrative expenses		(9,214)	(7,180)
Other expenses		–	(1)
Finance costs	6	(9,829)	(9,384)
Share of result from an associate		(332)	(301)
Loss before taxation		(14,431)	(13,397)
Income tax expense	7	(15)	(35)
Loss for the period	8	(14,446)	(13,432)
Other comprehensive income			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translating foreign operations		10,006	6,686
Total comprehensive expense for the period		(4,440)	(6,746)
Loss for the period attributable to:			
Owners of the Company		(13,281)	(12,726)
Non-controlling interests		(1,165)	(706)
		(14,446)	(13,432)
Total comprehensive expense for the period attributable to:			
Owners of the Company		(3,385)	(6,040)
Non-controlling interests		(1,055)	(706)
		(4,440)	(6,746)
Loss per share			
– Basic (RMB cents)	10	(0.93)	(0.90)
– Diluted (RMB cents)	10	(0.93)	(0.90)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026

	NOTES	At 30 June 2026 RMB'000 (unaudited)	At 31 December 2025 RMB'000 (audited)
Non-current Assets			
Property, plant and equipment		277	281
Investment properties	13	4,848	4,848
Interest in an associate	11	4,035	4,367
Interest in a joint venture	12	–	–
Right-of-use assets	14	18,263	2,425
Intangible assets	15	32,587	–
Deposits	15	1,280	–
Equity instrument designated at fair value through other comprehensive income		500	500
Deferred tax assets		225	225
		62,015	12,646
Current Assets			
Properties under development/properties for sale	16	275,306	288,345
Trade and other receivables and prepayments	17	3,087,892	3,129,674
Tax recoverable		34,426	34,323
Restricted bank deposits		1,119	1,238
Bank balances and cash		6,104	5,802
		3,404,847	3,459,382
Current Liabilities			
Trade and other payables and accruals	18	5,025,856	5,042,564
Contract liabilities		5,265	9,302
Borrowings – due within one year	20	192,572	192,661
Lease liabilities	19	2,210	1,297
Tax payable		184,119	184,118
		5,410,022	5,429,942
Net Current Liabilities		(2,005,175)	(1,970,560)
Total Assets Less Current Liabilities		(1,943,160)	(1,957,914)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026

	NOTES	At 30 June 2026 RMB'000 (unaudited)	At 31 December 2025 RMB'000 (audited)
Capital and Reserves			
Share capital	21	12,924	12,924
Reserves		(2,047,970)	(2,044,595)
Deficit attributable to owners of the Company		(2,035,046)	(2,031,671)
Non-controlling interests		63,445	65,166
Total Deficit		(1,971,601)	(1,966,505)
Non-current Liabilities			
Provision of restoration expenses		1,261	467
Lease liabilities	19	19,844	788
Deferred tax liabilities		7,336	7,336
		28,441	8,591
		(1,943,160)	(1,957,914)

The condensed consolidated financial statements on pages 18 to 36 were approved and authorised for issue by the directors of the Company on 31 August 2026 and are signed on its behalf by:

