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Yangzhou Guangling District Taihe Rural Micro-finance Company Limited

揚州市廣陵區泰和農村小額貸款股份有限公司

(A joint stock limited liability company incorporated in the People's Republic of China)

(Stock Code: 1915)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2025

FINANCIAL HIGHLIGHTS

- (1) For the six months ended 30 June 2025, Yangzhou Guangling District Taihe Rural Micro-finance Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) recorded interest income of nil, representing a decrease of approximately RMB26.0 million as compared to approximately RMB26.0 million in the corresponding period in 2024.
- (2) For the six months ended 30 June 2025, loss after tax of the Group amounted to approximately RMB6.7 million, as compared with the loss after tax of approximately RMB9.4 million for the six months ended 30 June 2024. The decrease in loss was primarily attributable to the decrease in provision for impairment losses on loans and accounts receivables and other assets in the current period.

The board (the “**Board**”) of directors (the “**Director(s)**”) of the Company hereby announces the unaudited interim consolidated results of the Group for the six months ended 30 June 2025, together with the unaudited comparative figures for the corresponding period in 2024 as follows:

Interim Condensed Consolidated Statement of Profit or Loss

Six months ended 30 June 2025

(Amounts expressed in RMB unless otherwise stated)

		Six months ended 30 June	
	Notes	2025 (unaudited)	2024 (unaudited)
Interest income	4	—	26,039,961
Interest expense	4	—	(46,530)
Interest income, net	4	—	25,993,431
Provision for impairment losses on loans receivable and other assets		—	(33,900,099)
Provision for guarantee losses		(5,554,077)	(204,895)
Administrative expenses		(1,163,190)	(4,230,284)
Other revenue and other gains		—	28,455
Other expenses		(14)	(5,834)
LOSS BEFORE TAX		(6,717,281)	(12,319,226)
Income tax benefit	5	—	2,955,666
LOSS FOR THE PERIOD		(6,717,281)	(9,363,560)
ATTRIBUTABLE TO:			
Owners of the parent		(6,694,724)	(9,212,032)
Non-controlling interests		(22,557)	(151,528)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	7		
Basic (RMB)		(0.01)	(0.02)
Diluted (RMB)		(0.01)	(0.02)

Interim Condensed Consolidated Statement of Comprehensive Income

Six months ended 30 June 2025

(Amounts expressed in RMB unless otherwise stated)

	Six months ended 30 June	
	2025	2024
LOSS FOR THE PERIOD	<u>(6,717,281)</u>	<u>(9,363,560)</u>
Other comprehensive loss		
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods (net of tax):		
Net loss on equity instruments designated at fair value through other comprehensive income	<u>—</u>	<u>(396,063)</u>
Net other comprehensive loss that will not be reclassified to profit or loss in subsequent periods	<u>—</u>	<u>(396,063)</u>
Other comprehensive loss for the period, net of tax	<u>—</u>	<u>(396,063)</u>
Total comprehensive loss for the period, net of tax	<u>(6,717,281)</u>	<u>(9,759,623)</u>
ATTRIBUTABLE TO:		
Owners of the parent	<u>(6,694,724)</u>	<u>(9,343,389)</u>
Non-controlling interests	<u>(22,557)</u>	<u>(416,234)</u>

Interim Condensed Consolidated Statement of Financial Position

As at 30 June 2025

(Amounts expressed in RMB unless otherwise stated)

	Notes	As at 30 June 2025 (unaudited)	As at 31 December 2024 (audited)
ASSETS			
Cash and cash equivalents		28,347	30,511
Other assets		15,362	9,064
TOTAL ASSETS		43,709	39,575
LIABILITIES			
Deferred income		26,855	26,855
Income tax payable		9,612,490	9,612,490
Liabilities from guarantees		183,863,207	178,309,130
Other liabilities		12,418,901	11,251,563
TOTAL LIABILITIES		205,921,453	199,200,038
EQUITY			
Equity attributable to owners of the parent			
Share capital	9	600,000,000	600,000,000
Reserves		112,704,683	112,704,683
Accumulated losses		(920,225,567)	(913,530,843)
Deficit attributable to owners of the parent		(207,520,884)	(200,826,160)
Non-controlling interests		1,643,140	1,665,697
TOTAL DEFICIT		(205,877,744)	(199,160,463)
TOTAL EQUITY AND LIABILITIES		43,709	39,575

Tian Zhenyong
Director

Zhang Zhuo
Director

Interim Condensed Consolidated Statement of Changes In Equity

As at 30 June 2025

(Amounts expressed in RMB unless otherwise stated)