Dr. Hiroshi Kaneko
DIRECTOR

Mr. Chung Ho Wai Alan
DIRECTOR

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Attributable to owners of the Company										Non-controlling interests	Total	
	Share capital RMB'000	Share premium RMB'000	Capital reserve RMB'000 (Note i)	Revaluation reserve RMB'000	Translation reserve RMB'000	Other reserve RMB'000	Merger reserve RMB'000 (Note ii)	Capital contribution RMB'000	Statutory reserve RMB'000 (Note iii)	Accumulated losses RMB'000			Total RMB'000
At 1 January 2025 (audited)	12,924	227,657	95,066	308	82,754	2,108	(1,869)	837,194	104,059	(3,233,498)	(1,873,297)	66,563	(1,806,734)
Loss for the period	-	-	-	-	-	-	-	-	-	(12,726)	(12,726)	(706)	(13,432)
Other comprehensive expense for the period	-	-	-	-	6,686	-	-	-	-	-	6,686	-	6,686
Total comprehensive expense for the period	-	-	-	-	6,686	-	-	-	-	(12,726)	(6,040)	(706)	(6,746)
At 30 June 2025 (unaudited)	12,924	227,657	95,066	308	89,440	2,108	(1,869)	837,194	104,059	(3,246,224)	(1,879,337)	65,857	(1,813,480)
At 1 January 2026 (audited)	12,924	227,657	95,066	308	92,355	2,108	(1,869)	837,194	104,059	(3,401,473)	(2,031,671)	65,166	(1,966,505)
Loss for the period	-	-	-	-	-	-	-	-	-	(13,281)	(13,281)	(1,165)	(14,446)
Other comprehensive income for the period	-	-	-	-	9,896	-	-	-	-	-	9,896	110	10,006
Total comprehensive expense for the period	-	-	-	-	9,896	-	-	-	-	(13,281)	(3,385)	(1,055)	(4,440)
Acquisition of subsidiaries (Note 22)	-	-	-	-	10	-	-	-	-	-	10	(666)	(656)
At 30 June 2026 (unaudited)	12,924	227,657	95,066	308	102,261	2,108	(1,869)	837,194	104,059	(3,414,754)	(2,035,046)	63,445	(1,971,601)

Notes:

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

		Six months ended 30 June	
	NOTE	2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
OPERATING ACTIVITIES			
Operating cash flows before movements in working capital		(5,889)	(7,068)
Decrease in properties under development/properties for sale		13,039	2,257
Decrease/(increase) in trade and other receivables		56,951	(29,606)
(Decrease)/increase in trade and other payables and accruals		(57,293)	30,507
(Decrease)/increase in contract liabilities		(4,037)	2,790
Income tax paid		(117)	(205)
NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES		2,654	(1,325)
INVESTING ACTIVITIES			
Interest received		2	7
Net cash outflow from acquisition of subsidiaries	22	(30,762)	–
Release of restricted bank deposits		119	–
NET CASH (USED IN)/ GENERATED FROM INVESTING ACTIVITIES		(30,641)	7
FINANCING ACTIVITIES			
Additions of borrowings		–	889
Interest element of lease liabilities payment		(504)	–
Capital element of lease liabilities payment		(1,801)	–
Increase in amount due to an intermediate holding company		30,425	–
NET CASH GENERATED FROM FINANCING ACTIVITIES		28,120	889
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		133	(429)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		5,802	3,922
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		169	(13)
		6,104	3,480
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD, representing bank balances and cash as stated in the condensed consolidated statement of financial position		6,104	3,480

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

1. BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 30 June 2026 has been prepared in accordance with Hong Kong Accounting Standards (“**HKAS**”) 34 Interim financial reporting. The interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2025 and any public announcement made by the Company during the interim reporting period.

GOING CONCERN BASIS

The Group reported a net loss of approximately RMB14.4 million during the period ended 30 June 2026. As at 30 June 2026, the Group’s total deficit attributable to owners of the Company amounted to approximately RMB2,035.0 million and its current liabilities exceeded its current assets approximately RMB2,005.2 million. At the same date, the Group’s total borrowings amounted to approximately RMB192.6 million, of which approximately RMB151.5 million were collateralised by the Group’s properties under development and properties for sale recorded at a total carrying amount of approximately RMB243.2 million. As at 30 June 2026, the Group had total unrestricted cash and cash equivalents of approximately RMB6.1 million.

As at 30 June 2026, the Group was unable to repay overdue borrowings and interest (the “**Defaulted Borrowings**”) according to the repayment schedule with total principal amounts of approximately RMB151.5 million and related interest payables of approximately RMB50.8 million which were included in current liabilities.

Other than these Defaulted Borrowings, other borrowings with total principal amounts of approximately RMB41.1 million and related interest payables of approximately RMB18.6 million are also repayable within on year or on demand.

Management of the Company has undertaken the following plans and measures to improve the Group’s liquidity and financial position:

- The Group has been actively pursuing opportunities for expansion in its property development, property management services, and various revenue streams. Recently, the Group has expanded successfully into supply chain business in Mainland China.
- The Group is in active discussions with banks and financial institutions to explore alternative financing arrangements and refinancing solutions for its current financial commitments, including existing loans and bond issuances. In addition, the Group is engaging with potential investors to evaluate fundraising opportunities in capital markets, such as private placements and corporate bond issuances, alongside other financing mechanisms to support its upcoming operational and capital expenditure requirements.
- The Group has been actively exploring new investment opportunities to diversify its operations. During the year, the Group entered into telecommunication infrastructure business.
- The Group has proactively adopted strategic initiatives to manage costs effectively while ensuring the right headcount for operational efficiency.
- The Group is seeking potential buyers for its subsidiaries that are encumbered by net liabilities.

The Directors are of the opinion that, taking into account the abovementioned plans and measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within twelve months from 30 June 2026. Accordingly, the Directors are satisfied that it is appropriate to prepare the condensed consolidated financial statements on a going concern basis.

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

2. MATERIAL ACCOUNTING POLICIES

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

APPLICATION OF AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

In the current interim period, the Group has applied the following amendments to HKFRS Accounting Standards, for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2026 for the preparation of the Group's condensed consolidated financial information:

Amendments to HKFRS9, Financial instruments and HKFRS7, Financial instruments

Disclosures – Amendments to the classification and measurement of financial instruments

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

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

3. REVENUE DISAGGREGATION OF REVENUE FROM CONTRACTS WITH CUSTOMERS

	Six months ended 30 June	
	2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Types of goods		
Sales of completed properties	11,713	3,024
Sales of commodities	61,040	30,000
Revenue from contracts with customers	72,753	33,024
Geographical market		
The People's Republic of China ("PRC")	72,753	33,024
Timing of revenue recognition		
At a point in time	72,753	33,024

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

3. REVENUE *(Continued)*

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

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

Six months ended 30 June 2026 (unaudited)

	Property development RMB'000	Property investment RMB'000	Supply chain business RMB'000	Consolidated total RMB'000
Sales of completed properties	11,713	–	–	11,713
Sales of commodities	–	–	61,040	61,040
Revenue from contracts with customers	11,713	–	61,040	72,753
Leases	–	172	–	172
Total revenue	11,713	172	61,040	72,925

Six months ended 30 June 2025 (unaudited)

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

4. SEGMENT INFORMATION

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

Six months ended 30 June 2026 (unaudited)

	Property development RMB'000	Property investment RMB'000	Supply chain business RMB'000	Telecommunication infrastructure RMB'000	Segment total RMB'000
Segment revenue (external)	11,713	172	61,040	-	72,925
Amortisation	-	-	-	(551)	(551)
Depreciation	-	-	-	(290)	(290)
Finance costs	-	-	-	(478)	(478)
Segment (loss)/profit	(2,923)	118	(328)	(1,617)	(4,750)
Finance costs					(9,351)
Bank interest income					2
Exchange gain, net					5,836
Share of result from an associate					(332)
Unallocated expenses					(5,836)
Loss before taxation					(14,431)

For the six months ended 30 June 2025 (unaudited)

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

4. SEGMENT INFORMATION *(Continued)*

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

SEGMENT ASSETS

At 30 June 2026 (unaudited)

	Property development RMB'000	Property investment RMB'000	Supply chain business RMB'000	Telecommunication infrastructure RMB'000	Segment total RMB'000
Segment assets	901,546	4,862	36,017	21,120	963,545
Unallocated					2,503,317
Consolidated total assets					3,466,862

At 31 December 2025 (audited)

	Property development RMB'000	Property investment RMB'000	Supply chain business RMB'000	Segment total RMB'000
Segment assets	914,354	4,862	71,423	990,639
Unallocated				2,481,389
Consolidated total assets				3,472,028

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

4. SEGMENT INFORMATION (Continued)

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

SEGMENT LIABILITIES

At 30 June 2026 (unaudited)

	Property development RMB'000	Property investment RMB'000	Supply chain business RMB'000	Telecommunication infrastructure RMB'000	Segment total RMB'000
Segment liabilities	1,265,175	169	35,037	24,081	1,324,462
Unallocated					4,114,001
Consolidated total liabilities					5,438,463

At 31 December 2025 (audited)

	Property development RMB'000	Property investment RMB'000	Supply chain business RMB'000	Segment total RMB'000
Segment liabilities	1,268,812	168	70,478	1,339,458
Unallocated				4,099,075
Consolidated total liabilities				5,438,533

GEOGRAPHICAL INFORMATION

The Group's operations are located in the PRC, Hong Kong, Japan and Thailand. Information about the Group's revenue from external customers is presented based on location of the operations. Information about the Group's non-current assets is presented based on the geographical location of the assets.