	Attributable to owners of the parent						Non-controlling interests	Total equity
	Paid in capital	Capital reserve	Surplus reserve	General reserve	Fair value reserve of financial assets at fair value through other comprehensive income	(Accumulated losses)/ Retained earnings		
At 1 January 2024	600,000,000	54,417,191	49,484,934	9,302,558	(103,937)	156,666,255	869,767,001	871,726,292
Loss for the period	—	—	—	—	—	(9,212,032)	(9,212,032)	(9,363,560)
Changes in fair value of equity investments at fair value through other comprehensive income, net of tax	—	—	—	—	(131,357)	—	(131,357)	(396,063)
Appropriation to general reserve	—	—	—	24,410	—	(24,410)	—	—
At 30 June 2024 (unaudited)	600,000,000	54,417,191	49,484,934	9,326,968	(235,294)	147,429,813	860,423,612	861,966,669
At 1 January 2025	600,000,000	54,417,191 [*]	49,484,934 [*]	9,302,558 [*]	(500,000)*	(913,530,843)	(200,826,160)	(199,160,463)
Loss for the period and total comprehensive loss	—	—	—	—	—	(6,694,724)	(6,694,724)	(6,717,281)
At 30 June 2025 (unaudited)	600,000,000	54,417,191 [*]	49,484,934 [*]	9,302,558 [*]	(500,000)*	(920,225,567)	(207,520,884)	(205,877,744)

* These reserve accounts comprise the consolidated reserves of RMB112,704,683 (31 December 2024: RMB112,704,683) in the interim condensed consolidated statement of financial position.

Notes to Interim Condensed Consolidated Financial Information

30 June 2025

(Amounts expressed in RMB unless otherwise stated)

1. CORPORATE AND GROUP INFORMATION

Yangzhou Guangling District Taihe Rural Micro-finance Company Limited (“**Taihe Micro-credit**” or the “**Company**”) was established as a limited liability company in the People’s Republic of China (the “**PRC**”) on 12 November 2008 based on “Su Jin Rong Ban Fa [2008] No. 47” issued by the Pilot Leading Group Office for Rural Micro-finance Organisations of Jiangsu Province.

According to the resolution of the shareholders’ meeting on 8 August 2012 and “Yang Fu Jin [2012] No. 77” approved by the Yangzhou Municipal Government Financial Office, the Company was converted from a limited liability company to a joint stock company on 10 August 2012. Upon its conversion, the Company issued 260 million shares at a par value of RMB1 each to its shareholders, based on the asset appraisal result of RMB300.48 million in respect of its net assets in the financial statements as at 31 July 2012.

In May 2017, the Company conducted a public offering of overseas listed foreign shares (“**H shares**”). Upon the completion of the H share offering, the issued capital was increased to RMB600 million. The Company’s H shares are listed on the Growth Enterprise Market of the Hong Kong Stock Exchange and the trading of its H shares commenced on 8 May 2017. Upon the approval of the Hong Kong Stock Exchange, the Company’s H shares have been listed on the Main Board and delisted from the Growth Enterprise Market by way of Transfer of Listing since the last day of trading on 17 July 2019.

The Company obtained its business licence with Unified Social Credit No. 91321000682158920M. The legal representative of the Company are Tian Zhenyong and Chan Chun Hin. Its registered office is located at Beizhou Road, Lidian Village, Guangling District, Yangzhou City.

The principal activities of the Company and its subsidiaries (the “**Group**”) are including granting of loans to “Agriculture, Rural Areas and Farmers”, providing service of financial guarantees, and acting as an agent providing automotive services and others.

In the opinion of the directors, the holding company and the ultimate holding company of the Group is Jiangsu Botai Group Co., Ltd., which is incorporated in the People’s Republic of China.

Information about subsidiary

Particulars of the Company's principal subsidiaries are as follows:

Name	Place of incorporation/Principal country of operation	Issued registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Hainan Luhang Lianche Technology Co., Ltd. (海南路航鏈車科技有限公司)	PRC/Chinese Mainland as a company with limited liabilities	RMB 100,000,000	100%	—	Internet and related services
Hainan Jialan Information Technology Co., Ltd. (海南迦藍信息技術有限責任公司)	PRC/Chinese Mainland as a company with limited liabilities	RMB 5,000,000	—	55%	Internet and related services
Shenzhen Taiyuan Biotechnology Co., Ltd. (深圳市泰源生物科技有限公司)	PRC/Chinese Mainland as a company with limited liabilities	RMB 90,000,000	100%	—	Internet and related services
Shenzhen Herun Biotechnology Co., Ltd. (深圳和潤生物科技有限公司)	PRC/Chinese Mainland as a company with limited liabilities	RMB 10,000,000	—	51%	Internet and related services

2. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2025 has been prepared in accordance with IAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2024.

2.1 INVESTIGATION

On 29 October 2024, the People's Court of Hanjiang District, Yangzhou City, Jiangsu Province (the "**People's Court of Hanjiang**") accepted applications for bankruptcy liquidation (破產清算) against the Company's major shareholders, Jiangsu Botai Group Co., Ltd. ("**Botai Group**") and Jiangsu Liantai Fashion Shopping Mall Real Estate Co., Ltd. ("**Liantai Guangchang**"). Details of which are set out in the Company's announcement dated 31 October 2024 and 14 November 2024.

At an extraordinary general meeting (the "**EGM**") of the Company was held on 19 January 2025, certain directors forming the then board of directors of the Company (the "**Former Board**") were removed by reason that certain directors are unable to perform their duties as directors of the Company because of the bankruptcy liquidation proceedings of Botai Group and Liantai Guangchang. On the same date, the capacity of one of the remaining directors was redesigned and there were appointments of new directors to the board (the "**Current Board**"). Details of the removal, redesignation and appointment of directors are set out in the "Directors" section of the directors' report of the Group dated 30 September 2026.

After resuming control by the Current Board after the EGM, representatives of the Company and/or the new management (the "**Current Management**") preliminarily discovered that certain key personnel involving in daily management, operation and financing of the Group have resigned in September 2024. In addition, certain items, including certain accounting records, computer hardware and records, belonging to the Group were missing and the bank account of the Company in Hong Kong was suspended due to inactivity.

In addition, the Current Management identified various incidents involving the Former Board of the Company from the then auditors of the Company, including (i) recoverability of certain loans and accounts receivables, (ii) the recognition of impairment loss on certain loans and accounts receivables, and (iii) certain unauthorised guarantees provided by the Group in respect of borrowings of Botai Group and its associated companies and (iv) the assessment of the Group's ability to continue as a going concern ("**Audit Matters**").

In view of the above, the Current Board of the Company established a special investigation committee (the “SC”) comprising all the independent non-executive Directors to investigate the Audit Matters covered the period from 1 January 2022 to 30 October 2025 with the aim at finding the facts relevant to the Audit Matters (collectively the “Investigation”). The SC appointed an external forensic team from an independent accounting firm as the investigator (the “Forensic Investigator”) and a legal adviser to assist the SC in the Investigation.

Details of the Investigation findings are set out in the Company’s announcement dated 30 September 2026.

The Current Board’s and SC’s view on the recoverability of certain loans and accounts receivable and the recognition of impairment loss on certain loans and accounts receivable

On early September 2026, an updated report on the Investigation (the “Investigation Report”) was received from the Forensic Investigator reporting the key findings of the Investigation.

During the course of the preparation of the consolidated financial statements of the Company for the year ended 31 December 2024, the Current Board and the SC reviewed the Investigation Report, including its findings and limitations. Notwithstanding those limitations, they considered that the Investigation had comprehensively investigated the Audit Matters and adequately addressed the SC’s concerns to the extent practicable.

The Company’s records showed 153 one-year loan agreements entered into during 2023 and 2024 with 106 named borrowers, comprising 16 corporate borrowers and 90 individual borrowers. According to the persons interviewed by the Forensic Investigator, these agreements represented repeated rollovers of overdue loans accumulated over several years, rather than new advances. The actual dates of the original advances could not be established.

The other significant findings reported by the Forensic Investigator are summarised below:

- For the 90 individual borrowers, there is no substantive documentation evidencing asset ownership or repayment capacity, the submitted materials by the individual borrowers are highly similar across borrowers and their authenticity is questionable.
- Among the 16 corporate borrowers, there are multiple interconnections, including common equity relationships, shared ultimate controllers, overlapping contact details and common senior management or legal representatives; several corporate borrowers also show various forms of association with Botai Group and its associated companies and Former Board.
- Guarantee letters bearing the seals of Botai Group or Liantai Guangchang provided joint and several guarantees for the relevant corporate borrowers’ 2024 loan limits. The letters described the relevant corporate borrowers as suppliers of Botai Group or business affiliates of Liantai Guangchang, respectively.
- Collection notices issued by the Company in 2024 categorised the loans of the 90 individual borrowers and one corporate borrower under amounts due from the remaining 15 corporate borrowers. Together with the loan applications and interview evidence, this indicated that the former were nominee borrowers and the latter were the actual borrowers.
- Examination of bank statements and accounting records did not identify cash flows that match the details of the grant of new loans and repayments for the unsettled loans.

The Forensic Investigator also identified fund transfer arrangements involving employees’ personal bank accounts. Interviewees explained that these arrangements were used to represent disbursements and repayments of previously accumulated overdue loans and to avoid significant impairment losses. The Forensic Investigator could not establish the original drawdown dates or the actual use of the loan proceeds and was unable to obtain sufficient evidence to confirm the authenticity of the receivables arising from the outstanding loans or the actual dates on which those receivables arose.

In addition, based on public information reviewed by the Forensic Investigator from the National Enterprise Bankruptcy Reorganisation Case Information Website (“全國企業破產重整案件信息網”), court records and corporate information portals, of the 15 actual borrowers, 12 borrowers already filed for bankruptcy in two batches in November 2024 and February 2025, and one borrower was deregistered on 8 October 2024.