	Revenue from external customers Six months ended 30 June		Non-current assets	
	2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
The PRC	72,925	33,193	8,622	9,496
Thailand	—	—	51,067	—
Hong Kong	—	—	1,595	2,425
Japan	—	—	6	—
	72,925	33,193	61,290	11,921

Non-current assets excluded equity instrument designated at FVOCI and deferred tax assets.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

5. OTHER INCOME, GAINS AND LOSSES

	Six months ended 30 June	
	2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Other income:		
Interest income on bank deposits	2	7
Others	19	26
	21	33
Other gains and losses, net:		
Exchange gain, net	5,836	3,220
	5,836	3,220

6. FINANCE COSTS

	Six months ended 30 June	
	2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Interests on other loans	9,296	9,384
Interest on lease liabilities	504	–
Imputed interest expenses	29	–
	9,829	9,384

7. INCOME TAX EXPENSE

	Six months ended 30 June	
	2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Current tax expense:		
PRC Enterprise Income Tax ("EIT")	15	35

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

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

Under the Law of Thailand on Corporate Income Tax (the "Thailand CIT Law") and Implementation Regulation of the Thailand CIT Law, the tax rate of the Thailand subsidiaries is 20%.

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

8. LOSS FOR THE PERIOD

	Six months ended 30 June	
	2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Loss for the period has been arrived at after charging/(crediting):		
Cost of properties for sale included in cost of sales	13,039	2,605
Cost of commodities for sale included in cost of sales	60,204	29,700
Amortisation of intangible assets	551	–
Depreciation of property, plant and equipment	4	4
Depreciation of right-of-use assets	1,035	–
Total depreciation	1,039	4
Gross rental income from investment properties	(172)	(169)
Less: direct operating expenses included for investment properties that generated rental income during the period	21	20
	(151)	(149)
Staff costs		
Staff salaries and allowances	2,771	2,882
Retirement benefit contributions	136	198
Total staff costs, excluding directors' remuneration	2,907	3,080

9. DIVIDENDS

No dividend was paid to or proposed for shareholders of the Company during the six months ended 30 June 2026 and 2025, nor has any dividend been proposed since the end of the reporting period.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

10. LOSS PER SHARE

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

Loss figures are calculated as follows:

	Six months ended 30 June 2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Loss for the period attributable to owners of the Company for the purpose of basic and diluted loss per share	(13,281)	(12,726)

NUMBER OF SHARES:

	Six months ended 30 June 2026 (unaudited)	2025 (unaudited)
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	1,420,673,262	1,420,673,262

For the six months ended 30 June 2026 and 2025, diluted loss per share equals basic loss per share as there were no diluted potential ordinary shares in issue during the period.

11. INTEREST IN AN ASSOCIATE

	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Share of net assets	4,035	4,367

12. INTEREST IN A JOINT VENTURE

	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Cost of investment, unlisted	1,275	1,275
Share of post-acquisition result	(1,275)	(1,275)
	–	–

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

13. INVESTMENT PROPERTIES

	Investment properties RMB'000
At fair value	
At 31 December 2025 (audited) and 30 June 2026 (unaudited)	4,848

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

The investment properties are situated in the PRC.