The Forensic Investigator was unable to obtain sufficient evidence to assess accurately the recoverability of the outstanding loans. Separately, having considered the investigation findings and other information available, the Current Board concluded that there was no reasonable expectation of recovering the contractual cash flows and approved the write-off of the entire gross outstanding balance in the consolidated financial statements for the year ended 31 December 2024.

The Current Board's and SC's view on certain unauthorised guarantees provided by the Group in respect of borrowings of Botai Group and its associated companies

During the course of the preparation of the consolidated financial statements of the Company for the year ended 31 December 2024, the Current Board discovered the Company has provided certain unauthorised guarantees in respect of borrowings of Botai Group and its associated companies.

During the year ended 31 December 2024 and up to the date of this report, the Company was sued by multiple creditors and some of the Company's bank accounts were frozen following receipt of court summonses. Through these proceedings, the Current Management became aware that, between 2022 and 2024, guarantees and counter-guarantees were executed in the Company's name, bearing the Company seal and the seal or signature of Mr. Bo Wanlin, the former chairman and an executive director. Except for one guarantee supported by a purported Board resolution signed by certain then directors, the Forensic Investigator did not identify records or evidence of approval by the Board, the Loan Committee or the Guarantee Committee. These contracts were executed in respect of borrowings by certain corporate borrowers (including Botai Group and its associated companies) from various creditors. As the underlying borrowings have become overdue, the Company, as joint guarantor, has been subject to claims by multiple creditors.

As of the date of this report, the aggregate outstanding principal balance of such unauthorised guarantees amounts to RMB 144 million. Based on available details and litigation materials, this balance relates to 23 guarantee transactions involving 9 creditors and 15 borrowers. Of these, 11 transactions are secured by property mortgages and 1 transaction is secured by an equity pledge over the Company's shares. The mortgaged properties belong to former directors of the Company. Up to the date of this report, 18 of the guarantee transactions have been subject to litigation initiated by creditors.

The Current Board assesses its potential obligations arising from these financial guarantees at the reporting date, based on the developments of the litigation and external legal advice obtained. In view of the facts identified above, the Current Board concluded that these financial guarantees had become credit-impaired during the current year. As a result, the Group measured ECL on a lifetime basis and recognised an impairment loss of approximately RMB176.05 million (including interests and related charges) and RMB5.55 million respectively for the year ended 31 December 2024 and six months ended 30 June 2025, with a corresponding financial guarantees liability in the consolidated statement of financial position.

2.2 GOING CONCERN BASIS

The Group incurred a loss of approximately RMB6.72 million for the six months ended 30 June 2025 and, as of that date, the Group had net liabilities of approximately RMB205.88 million. In addition, the Group's available bank balances and cash amounted to RMB28,347.00 as at 30 June 2025. As further described in note 2.1, the Group has ceased its micro-lending business, and the financial guarantees giving rise to these liabilities were entered into without proper corporate authorisation and are the subject of on-going legal proceedings and enforcement actions, in the course of which certain of the Company's bank accounts have been frozen. These conditions indicate the existence of material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern.

In view of such circumstances, the directors of the Company have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern. Certain measures have been taken to mitigate the liquidity pressure and to improve its financial position which include, but are not limited to, the following:

(i) Collection of outstanding loans and accounts receivables

The Current Board is considering to adopt a more assertive approach to recover impaired loans and accounts receivables. This includes measures such as filing statements of claims or winding-up petitions, subject to professional advice. These actions aim to expedite the recovery process and improve the Group's cash flow.

(ii) Legal action against former director in relation to unauthorised guarantees

The Current Board is considering taking appropriate actions (including legal proceedings) as soon as practicable to claim against former director for loss and damages that the Company has suffered or may suffer arising from the unauthorised guarantees.

(iii) Subsequent settlement and restructuring of unauthorised guarantees obligations

Subsequent to the end of the reporting period and up to the date of approval of these consolidated financial statements, the Group has reached a preliminary consensus on a phased settlement and restructuring plan with certain creditors in respect of the Group's unauthorised guarantee obligations with an aggregate principal of approximately RMB144.0 million. As at the date of approval of these consolidated financial statements, (a) guarantee obligations with a principal of approximately RMB4.0 million had been settled in full and the relevant creditor had withdrawn its claim; (b) in respect of guarantee obligations with a principal of approximately RMB40.0 million, the Group had proposed for an agreement with relevant creditor on releasing the guarantee obligations; and (c) in respect of the remaining guarantee obligations with a principal of approximately RMB100.0 million, repayment schedules had been communicated with the relevant creditors, pursuant to which repayments will commence from 2028 onwards by instalments, certain of which will be made following the disposal of the mortgaged properties.

(iv) Cash inflow from operations

The Group is working to expand its operations into Hong Kong. The ultimate goal is to generate sufficient operating cash flow to reduce liabilities and support the Group's financial needs.