14. RIGHT-OF-USE ASSETS

	Leasehold land RMB'000
At 30 June 2026 (unaudited)	
Carrying amount	18,263
At 31 December 2025 (audited)	
Carrying amount	2,425
For the period ended 30 June 2026 (unaudited)	
Depreciation charge	1,035
Interest expenses on lease liabilities	504
For the period ended 30 June 2025 (unaudited)	
Depreciation charge	–

	Six months ended 30 June	
	2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Expense relating to short-term leases and other leases with lease terms end within 12 months	73	120
Addition to right-of-use assets (Note)	18,197	–
Total cash outflow for leases	2,378	120

Note:

1. The provision of restoration expenses has been capitalised into the right-of-use-assets.
2. No extension/termination option is granted to the Group.
3. Addition of right-of-use assets of approximately RMB\$18,197,000 are acquired under an acquisition of subsidiaries as mentioned in Note 22.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

15. INTANGIBLE ASSETS AND DEPOSITS

(A) DEPOSITS

Deposits of approximately RMB1,280,000 represent refundable rental deposit acquired under an acquisition of subsidiaries as mentioned in Note 22.

(B) INTANGIBLE ASSETS

	License RMB'000
Cost:	
At 1 January 2025, 31 December 2025, 1 January 2026	–
Addition (Note)	33,139
At 30 June 2026	33,139
Accumulated amortisation:	
At 1 January 2025, 31 December 2025, 1 January 2026	–
Amortisation	551
Exchange realignment	1
At 30 June 2026	552
Net book value	
30 June 2026 (unaudited)	32,587
31 December 2025 (audited)	–

Note: Intangible assets represent license for operating a telecommunication infrastructure business acquired under an acquisition of subsidiaries as mentioned in Note 22.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

16. PROPERTIES UNDER DEVELOPMENT/PROPERTIES FOR SALE

	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Properties under development	84,991	84,991
Properties for sale	190,315	203,354
	275,306	288,345

17. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Trade receivables from sales of commodities (Note a)	35,538	71,081
Other receivables and prepayments (Note b)	3,045,230	3,052,471
Prepayments to suppliers	5,236	4,919
Other taxes prepaid	1,888	1,203
	3,087,892	3,129,674

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

	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
0 to 90 days	29,049	58,284
91 to 180 days	6,489	12,797
181 to 365 days	–	–
Over 1 year	–	–
	35,538	71,081

Notes:

- Trade receivables mainly arose from sales commodities. Consideration in respect of commodities sold its paid in accordance with the terms of the related contracts, normally within 180 days from the date of delivery.
- Other receivables and prepayments consist of amounts due from related companies of approximately RMB344,000 (2025: RMB4,000), and amounts due from former subsidiaries of approximately RMB3,027,915,000 (2025: approximately RMB3,037,277,000) arising from the Group Reorganisation. All of the amounts are unsecured, interest-free and have no fixed terms of repayment.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

18. TRADE AND OTHER PAYABLES AND ACCRUALS

	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Trade payables	34,962	70,397
Retention payables	1,062	1,062
Interest payables	69,428	60,150
Other payables and accruals (Note a)	3,659,288	3,650,312
Other tax payables	180,547	180,057
Consideration payables for acquisition of a subsidiary	82,658	82,658
Deposit received	1,354	1,354
Accrued construction costs	207,429	207,446
Provision for litigation	25,112	25,112
Provision for tax surcharges	164,241	164,241
Provision for financial guarantees	599,775	599,775
	5,025,856	5,042,564

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

	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
0 to 90 days (note*)	34,919	59,692
91 to 180 days (note*)	–	10,662
181 to 365 days	–	–
Over 1 year (note #)	43	43
	34,962	70,397

Note *: Ageing is based on delivery date. The credit terms of commodities purchased are 180 days from the delivery date based on the purchase contracts.

Note #: Trade payable of RMB43,000 with ageing over 1 year is based on invoice date.

Note a: Other payables and accruals consist of amounts due to former subsidiaries of RMB3,091,912,000 (2025: RMB3,115,046,000), amounts due to former related companies of RMB381,508,000 (2025: RMB386,991,000), amounts due to related companies of RMB nil (2025: RMB18,774,000), amounts due to an intermediate holding company RMB55,162,000 (2025: RMB nil) and amount to an associate of RMB8,123,000 (2025: RMB8,123,000), respectively. These amounts are unsecured, interest-free and have no fixed terms of repayment.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

19. LEASE LIABILITIES

	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Lease liabilities payable:		
Within one year	2,210	1,297
After one year but within two years	708	788
After one year but within 5 years	2,907	–
After five years	16,229	–
	22,054	2,085
Less: amount due for settlement within 12 months shown under current liabilities	(2,210)	(1,297)
Amount due for settlement after 12 months shown under non-current liabilities	19,844	788