(v) New financing facilities

Subsequent to the end of the reporting period and up to the date of approval of these consolidated financial statements, the Company has obtained certain new financing facilities, including a standby facility of HK\$400 million and a credit line facility of HK\$50 million in Hong Kong, and other local credit line facilities in the Chinese Mainland, to support the cashflow of the Group. The drawdown of certain facilities are conditional on the successful resumption of trading in the Company's H shares on The Stock Exchange of Hong Kong Limited on or before 30 November 2026 (or such later date as may be agreed in writing), subject to the execution of formal loan agreements and the completion of the required security arrangements.

(vi) Other fund raising activities

On July 2025 and April 2026, a subsidiary of the Company and the Company entered into loan facilities agreements with independent third parties for an aggregate principal amount of RMB41 million. As at the date of this report, RMB28 million has been drawn down. These loans are unsecured, carries interest at 5% per annum, and are repayable two years from the respective draw-down date. These lenders are entitled to convert the outstanding loan balances into equity shares of the Company upon satisfaction of certain specified conditions.

The Company continues to explore various avenues to raise funds to meet the needs of the Group. The Current Board believes that, taking into account the above plans and measures, the Group will have sufficient working capital to satisfy its present requirements soon.

The Company will continue to take proactive measures so to resolve its liquidity issue and will publish an appropriate announcement if there is any material development in accordance with the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The directors of the Company have reviewed the Group's cash flow projections prepared by the management. The cash flow projections cover a period of not less than 12 months from the date of approval of these consolidated financial statements. They are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due in the foreseeable future. Accordingly, the directors of the Company are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Notwithstanding the above, significant uncertainties exist as to whether the Group is able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon the Group's ability to generate adequate financing and operating cash flows through the following:

- (a) whether the lenders under the above facilities will advance the loans to the Group as and when required. Should the lenders be unable or fail to provide the loans under the above facilities, the Group would not have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due;
- (b) the timing and extent of the cash outflows required to settle the Group's obligations under the financial guarantees and the related legal proceedings and enforcement actions (including the frozen bank accounts), and whether the actual amounts ultimately payable exceed the amounts provided in these consolidated financial statements;
- (c) the successful and timely implementation of the plans to expand its operations into Hong Kong and to control costs so as to generate adequate net cash inflows; and
- (d) the successful renewal and/or refinancing of its certain borrowings.

Should the Group failed to achieve the above-mentioned 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 consolidated financial statements.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the following amended IFRS for the first time for the current period's financial information.

Amendments to IAS 21

Lack of Exchangeability

The nature and impact of the amended HKFRS are described below:

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the interim condensed consolidated financial information.

4. INTEREST INCOME, NET

	Six months ended 30 June	
	2025	2024
Interest income on:		
Loans receivable	—	26,039,860
Cash at banks	—	101
Subtotal	—	26,039,961
Interest expense on:		
Lease liabilities	—	(46,530)
Subtotal	—	(46,530)
Interest income, net	—	25,993,431
Included: Interest income from impaired loans	—	440,939

5. INCOME TAX BENEFIT

	Six months ended 30 June	
	2025	2024
Current income tax	—	4,877,217
Deferred income tax	—	(7,832,883)
	<u>—</u>	<u>(2,955,666)</u>

A reconciliation of the tax benefit applicable to loss before tax using the statutory rate for the jurisdiction in which the Company and its subsidiaries are domiciled to the tax expense at the effective tax rate is as follows:

	Six months ended 30 June	
	2025	2024
Loss before tax	<u>(6,717,281)</u>	<u>(12,319,226)</u>
Tax at the applicable tax rate	<u>(1,679,320)</u>	<u>(3,079,807)</u>
Expenses not deductible for tax	—	26,447
Unrecognised tax losses	<u>1,679,320</u>	<u>96,877</u>
Adjustments on current income tax in respect of prior years	<u>—</u>	<u>817</u>
Total tax benefit for the period at the Group's effective tax rate	<u>—</u>	<u>(2,955,666)</u>

6. DIVIDENDS

No dividend was paid or proposed during the six months ended 30 June 2025 and 2024.

7. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of basic loss per share is based on the loss attributable to ordinary equity shareholders of the parent, and the weighted average number of ordinary shares in issue for the period as follows:

	Six months ended 30 June	
	2025	2024
<u>Loss</u>		
Loss attributable to ordinary equity holders of the parent, used in the basic loss per share calculation	<u>(6,694,724)</u>	<u>(9,212,032)</u>
<u>Shares</u>		
Weighted average number of ordinary shares in issue during the period used in the basic loss per share calculation (i)	<u>600,000,000</u>	<u>600,000,000</u>
Basic and diluted loss per share	<u>(0.01)</u>	<u>(0.02)</u>

(i) **Weighted average number of ordinary shares**

	Six months ended 30 June	
	2025	2024
Issued ordinary shares at the beginning of the period	600,000,000	600,000,000
Weighted average number of ordinary shares at the end of the period	600,000,000	600,000,000

There were no dilutive potential ordinary shares during the reporting period, and therefore, the diluted loss per share amount was the same as the basic loss per share amount.

8. LOANS RECEIVABLE

An analysis of changes in the outstanding exposures is as follows:

	Stage 1 (12-month ECLs)	Stage 2 (Lifetime ECLs)	Stage 3 (Lifetime ECLs – impaired)	Total
Outstanding exposure as at 31				
December 2023	873,476,485	19,437,360	31,051,103	923,964,948
Addition	1,189,342,500	—	—	1,189,342,500
Recovery	(1,161,123,741)	—	—	(1,161,123,741)
Transfers to Stage 2	(60,660,000)	60,660,000	—	—
Transfers to Stage 3	(841,035,244)	(80,097,360)	921,132,604	—
Amounts written off	—	—	(952,183,707)	(952,183,707)
At 31 December 2024	—	—	—	—

An analysis of changes of the corresponding expected credit losses (“ECLs”) is as follows:

	Stage 1 (12-month ECLs)	Stage 2 (Lifetime ECLs)	Stage 3 (Lifetime ECLs – impaired)	Total ECL Allowance
ECLs as at 31 December 2023	31,357,806	2,297,540	17,563,407	51,218,753
Net charge of the impairment	—	—	900,964,954	900,964,954
Transfers to Stage 3	(31,357,806)	(2,297,540)	33,655,346	—
Amounts written off	—	—	(952,183,707)	(952,183,707)
At 31 December 2024	—	—	—	—

30 June 2025				
Ageing analysis	Gross carrying amount		Expected credit loss	
	Amount	Percentage	Amount	Expected credit loss rate
Up to 90 days	2,098	3.38%	—	0.00%
91 to 365 days	4,200	6.78%	—	0.00%
Over 365 days	55,689	89.84%	55,689	100.00%
Total	61,987	100.00%	55,689	89.84%

31 December 2024				
Ageing analysis	Gross carrying amount		Expected credit loss	
	Amount	Percentage	Amount	Expected credit loss rate
Up to 90 days	—	0.00%	—	0.00%
91 to 365 days	—	0.00%	—	0.00%
Over 365 days	55,689	100.00%	55,689	100.00%
Total	55,689	100.00%	55,689	100.00%

9. SHARE CAPITAL

	As at 30 June 2025	As at 31 December 2024
Issued and fully paid	600,000,000	600,000,000

10. EVENTS AFTER THE REPORTING PERIOD

There were no significant events after the reporting period.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the six months ended 30 June 2025, the Group continued to pursue business opportunities and strengthen its market position. For the six months ended 30 June 2025, the Group recorded interest income of nil, representing a decrease of 100% as compared to approximately RMB26.0 million in the corresponding period in 2024; and loss after tax of approximately RMB6.7 million, as compared with the loss after tax of approximately RMB9.4 million for the six months ended 30 June 2024. The decrease in loss was primarily attributable to the decrease in provision for impairment losses of loans and other receivables, net for the six months ended 30 June 2025. The total assets of the Group as at 30 June 2025 were RMB43,709, representing an increase of approximately 10.4% as compared to approximately RMB39,575 as at 31 December 2024, and net liabilities were approximately RMB205.9 million as at 30 June 2025, representing an increase of approximately 3.4%, as compared to approximately RMB199.2 million as at 31 December 2024.

Number of customers

Our customer base primarily comprises individual proprietors in Yangzhou City. Our customers are engaged in a variety of industries, and a majority of which are also under the classification of AFR (三農) (i.e. agriculture, farmers and rural areas or, as the case may be, individuals or organisations engaged in agricultural businesses and/or rural development activities, and/or residing in rural areas) of the People's Bank of China. With high uncertainties in the economic environment, the operation status of some customers no longer aligns with the credit policies of the Company. Accordingly, the Company increased credit limits for some premium regular customers, resulting in increase in loan concentration this year, which also brought improvement in the situation of new overdue loans in current period. The Company will keep balancing benefit and risk, and actively respond to changes of economic environment. For the six months ended 30 June 2024 and six months ended 30 June 2025, we granted loans to 135 and nil customers, respectively.

FINANCIAL REVIEW

Interest income

Our interest income decreased by 100% from approximately RMB26.0 million for the six months ended 30 June 2024 to nil for the six months ended 30 June 2025. The Group's interest income on loans receivable is mainly affected by two factors: the daily balance of loans receivable and the effective interest rates that the Group charges to its customers. The Group's average daily balance of loans receivable decreased from approximately RMB925.3 million for the six months ended 30 June 2024 to nil for the six months ended 30 June 2025, attributable to the entire provision for impairment losses of loans, accounts and other receivables in previous years.

Interest expense

Our interest expense was RMB46,530 and nil for the six months ended 30 June 2024 and 2025, respectively. The amount for the six months ended 30 June 2024 was from recognised lease liabilities related to the lease contracts in respect of our office.