Addition of lease liabilities of approximately RMB23,405,000 are acquired under an acquisition of subsidiaries as mentioned in Note 22.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

20. BORROWINGS

	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Other loans	192,572	192,661
The carrying amounts of the borrowings that do not contain a repayment on demand clause are repayable: Immediately or on demand or within one year	151,500	153,793
The carrying amounts of the borrowings that contain a repayment on demand clause (shown under current liabilities) and repayable: Immediately or on demand or within one year	41,072	38,868
	192,572	192,661
Less: amounts due within one year/repayable on demand shown under current liabilities	(192,572)	(192,661)
Amounts due after one year	–	–
Secured borrowings	151,500	151,500
Unsecured borrowings	41,072	41,161
	192,572	192,661

During the six months ended 30 June 2026, approximately RMB nil new borrowing was raised (six months ended 30 June 2025: RMB889,000) and the Group did not repay borrowings (six months ended 30 June 2025: no repayment of borrowing).

Details of Group's pledge of assets are set out in Note 23.

21. SHARE CAPITAL

	Number of shares	Par value per share	Amount HK\$'000	Equivalent to RMB'000
Ordinary shares of HK\$0.01 each				
Authorised:				
At 31 December 2025 and 30 June 2026	50,000,000	0.01	500,000	423,381
Issued and fully paid:				
At 31 December 2025 and 30 June 2026	1,420,673,262	0.01	14,207	12,924

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

22. ACQUISITION OF SUBSIDIARIES

On 28 February 2026, the Group entered into a sale and purchase agreement with an unrelated third party to acquire the interest in Witic Capital Management Limited and its subsidiaries (together referred to as “**Witic Capital Group**”) at the consideration of US\$4,500,000 (approximately RMB31,387,000). The consideration is settled and the acquisition was completed on 28 February 2026.

The net assets of Witic Capital Group at the date of acquisition were as follows:

	RMB'000
Right-of-use assets	18,197
License	33,139
Deposits	1,280
Trade and other receivables and prepayments	2,607
Bank balances and cash	625
Lease liabilities	(23,405)
Trade and other payables and accruals	(870)
Provision of restoration expenses	(842)
	30,731
Total consideration satisfied by:	
Cash consideration paid	31,387
Non-controlling interests	(666)
Translation reserve	10
	30,731
Net cash outflow arising on acquisitions:	
Cash consideration paid	(31,387)
Less: Bank balances and cash acquired	625
	(30,762)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

23. PLEDGE OF ASSETS

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

	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Properties under development	84,991	84,991
Properties for sale	158,204	158,204
	243,195	243,195

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

24. OTHER COMMITMENTS

	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Commitments for property development contracted for but not provided in the condensed consolidated financial information	1,373	1,373

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

25. RELATED PARTY BALANCES AND TRANSACTIONS

- (a) During the six months ended 30 June 2026 and 2025, the following parties are identified as related parties to the Group for their transaction of balances with the Group and the respective relationships are set out below:

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

- (b) Except as disclosed elsewhere in the consolidated financial statements, the Group had no material balances with related parties as at 30 June 2026 and 31 December 2025.
- (c) The Group did not enter into any material transactions with its related parties during the six months ended 30 June 2026 and 2025.
- (d) Remuneration of key management personnel, who are the top five highest paid employees of the Group, is as follows:

	Six months ended 30 June	
	2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Salaries and allowances	1,589	1,533
Performance related bonus	1	114
Retirement benefit contributions	59	21
	1,649	1,668

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

26. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

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

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

	Fair value as at		Fair value hierarchy	Valuation techniques and key inputs
	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)		
Equity instruments designated at FVTOCI	500	500	Level 3	Discounted cash flow-Future cash flows are estimated based on expected return, and the contracted investment costs, discounted at a rate that reflects the internal rate of return of various property projects. (note 1)

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

Notes:

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

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

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

27. LITIGATIONS

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

28. EVENTS AFTER THE END OF THE REPORTING PERIOD

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