Impairment losses on loans and accounts receivables and other assets

We had accrual of provision for impairment losses of approximately RMB33.9 million and nil for the six months ended 30 June 2024 and 2025, respectively. Such decrease in accrual of provision for impairment losses was mainly due to the fact that almost all impairment provided to loans and accounts receivables was recognised for in previous years.

Administrative expenses

Our administrative expenses decreased by approximately 72.5% from approximately RMB4.2 million for the six months ended 30 June 2024 to approximately RMB1.2 million for the six months ended 30 June 2025. Such decrease was primarily due to the decrease in (i) depreciation and amortisation; (ii) auditor's remuneration; and (iii) staff costs of the Group's subsidiaries for the six months ended 30 June 2025.

Other income, net

We had net other income of RMB22,621 and net other expenses of RMB14 for the six months ended 30 June 2024 and 30 June 2025 respectively. Such decrease was primarily due to the decrease in income from other sources.

Income tax benefit

Income tax benefit decreased by 100% from approximately RMB3.0 million for the six months ended 30 June 2024 to approximately nil for the six months ended 30 June 2025. Such decrease was primarily due to the decrease in loss before tax of the Group for the six months ended 30 June 2025.

Loss after tax

We recorded a loss after tax of approximately RMB6.7 million for the six months ended 30 June 2025 as compared to approximately RMB9.4 million for the six months ended 30 June 2024, which was mainly due to the decrease in provision for impairment losses on loans and accounts receivables and other assets in the current period.

Total comprehensive loss

We recorded a total comprehensive loss of approximately RMB6.8 million for the six months ended 30 June 2025 as compared to approximately RMB9.8 million for the six months ended 30 June 2024, which was mainly due to the decrease in provision for impairment losses on loans and accounts receivables and other assets in the current period.

Significant investments

The Group has no significant investments during the six months ended 30 June 2025 and up to the date of this announcement.

Material acquisitions or disposals of subsidiaries, affiliated companies and joint ventures

The Group has no material acquisitions or disposals of subsidiaries, affiliated companies and joint ventures during the six months ended 30 June 2025 and up to the date of this announcement.

Future plans for material investments or capital assets and expected sources of funding

The Group has no specific future plans for material investments or capital assets during the six months ended 30 June 2025 and up to the date of this announcement.

Foreign exchange risk

The Group operates principally in the People's Republic of China (the "PRC") with only limited exposure to foreign exchange rate risk arising primarily from certain bank deposits denominated in Hong Kong dollars ("HKD"). The management will continue to monitor foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arises. As at 30 June 2025, the Group did not have any outstanding hedge instruments.

Liquidity, financial resources and capital structure

As at 30 June 2025, the Group had cash and cash equivalents of approximately RMB0.03 million (31 December 2024: approximately RMB0.03 million). The Group's gearing ratio, representing the ratio of total net debt (interest bearing liabilities excluding lease liability) divided by capital and net debt, was nil as at 30 June 2025 (31 December 2024: nil).

During the six months ended 30 June 2025, the Group did not use any financial instruments for hedging purposes.

Treasury policy

The Company adopts a prudent financial management strategy in implementing the treasury policy and a sound liquidity position was maintained throughout the reporting period. The Group assesses its customers' credit and financial positions on an ongoing basis so as to minimize the credit risks. In order to control the liquidity risks, the Company would closely monitor the liquidity position of the Group to ensure its assets, liabilities and its liquidity structure would satisfy the funding needs from time to time.

Indebtedness and charges on assets

The balance of lease liability was nil as at 30 June 2025 (31 December 2024: nil). The Group did not have any other indebtedness and charges on assets except for lease liability during the six months ended 30 June 2025.

Contingent liabilities

The Group did not have contingent liabilities not provided for in the financial statements as at 30 June 2025 (31 December 2024: nil). The Group provides financial guarantee services on an occasional basis.

Off-balance sheet arrangements

The Group did not have any off-balance sheet arrangements during the six months ended 30 June 2025 and up to the date of this announcement.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2025 (2023: nil).

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2025, the Group had 2 full-time employees (31 December 2024: 2 full-time employees). The quality of our employees is the most important factor in maintaining a sustained development and growth of the Group and to improve the profitability of the Group. We offer a base salary with bonuses based on our employees' performance, as well as benefits and allowances to all of our employees as an incentive. The total employees remuneration of the Group for the six months ended 30 June 2025 was approximately RMB1.0 million (for the six months ended 30 June 2024: approximately RMB1.6 million). The Company devotes adequate resources to staff training on professional skills, operation process, knowledge, corporate culture and morality in order to enhance our staff's abilities and the social influence of the Company, including staff induction trainings and several professional skill trainings after induction every year.

CORPORATE DEVELOPMENT STRATEGIES AND OUTLOOK

The objective of the Company is to become a leading regional micro-finance company focusing on fulfilling the interim business financing needs of micro-enterprises and individual proprietors.

Since the beginning of this year, China has witnessed the gradual surface of the effects of a series of macroeconomic policies, the constant recovery of endogenous energy and the continuously improving social expectations, which will further enhance the steadily upward trend for economy boosted by consistently accumulating and increasing factors. Nevertheless, it is notable that the rising complicated, severe and uncertain external circumstances has impeded the foundation for the stably improving trend for economy.

Due to the prolonged slump in the real estate market, some of the Company's customers involved in real estate-related upstream and downstream industries are in poor operating conditions. The Company continues to maintain prudent business operations, adjust the structure of its customer groups in a timely manner, reduce credit extensions to these customers who are in poor operating conditions, and increase the credit line of the industrial supply chain customers base of affiliated enterprises with low risks. Meanwhile, the Company increased credit limits for some premium regular customers, resulting in a constant increase in loan concentration for the first half of 2024, which also brought continuous improvement in the situation of new overdue loans in current period. The Company will keep balancing benefit and risk, and actively respond to changes of economic environment.

The Chinese government has attached more significance to its work for three rural enterprises by improving the development, construction, and governance of rural industries, promoting urban-rural integration and coordinated development among regions, and vigorously optimizing economic distribution. Most of our customers who are engaged in the three rural industry will benefit from the supporting policies. We expect our customers will have a lower risk of default in repayment of loans. Meanwhile, we will stay cautious on the development of the economy, continue to assess its impacts on the financial position and operating results of the Group and take necessary actions to maintain the stability of its businesses, and has continued to implement more stringent risks control measures in order to reduce the expenditure and to achieve cost effectiveness. The Group will continue to develop steadily, seizing new opportunities and scaling our businesses to reach new levels of growth in order to maximize the protection of the shareholders' interests.

PUBLIC FLOAT

According to the information disclosed publicly and as far as the Directors are aware, during the six months ended 30 June 2025 and up to the date of this announcement, at least 25% of the issued shares of the Company are held by public shareholders and the Company has maintained the prescribed public float required by the Listing Rules.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

The Group did not purchase, sell or redeem any of the Company's listed securities (including sale of treasury shares (as defined under the Listing Rules)) during the six months ended 30 June 2025. As at 30 June 2025, the Company did not hold any treasury shares.

AUDIT COMMITTEE

The Company established an audit committee (the "**Audit Committee**") on 31 January 2015 in accordance with Rules 3.21 to 3.23 of the Listing Rules. The written terms of reference of the Audit Committee was adopted in compliance with paragraphs D.3.3 and D.3.7 of Part 2 of the Corporate Governance Code. The primary duties of the Audit Committee are to review and supervise the Group's financial reporting, risk management and internal control systems, oversee the audit process and to provide advice and comments to the Board. The Audit Committee consists of three independent non-executive Directors, being Mr. Hung Hing Man, Ms. Cheung Sau Lin and Mr. Chan Man Chun. Mr. Hung Hing Man currently serves as the chairman of the Audit Committee. The Audit Committee has reviewed this interim results announcement and the unaudited consolidated financial statements of the Group for the six months ended 30 June 2025 and was of the opinion that the preparation of such statements complied with the applicable accounting standards and requirements of the Stock Exchange and legal requirements, and that adequate disclosures have been made.

CORPORATE GOVERNANCE

The Company has complied with the requirements of the Corporate Governance Code set out in Appendix C1 to the Listing Rules during the six months ended 30 June 2025 and up to the date of this announcement.

* *For identification purpose only*

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

The Company adopted a code of conduct regarding securities transactions by Directors and the Supervisors (the “**Code of Conduct**”) on terms no less exacting than the required standard of dealings as set out in the Model Code contained in Appendix C3 to the Listing Rules. Having made specific enquiry of all Directors and Supervisors, the Directors and Supervisors have confirmed that they have complied with such Code of Conduct and required standard of dealings during the six months ended 30 June 2025 and up to the date of this announcement. The Company continues and will continue to ensure compliance with the Code of Conduct.

EVENT AFTER THE REPORTING PERIOD

Up to the date of this announcement, there has been no significant event relevant to the business or financial performance of the Group that comes to the attention of the Directors after the six months ended 30 June 2025.

INTERIM REPORT

The interim report of the Company for the six months ended 30 June 2025 will be sent to the shareholders of the Company in the manner in which the shareholders of the Company have selected to receive corporate communications and made available on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.gltaihe.com).

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 1 April 2025 and will remain suspended until the Company fulfils the resumption guidance issued by the Stock Exchange. The Company will make further announcement(s) as appropriate or as required under the Listing Rules and the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
**Yangzhou Guangling District Taihe Rural
Micro-finance Company Limited**
Tian Zhenyong
Chairman

Yangzhou, the PRC, 30 September 2026

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Tian Zhenyong, Ms. Huang Min and Mr. Zhang Zhou; one non-executive Director, namely Mr. Lu Qi; and three independent non-executive Directors, namely Mr. Hung Hing Man, Ms. Cheung Sau Lin and Mr. Chan Man Chun.